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“Matrimony.com Q2 FY25 Earnings Conference Call”

November 07, 2024

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MODERATORS: **MR. ABHISHEK BANERJEE – ICICI SECURITIES**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Matrimony.com Q2 FY'25 Conference Call.

As a reminder, all participants' line will be in listen-only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Abhishek Banerjee from ICICI Securities. Thank you. And over to you sir.

Abhishek Banerjee: Hello, everyone. On behalf of ICICI Securities I welcome you to the Q2 FY'25 Earnings Call of Matrimony.com.

Representing the Company, we have, Mr. Murugavel Janakiraman – M.D., and CEO and Mr. Sushanth Pai – CFO.

Thank you for the opportunity to host this call. Over to you, Mr. Janakiraman for your Opening Remarks.

Murugavel Janakiraman: Thank you, Abhishek Banerjee. Good evening, everyone.

In Q2, due to seasonality, we had a decline both on quarter-on-quarter basis and year-on-year basis. While we had two consecutive challenging quarters, things have started progressing in the right direction. The first thing is the profiles have started to bounce back. We are having a good increase in profiles.

Coinciding with the massive upcoming wedding season where over 4 million people are expected to tie the knot, we have launched 360 deg. Great Indian Matchmaking Fest Commercial across India, where we are giving special benefit to our paid users like discounts from over 200-plus clients.

We also started seeing the uptick in their first payment. Due to two quarters of decline, renewal will may take one more quarter, we will see renewal payments to bounce back from Q4 onwards.

We have taken Anil Kapoor as a brand ambassador to promote Community-based Matrimony site. We are strengthening our offering and the processes to increase the momentum in the coming quarter.

Now to state that we have launched the following offerings:

We launched app "luv.com" in the matchmaking space to address next-generation serious relationship. The offering will focus on the theme of love before marriage, there we are building a clear differentiation and addressing the market potential in India. We needed to monitor this a couple of quarters down the line.

We are also experimenting a commission-based model in the wedding services under a brand called “MakeMyWedding” in Chennai. This is designed to connect customers with a set of curated experienced vendors in the initial phase and offering exclusive deals and support through a dedicated relationship manager. Whether the customer looking to get married, whether looking for a single service or range of services, they need to pay a subscription fee to avail the services. Our relationship manager will understand the requirements and he will set up a curated service provider. When does the customer interested, we also get a better deal, we also get a commission from the service providers. This service is being piloted in Chennai. And apart from the discounts and getting the service from the trusted reliable service provider, customers also get special discounts on the shopping from the top brands. We have already tied up with the top brands in Chennai, including brands like GRT to get a special discount on the jewellery shopping.

We launched a new line of business called “manyjobs.com” to focus exclusive on frontline and entry level jobs. The initial launch completed for the Tamil Nadu market in both English and vernacular. The initial phase will be built the ecosystem to get traction in Tamil Nadu. We need to keep this free till we reach a critical benchmark, accept and success. So, this job portal is a sort of a India-first, the Gray colored job portal and focusing exclusively on the front end entry level jobs, and then the focus is only on Tamil Nadu at this point of time.

We are in the process of launching a business in the area of wedding loans. The customer first do see lending platform creating an industry-first dedicated category for facilitating wedding loans in collaboration with the leading institution. This product will be launched during this month.

I am also excited, and I am proud to state that matrimony.com has officially been certified a Great Place to Work by an assessment conducted by Great Place to Work India based on the feedback received from all our associates. This recognition reflects our commitment to fostering a culture of trust, respect and collaboration complemented by dedication and contribution of leaders and all our associates.

Now, coming to the “Results”:

In Q2, the reason already explained, we registered a billing of 111 crores, a decline of 5.5% quarter-on-quarter and 5.2% year-on-year. Revenue at 115.5 crores, a decline of 4.2% quarter-over-quarter and 5.5% year-on-year.

The key area for the matchmaking business for Q2 are as follows:

The billing at Rs.109.9 crores, a decline of 5.5% quarter-over-quarter and 4.3% year-on-year. Revenue at Rs.114.3 crores, a decline of 3.7% quarter-over-quarter and 4.1% year-on-year.

We added 2.4 lakhs paid subscription during the quarter, a decline of 6.4% quarter-over-quarter and 4.9% year-on-year.

ATV for the matchmaking business has been planted both on a quarter-over-quarter and year-on-year basis. We create about 30,600 plus success stories.

Now, coming to the marriage service business and other businesses which include that investment and the making of other initiatives, the billing were at Rs.1.18 crores, a decline of 2.3 percentage quarter-over-quarter and 47.6% year-on-year. Revenue was Rs.1.24 crores, a decline of 37.2% quarter-over-quarter and 49.1% year-on-year. Loss in the quarter was Rs.3.64 crores as compared to losses of Rs.2.21 crores in Q1 of FY'25. Losses have increased mainly due to investment in the launch of new initiatives.

On the billing and revenue outlook for Q3, the matchmaking billing expect to come back to the growth levels in Q3. However, there will be revenue decline due to the muted billing growth in Q2. In Q4, we expect both billing and revenue growth to move to a better levels. Marriage services, we expect to be at a similar level of Q2.

Now, let me pass on to Sushanth to comment on the key profit highlights. Sushanth, over to you.

Sushanth Pai:

Thanks, Muruga.

Our EBITDA margin for the matchmaking business in Q2 is at 22.6% same as in Q1 and increased as compared to 21.3% a year ago. Marketing expenses for matchmaking in Q2 is at 45.2 crores as compared to 47.1 crores in Q1 and 46.1 crores a year ago. So, you would have observed we have optimized the marketing expenses a bit in this quarter. Excluding marketing expenses, our margins in the matchmaking business is at 62%, same as in Q1 and 60% a year ago.

On a consolidated basis, our EBITDA margins in Q2 are at 15.2% compared to 16.7% in Q1 and 15.1% a year ago. Tax rate in the quarter is at 23.3%. Profit after tax is at 13.2 crores, a decline of 5.8% quarter-on-quarter and growth of 5% year-on-year. Share of Q2 loss from Astro-Vision which is our associate Company, is 3.5 lakhs. Our cash balance is at 379 crores, declined slightly as compared to Q1 due to the dividend payout. ROC annualized is at about 13%.

On the outlook for Q3 margins, we expect the profit after tax to be lower than the levels of Q3 of last year due to the investments in the new areas.

I would like to end with the customary Safe Harbor Statement. Certain statements during this call could be forward-looking statements on our business. These involve a number of risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. We do not undertake to update any such forward-looking statements that may be made from time-to-time by or on behalf of the Company unless it is required by law.

We can now open the floor for Q&A.

Moderator:

We will now begin the question-and-answer session. The first question is from the line of Rushabh Shah from Buglerock PMS. Please go ahead.

Rushabh Shah: A few questions from my side. So, since you were spending more in the non-South markets for the expansion purpose, so how have you benefited in the terms of revenue and what are your further expansion plans?

Murugavel Janakiraman: Thank you, Rushabh Shah, Actually so we now started investing because in the last two quarters we have seen that we have not done much on the North India and once again we started investing. We launched the “Great Indian Matchmaking Fest”, the campaign in North India. We also taken Anil Kapoor as a brand ambassador pretty much for the north and western markets. So, intend to invest in the north market in particular. We see that the market where that overall the advertisement spend has come down and we also did not invest much in the market for the last couple of quarters and coinciding wedding season we see that now to March, there are 4 million weddings are taking place and we intend to leverage that wedding season and also that we realize the need to investing in the northern market. We also see the opportunity in the Community-based Matrimony set up. The reason we have got Anil Kapoor as a brand ambassador. So, going forward, we intend to invest in the north market.

Rushabh Shah: What I understand from this industry is more the marketing spend, more you are competitive and more you are there in the industry. So, is it about the survival of the fittest like who can spend more and who can create more brand image in the either people?

Murugavel Janakiraman: See, the thing is that definitely in this category, we have seen that increase in marketing spend much more than what was warranted. But of late we are seeing that some other market and some other player that is the marketing spend has come down, it's something market specific reduction in the marketing spend or also a player-specific. Generally, a #3 player, they fairly now can reduce the marketing spend and #2 player again they've been advertising in various markets, in some other market are investing heavily. And we realize that the competition intensity will continue to be there while it's not that all the players stopped advertising. So, in a way that as I said in the past the high marketing spend may not continue for long term. It's already seen happening in one of the players. We continue to maintain a certain threshold as a leader in the category. As we progress we hope that things can get optimized. Having said that, even marketing spend, it cannot go beyond certain limit, there's no point in spending beyond certain threshold. However, as the leader, we need to maintain certain level of visibility and to ensure that our brands are there, sufficient reach and the brand visibility. And also the way that the media also is moving today not only TV there's other forms of media also, the media shift has been happening. So, you have to have the presence in various media. So, yes, there is increase in marketing spend happening in the category because of the other players spending that money. If that comes down, we also may reduce the marketing spend.

Rushabh Shah: My next question is the elite or senior matrimony. Since a completely different type of clients we have with more ARPU, so do we have any plans to grow that particular business? It's very small but very profitable kind of business for us.

Murugavel Janakiraman: Yes, absolutely right. So, you may know that today we have a presence in various airports. We are the first Company to set up exclusive experience centers in the various airports. Today, we

have a presence in eight airports across India for EliteMatrimony and we are definitely looking at EliteMatrimony as you rightly state the premium segment is an opportunity though it's small at this point of time. So, we intend to focus, we intend to grow that business as well. So, the reasons for setting up our EliteMatrimony experience centers in various airports to create enhanced visibility for the EliteMatrimony, so that we have been doing it.

Rushabh Shah: My next question is though customers who do not find their match and are in the mid type of service, not in the elite, not in the below type of services, in the mid segment move up the service.

Murugavel Janakiraman: No, the thing is that for us, Rushabh is that we are selling the right packet to the customer, what is the appropriate package for the customer. So, not all the customer can move up. Elite matrimony intended for the rich and even for the elite. If someone do not found a live partner in the package doesn't mean they move to elite. Elite needs a certain level of network or certain criteria to be in matrimony. So, our approach has always been selling the right package to the customer. So, the customer can use the online package. We are happy for those customers to take online package, some customer needs assistance or better, faster matchmaking we may recommend actually matchmaking service. It's not that people move up, it's based on their socioeconomic status and what kind of products they need.

Moderator: The next question is from the line of Madhur Rathi from Counter Cyclical Investment. Please go ahead.

Madhur Rathi: Sir, I wanted to understand in the marriage services business, your revenue has kind of flattened. I am trying to understand when can our losses reduce or if you have any plans for making the segment profitable and similarly on the revenue what kind of growth can we expect from the segment over the next two to three years?

Murugavel Janakiraman: Sorry, the line was not clear. The question was about marriage services, if that is your question, right, Madhur, let me explain. So, wedding services, there's a WeddingBazaar is there with a marketplace model. And while that is at a certain level and we see that business has a certain level of potential, but we are looking at the commission-based model. We believe that can be a better opportunity which again we are piloting in Tamil Nadu at this point of time in Chennai. So, basically, instead of the WeddingBazaar model where we generate the lead and pass on to the vendor, get a subscription revenue from vendor, we are looking at getting a commission from the vendors. So, that's the model we are piloting it. We think that maybe a better model. Again, however, it's still in the early stages. We want to try it out and see whether we could be able to make it successful. So, we are confident about pivoted to this model, we believe we will be able to make it successful. So, probably a better update in the coming quarters and if this business takes up then we could be able to reduce the losses and also move to a better growth in wedding services.

Madhur Rathi: As I understand, sir, this business seems much more lucrative from our main business and it looks like that it can grow much faster. So, on the growth side and at what level can we expect at least a break even from this commission if you can just help us understand how are you

planning because I guess in investor presentation we have highlighted that we have a network of 200,000 vendors, so if you could just help us understand how can this become profitable as well as what kind of revenue growth can we expect going forward over the next two to three years from the segment?

Murugavel Janakiraman: See, the wedding services today is very miniscule. To be able to get the product markup, right, MakeMyWedding where you facilitate wedding services, where you get the money from the customer is also committed to vendor, if this picks up and we are able to make it right, then obviously we may see a better growth. However as I said it's still in the very early stage, we have just been piloting in the last month or so. So, too early to comment on that. Again, I told you, it's a very miniscule at this point in time in the overall scheme of things compared to talking about wedding as industry, and the next four months alone, the expectation will be that 3 crores we spend on wedding-related services. So, that's a massive opportunity. However, you have to get the current model, WeddingBazaar seems to be sort of having certain challenges. We are now piloting this model. Let's see how it progresses. If it progresses, growth can be much better; however, it's still too early to comment on this.

Madhur Rathi: We are currently doing a buyback schedule. Why are we doing a buyback at such a premium, sir? There was an opportunity to do buyback before I guess 30th of September where you could have got the relaxation benefit, but even that we lost it. So, I am trying to understand why did we deploy this capital much more efficiently than like right now doing a buyback?

Murugavel Janakiraman: Basically, the board evaluates the various ways to reward the shareholders, and so these are the second buyback and we discussed with the board and we thought it's better to set at certain second premium and it was a board decision on the buy back. Again, as I said, one of the ways to reward the shareholders.

Moderator: The next question is from the line of Mr. Abhishek Banerjee. Please go ahead Sir.

Abhishek Banerjee: In the matchmaking services business, the billings number growth has still been subdued, though your commentary kind of suggested that there are going to be a lot more weddings over the next few months. So, how do you kind of correlate those two data points?

Murugavel Janakiraman: So, basically, Abhishek, so we are just focusing on the new model of wedding services. That's where the focus is. So, we want to cut down the losses in the other form of wedding services though want to focus on the MakeMyWedding. So, this model again, we told you, with this thing kind of piloting only in Tamil Nadu, we just want to get the product right and offering right before we take to the other market. The reason for the decline is because of the way optimizing the cost, optimizing certain things. So, we want to run the existing business at a certain level and try to achieve the break even and profitability and investing in the new offerings in the wedding service. So, that was the reason we see that.

Abhishek Banerjee: I am talking about matchmaking services.

Murugavel Janakiraman: I am sorry. So, matchmaking, what we have seen is that in the last couple of quarters, some of the market particularly in India, that there's a prolonged no auspicious days for weddings particularly market like in South or in some other markets. So, that is one of the reasons. We also saw that post-COVID where the spike in profile and after that it became subdued in terms of profile growth. However, as we take, the things have started to bounce back, the profiles have started growing and also wedding season has started and we also made some changes in the way we do things. So, the good thing is that the profiles have bounced back and even in the month of October, there is an increase in fresh payment, even in the month of November as we speak there is an increase in the first-time payment. But the renewal may take one more quarter because since we are two quarters of decline, it may take one more quarter to bounce back. So, while in this quarter we may move to the growth level, it still may be very, very marginal, but starting Q4 we see that both fresh and renewal moves up, we'll move to the growth levels in both on billing level and revenue level. We believe that I think the first half these things happened in the history of matrimony. We hope we don't get into any degrowth henceforth. I think that's where we have started chasing and working out things. We also executed on new ideas, new things. I believe we are in the right path. I think starting now we'll be getting to the growth trajectory.

Abhishek Banerjee: But just to understand, what kind of volume and what kind of realization growth are we expecting going ahead?

Murugavel Janakiraman: We may expect some increase in ARPU slightly possibly from Q4 onwards and volume may also increase. But we are not giving a number at this point of time. We have to wait and see how the whole thing would work out, but definitely this outlook is there maybe increase both in ARPU as well as –

Abhishek Banerjee: So, it will be volume-led, that we can assume, right, that is -

Murugavel Janakiraman: Yes, we expect volume growth and some margin increase also in ARPU may happen.

Abhishek Banerjee: Sir, given you are also extending your presence in northern markets, how do you expect suddenly to increase ARPU on top of that, so, are there any additional services that you are going to be offering within matchmaking, how will you manage to do this?

Murugavel Janakiraman: The one thing is about online matchmaking. We also have premium services. Now, we have asset side service, elite service, and also Q4 is normally a good quarter, so a combination of the increase in the personal services. So, we expect there will be some margin increase, but mostly will come from the volume growth.

Abhishek Banerjee: One of your competitors seems to be doing slightly worse off because of whatever fallout with their backers and all. Do you really see any consolidation happening from that side?

Murugavel Janakiraman: No, we don't see anything at this point of time, but if at all any opportunity we'll evaluate.

Abhishek Banerjee: Now, if I come to the wedding services part of the business, there are startups which have gotten into it and they seem to have found a product market fit of some sort. Is there anything that you

are learning from them? Is that new strategy kind of based on that or is it something we are trying on experimental research?

Murugavel Janakiraman: See, the category, Abhishek, is large enough. So, different models can evolve. So, at this point of time, we initially began with the marketplace model. Now we are thinking about this commission-based model. So, when the category is large enough, different models may work. But based on our experience, based on the large number what you have studied, at this point of time we think this is the model we want to go ahead with so let's see how it works.

Abhishek Banerjee: This one is on the new business that you have started in the employment space. So, that is also kind of taking on one of your competitors head on and that Company has notoriously been increasing their ad spends in the last couple of years. Any reason why you are suddenly getting aggressive on this? Is this a planking strategy or is it something that you really believe can become a growth driver for you in the future?

Murugavel Janakiraman: No, we definitely think growth can be there for long run because we are being in the business for almost two decades, we understand that consumer went up fairly very well. We have not launched yet another job portal. So, in a way we launched sort of first-of-this-kind. It's focused on frontline and gray color job. So, we are keeping this at this point of time limited only to Tamil Nadu because we see most of the openings, even most of the attrition, it's pretty much in that segment front-end entry-level jobs. We have kept it as bilingual. We want to try it in one market. So, we are in a way not competing with any player in this space, we are not competing with the other established player. So, we are just focusing on the one segment of the front entry level sort of gray color jobs. That's our focus. So, again, we want to keep it at this point of time to get it free and we are getting a reasonable number of resumes on a daily basis. And once we reach a threshold based on the acceptance, then we may intend to monetize, may take it to other markets. Time being we saw an opportunity keeping a long-term outlook of opportunity in India and based on our experience we feel there's an opportunity in this space.

Moderator: The next question is from the line of Darshan Shah from Multi-Act Equity Consultancy Private Limited. Please go ahead.

Darshan Shah: So, my question is regarding this comment that you made with respect to profit for the next quarter. So, you mentioned that the profit could be lower next quarter. So, I just wanted to understand this is because of certain investments that we are doing and would they be in the existing segment or it would be in the new segment?

Murugavel Janakiraman: So, it's a combination of both. The reason the profit will be slightly less is on account of one is that we had a billing degrowth in Q2. Billing in Q3 may move out, but the revenue will be down on account of the lower billing in Q2, plus some other initiatives we launched, that new initiative may call for some investment, so plus also the Q3, the wedding season has started. So, there maybe some increase in marketing on our core business also. The combination of some increase in marketing in the core business plus also investing in new business, it may lead to a some drop in the revenue compared to the earlier years. However, we are making an investment, we expect

the Q4 where both revenue will move up and billing will move up, so the profit also start move up from Q4 onwards.

Darshan Shah: With respect to the Google, so there was this benefit that we were supposed to get around three percentage points. When should we see that kind of flowing through?

Sushanth Pai: I think what you are referring to is that last year we had Google, right, and this year we don't have, that benefit has not come. See, this year, what has happened is like Muruga discussed, Q2 has been a muted quarter, there has been billings fall. And in this year, Q1 also had an unusual number of inauspicious days. So, both put together the Q1 billing also fell, otherwise usually Q1 is a strong quarter for us. So, that created a lower revenue in Q2. And therefore, the overall PAT has come down as compared to rather that Google benefit has not come back to us. So, we believe that as we go along when things bounce back, we are seeing like we said the fresh is coming back, the renewal may bounce back in Q4 and with all of these new initiatives, with focus on personalized services, creating this Great Indian Matchmaking Fest, all this put together in Q4 we believe that some effect of the profit should come back.

Moderator: The next question is from the line of Rushabh Shah from Buglerock PMS. Please go ahead.

Rushabh Shah: What is the criteria for EliteMatrimony? Suppose, the person wants to show his profile on the EliteMatrimony, so is there a huge screening process or anyone can be on the EliteMatrimony profile?

Murugavel Janakiraman: No, not anyone can be in EliteMatrimony, you have to be elite to be part of EliteMatrimony based on networth or income above certain threshold or based on your education or profession. Only meeting certain criteria he can be part of EliteMatrimony. It's a private database. It's a confidential database. It's also relationship management. By paying money doesn't get you to elite.

Rushabh Shah: One question is on the profile. Safety is one of the most important things for us in the matrimony platform because we hear a lot of scams we have to do this. So, what are we doing on those fronts like lead profiles getting leaked, fake profiles and what are -?

Murugavel Janakiraman: It's not elite is public, by the way elite is private.

Rushabh Shah: Not just talking about the elite betterment. In general?

Murugavel Janakiraman: While there are like security measures where the ID verified profiles are there and each and every profile go through the mechanism. However, there are some challenges. That's a fact. So, there are some people misuse the photos or sometime there are fraudsters try to use the portal to create a platform and try to scam people. But when we get millions of profiles, there are 6, 7 million people added to a platform, the number of such things are however very miniscule. As a brand need to be from a trusted player, leading player being a panel in this space we need to continue to evolve and figure out ways to do that. While continue to evolve but still there are some challenges at this point of time. In fact, a year before we got Vidya Balan, as a brand

ambassador to educate people on this online matrimony scams. However, the numbers are miniscule, it's a concern, it's one of the challenges industry is grappling with. So, not only in online matrimony, online industry are facing various forms of fraud. So, there are challenges in our categories about these kind of some frauds and all the things. We need to figure it out. I am sure as we progress we could able to figure out the ways to address these users. Other challenge is not only the profiles are kind of individuals, there are parents and also relatives also user profiles. It's not just created by sales which are of 75%, but there are some challenges, we continue to educate, we also continue to evolve and figure out how to completely stop. But at this point of time, there's no foolproof mechanism to address this one. So, however, the message we will take, it's about user being diligent about it and while our education will communicate to the people that don't send money to any prospect for whatever reason, but still some people end up in getting duped. So, fraud is one of the challenges, though small, but it's the industry problem that we need to address it.

Rushabh Shah: My next question is after someone has got married on Matrimony.com, so do you meet with them, or do you call them for their feedback and how do you improve on the negative ones?

Murugavel Janakiraman: We constantly get feedback from customers. So, product improvement is a continuous process, service improvement is on an ongoing basis. So, that's happen regularly. We also reach out to the people who are getting married through us.

Rushabh Shah: Any of the negative feedback would you like to say if you have got and you corrected them?

Murugavel Janakiraman: No, no, see, we are dealing with millions of users with a particular service category, we are not offering any product. So, definitely there are ongoing feedback on the product side and how to do that, it's an ongoing thing, so nothing one specific I can tell, suggestion of ongoing events happening because we are talking with the millions of users.

Rushabh Shah: My next question is we have stated in 2022 that the WeddingBazaar will be 100 crores business in the next three to four years. So, are we on that path and how far are we from that sir?

Murugavel Janakiraman: No, as we told, we are trying out a new model. So, that depends on how successful new model is going to evolve into. So, at this point of time, we are piloting it, it is too early. We are talking about a very large industry and if we achieve and become successful, but depends on how well we execute and how well that people are accepting this opportunity, it all depends, but we believe there's a big opportunity, but we have to execute well and ensure that the opportunity what we launch became highly successful.

Rushabh Shah: My last question is, as you said, you were in this business for a couple of decades. So, how has the transition been on the online marriages in the past, let's say, eight to nine years? Have people been more accepting to do a marriage online which they didn't think about it before?

Murugavel Janakiraman: Absolutely. So, today online matrimony is one of the most preferred source of finding life partners for anybody who is looking at getting married. The industry is doing more than two

decades and it's well accepted and most preferred method of finding out the partners. So, that is already happening.

Moderator: The next question is from the line of Amit Saxena, an individual investor. Please go ahead.

Amit Saxena: I understand that we are a market leader and we have a market share close to 60% Pan India. But when it comes to the region wise split, I would like to know what kind of market share we have regionally? I understand in South we are at the top, but probably in north we are weaker. So, can you give us the sense of the market share in the four regions?

Murugavel Janakiraman: While definitely we have a very high market share in the South and definitely we are a leader in west as well as in the east. Very difficult to quantify what level of leadership in the west and east, but definitely one other player we need to definitely catch up. That's the reason now we have kind of once again started investing in the North Indian market, as I said, we have got Anil Kapoor as a Brand Ambassador for Community Matrimony and we also started investing big for the upcoming wedding season, we launched a Great Indian Matchmaking Fest. So, we hope that going forward with that focus on the North Indian market with both our Community Matrimony as well as for Bharat Matrimony, we believe that we could increase the market share in North India. So, at this point in time, what is the exact percentage? One thing is we definitely need to catch up one market but we hope we can make inroads in the north Indian market.

Amit Saxena: So, related to that, the marketing expense that we do on a yearly basis, which probably went from 150 crores to say 200 crores which is the annual run rate, is it right to assume that a larger portion of that goes to the North Indian market where you want to capture?

Murugavel Janakiraman: North is definitely an expensive market. Yes, some portion will go in north market. Again, the marketing spend also some time based on seasonality. We have also done some adjustment. It's not a static investment of so much goes to North India. Within the marketing thing depends on seasonality, depends on the opportunity, we do some kind of adjustment in the marketing campaign. For the last couple of years, we did not invest in North Indian market, now we'll see the time to invest in the North Indian market. So, those kind of adjustment you do and again our budget is broad-based across India. So, we do spend some moment of money in the north Indian market, but north is quite expensive market also and GECs are quite expensive. Yes, it depends on the region, it depends on the opportunities in the market and depends on the media. Yes, the budget get allocated accordingly. We don't have any sort of proportional allocation, okay, this much budget is for north, we try to juggle out the marketing spend according to the opportunity, according to the seasonality also.

Amit Saxena: Sir, on the (ATV), the Average Transaction Value, which you reported is roughly 4,500 per user, I understand it's a blended average but due to say our new initiatives like Jodii for which ATV will be much, much lower or EliteMatrimony which will be much, much higher than average. So, is it right to assume that the blended average of 4,500 is per our basic or the starting product and is not blended because of the other products like elite or Jodii because they are at very different price points.

Murugavel Janakiraman: No, It's a blended because obviously elite and all are a very small part of our revenue. So, it's a blended, it's a combination of all the packages put together.

Amit Saxena: Yes, but majorly will be the three or six months package in the normal space which we offer. But what I wanted to ask is do Jodii or EliteMatrimony to start over this average number, I mean, are they as big as that can distort the average number?

Sushanth Pai: It's a smaller business. So, it doesn't distort the number. There is a proportion of elite as well.

Murugavel Janakiraman: Yes, there's a proportion of elite. There's a proportion of assisted as well which had higher ARPU. At this point of time, what we see is blended, including Jodii online assisted elite. So, if the premium services goes up, the ARPU increases. If the bottom of the pyramid increases, the ARPU goes down also, depends on which segment of the category growth. So, accordingly ARPU maybe move up or move down.

Amit Saxena: If we see the last five year trend, we do see that the number of users are going up, probably from 7.5 lakhs five years ago to say probably 10 lakhs now on a yearly basis; however, average transaction value has been more or less tepid, so is it correct to assume that, I mean, we don't have much pricing power on the average transaction value given that the kind of increase we are seeing is going on in the last five years, we don't see any improvement there.

Sushanth Pai: I think you have to see it differently because it was not the case of five years ago we had Jodii, which was priced very low, so we didn't have that offering. So, we included Jodii, obviously with a price being very low. So, the blended ARPU also include Jodii as well. So, if you have to exclude Jodii, ARPU would be better, but ATV what you are seeing is the blend of all this package including Elite, Jodii and everything. That's the reason the ATV is at this level. So, yes, one thing to look at that we also not increased the price in some of the segments. So, some segment we try to sell it at a different price. So, yes, today, online is operating at a certain ARPU which we have not increased the price for some time. However, we see the opportunities in the premium segment and that has been going up. So, we may achieve progress, we may increase the price. In the last couple of years we have not done much on the price. As we progress, we may look into the scope to fine-tune the price.

Moderator: As there are no further question, I would now like to hand the conference over to management for closing comments.

Management: Thank you, ICICI Securities for hosting this call. If you have any further questions, you can write to us. Have a good day

Murugavel Janakiraman: Thank you so much and look forward to connect with you in the next quarter.

Moderator: On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.