matrimony.com

November 15, 2022

Corporate Relationship Department
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Dear Sir/Madam,

Sub: Call transcript of Investor/Analyst conference call under regulation 30(6) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Ref: BSE Scrip code: 540704 / NSE Symbol: MATRIMONY

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the call transcript of Investor/Analyst Conference call with the Company held on 10th November 2022 is attached herewith.

The aforesaid information is also being hosted on the website of the Company viz., www.matrimony.com.

Submitted for your information and records.

Thanking you

Yours faithfully,

For **Matrimony.com Limited**

VIJAYANAND SANKAR

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"Matrimony.com Limited Q2 FY23 Earnings Conference Call"

November 10, 2022

MANAGEMENT: **MR. MURUGAVEL JANAKIRAMAN – CHAIRMAN & MANAGING DIRECTOR, MATRIMONY.COM LIMITED**
MR. SUSHANTH PAI - CHIEF FINANCIAL OFFICER, MATRIMONY.COM LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Matrimony.com Limited Q2 FY23 Earnings Conference Call hosted by Yes Securities. We have with us the senior management of Matrimony.com on the call, Mr. Murugavel Janakiraman - Chairman and Managing Director; Mr. Sushant Pai - Chief Financial Officer. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Murugavel Janakiraman - Chairman & Managing Director, Matrimony.com. Thank you and over to you, sir.

Murugavel Janakiraman: Thank you so much. Good evening everyone. I hope all of you are continuing to stay safe and healthy. After many quarters of good growth, we have seen a subdued quarter due to intense seasonality. However, we are confident of overcoming the challenge and moving to better growth with our new launches and with our new focus on the customer side and we are very confident of bouncing back on growth.

Now, let me come to the results. In quarter 2, on a consolidated basis, we have achieved Rs. 109.1 crores in billing which is 2.2% year-on-year growth. Revenue at Rs. 114.9 crores which is a 4.5% year-on-year growth. Key insights and highlights for the matchmaking business in Q2 are as follows:

Billing at Rs. 106.6 crores, this is a growth of 0.4% year-on-year. Revenue at Rs. 112.5 crores, growth of 3% year-on-year. We added Rs. 2.4 lakh paid subscriptions during the quarter which is a growth of 8.3% year-on-year. ATV for the matchmaking business declined 3.4% quarter over quarter and 7.2% year-on-year. This is in line with the customer acquisition strategy. We continue to track the impact that we create for our customers. We are happy to state that we have created about 20,955 success stories in quarter 2.

Now, coming to the marriage solutions business:

Revenue was Rs. 2.4 crores, a growth of 30.6% quarter over quarter and 202.9% year-on-year. The loss in the quarter was Rs. 3.3 crores compared to Rs. 3.4 crores in the previous quarter.

Now, for some important milestones in the quarter. We launched RainbowLuv, an exclusive matchmaking app for the LGBTQIA+ community to help them find a meaningful relationship. We launched TechieMatrimony, an exclusive matchmaking service for IT, software, and technology professionals to help them find a match from the same profession.

BharatMatrimony won the Exchange4Media Pride of India, The Best of South Awards 2022. BharatMatrimony's PehlePadhaiPhirShaadi won the 'Voice of Change' recognition at the IndIAA Awards.

On the billing and revenue outlook for Q3. Matchmaking billing will grow by a single digit because of the impact we have in quarter 2. It takes one more quarter for us to bounce back, we expect to bounce back to double-digit growth in quarter 4 onwards.

On the wedding services, the momentum is expected to continue. We expect to grow at a triple-digit basis, the losses however will be at similar levels of Q2..

Let me pass on to Sushanth to comment on a few profitability highlights. Sushanth, over to you.

Sushanth Pai: Thanks Muruga. Our EBITDA margin for the matchmaking business in Q2 is at 23.1% as compared to 23.5% in quarter 1 and 29% a year ago. Marketing expenses are at Rs. 44.4 crores as compared to Rs. 43.5 crores in Q1 and 39.9 crores a year ago. Excluding marketing expenses, our margins in matchmaking are stable at 63%. On a consolidated basis, our EBITDA margins in Q2 are at 16.3% compared to 17.6% in quarter 1 and 24% a year ago.

Tax rate in the quarter is at 14.3% as compared to 21% in quarter 1. The tax rate reduced which is the ETR reduced to lower tax on realized gains on mutual funds which were redeemed to fund the buyback amount. PAT is at Rs. 11.7 crores, a decline of 2.2% quarter-on-quarter and 29.3% year-on-year. Share of profit from Astro is Rs. 12.5 lakhs.

Net profit margin has been stable at 10% plus levels for the last 4 quarters. Return on capital employed annualized for the quarter is at 19.5%. We completed the buyback of share extinguishment by 26th August 2022. The buyback cost, buyback taxes, and expenses are accounted as reductions from the equity during the quarter ended September 30, 2022. The buyback program was successful with a 759% subscription and all the shareholders who tendered their shares were accepted for the buyback depending upon the proportion of shareholding. Since the promoter group did not participate, it added further to their entitlement.

On the outlook for Q3 margin, we expect Q3 EBITDA and PAT to be slightly lesser than the levels of Q2 due to the revenue impact of lower billings of Q2.

I would like to end with a 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 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. Over to you. We can open for the Q&A now.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead, sir.

Vivekanand Subbaraman: I have two questions, one is on the billing trends, it is well below the guidance or rather the aspiration that you have of double-digit growth, Muruga, you said that seasonality was particularly bad, I am just trying to understand this better because my sense was this segment, the online matchmaking segment was a fairly small part of the overall matchmaking activity that Indians do, so in that context why did seasonality hurt us so much? That is question one, secondly, as far as your strategy is concerned, a couple of years ago, you had chosen to follow a path where you would segment your pricing based on the educational qualifications and also the place that the people are subscribing from and that was one of the factors that had led to transactions increasing over Rs. 2 lakhs per quarter, but now it is stuck at that compared to last quarter level, this is small improvement year-on-year, but still, you would argue that this improvement is definitely not something that would make me proud, right, so could you talk a little bit about the strategy that now you are following and it has been 2 years since you followed that pricing led, the segmentation led model to increase more transactions, but mix structure is there?

Murugavel Janakiraman: Let me talk about seasonality first, the seasonality definitely has an impact on the matchmaking business because when people look at starting something on matchmaking, people do look into the auspicious period and some percent of people abstain in the matchmaking process. If you particularly look at the South, we have something called Aashadam in Andhra and Aadi in Tamil and also in North India there is the Shradh period so this is again it cuts across the regions. During the period, we definitely see that activities go down. So again, if look at last so many years of trend, there some years we are able to overcome because of the different reason, but if we look at historic trend, the Q2 always is definitely lower than the quarter 1, but if you look at the year-on-year this time whatever reason, the impact was severe, so it was much more than what we had anticipated, so this quarter definitely came in as surprise in terms of the customers behavior in terms of the profiles and the conversion have an impact, so definitely of Q2 it is definitely is a low quarter for the matchmaking business, it tends to go down because the reason we already we explained, so as I said we had a severe impact on quarter 2, however we will definitely bouncing back and while this quarter we cannot achieve double digit growth, but the way things are looking, definitely in quarter 4 you can move to a double digit growth year-on-year. Coming to the pricing strategies ,the pricing strategies are based on various things, to look at maybe education or socioeconomic status had a various factor. Now look at our billing, while the billing was subdued, but till we manage to achieve 8.3% volume growth, so again we talked about last year from 2.2 lakhs, we are talking about 2.4 lakh, it is almost addition of 20,000 in a quarter. So that is a reasonably good growth now. If we continue to employ the pricing strategy because it is not the customers are same and that is the right strategy to do, however, while we are definitely seeing that the paid transaction moving up compared to what it was in the past, however, we definitely can get better.

Vivekanand Subbaraman: Just one follow-up, so since seasonality has impacted our business very adversely in 2Q, would it not be fair to say that 3Q would be a strong bounce back at least in billing terms given that there would be some pent-up demand because going by your logic, people seem to have postponed their decision of letting us say signing on to paid matchmaking services because of inauspicious days across the country, so I am just trying to understand if 3Q could be substantially better from a billing perspective, revenue I understand, revenue growth will be subdued I understand because of weak billing in 2Q?

Murugavel Janakiraman: So in terms of the billing also because a good percentage of our revenue is just on renewals, there is a drop in the revenue, the billing it also have some kind of impact on some part of the business which is the renewal part of the business. We get a good percent of revenue coming from the people renewing their subscriptions, so definitely there will be impact on the renewal side. So we expect this quarter also growth wise definitely, while we don't see a double-digit growth because of the reason which already explained, but however, we expect move to double-digit growth only from quarter 4 onwards because something first we have to catch up on the growth and subsequent increase of such conversion in the quarter 3 and then we move to quarter 4, you can move to double-digit growth.

Vivekanand Subbaraman: I will ask one last question which is on the business model itself, so one of your competitors which is listed, they have chosen to follow a model where now they are moving to more freemium than what you currently offer which is chat is free and they are trying to increase traffic for the category, right, for their site and of course be more relevant in the category, so separately they are also investing in a serial rating website indicating that they want to try multiple things here to get growth, on those lines, is there something that you are also trying to do which can, because the segment is clearly growing much lower than what one would expect of a deeply underpenetrated online classified segment?

Murugavel Janakiraman: In terms of our business model continue to remain the way we are doing, it is the right way to do and in fact the revenue drop has been the same across the market, its not that we have seen any significant drop in part of the market things continue to look the same, so we are not seeing any impact, so for business model, the way business model we have been operating as a leader and we continue the same business model. In terms of overall category growth we think that the category has been growing at certain percentage 10% -15% that kind of growth, again while we are taking steps to accelearate the growth and we are taking some of the initiatives and continuing our strategy. We had a reasonable bounce back in the last 4-5 quarters while the Q2 was one of the slow quarters. We hope to bounce back in Q4 and move over to double-digit growth. So yes, I agree with you that while there are some challenges because one of the reason that this category also add some of the Indian competitors, , but again the strategies and steps what we are taking, we believe that could be able to move to better growth in the coming quarter.

Moderator: Thank you. The next question is from the line of Prakash Kapadia from Anived Portfolio Managers Private Limited. Please go ahead.

Prakash Kapadia: We have seen second quarter in a row, EBITDA has actually declined for us and if I look at pre-COVID trends, revenues are much higher than pre-COVID, but we are seeing advertisement expenses of almost Rs. 45 crores which is much higher, so what is leading to this increase despite we being industry leaders, shouldn't we drive growth and manage our profitability by pricing revenue, revenue potential and bit of cost management, so it looks slightly confusing to me, so where are we heading because ad expenses in a muted quarter are also so high, so one would guess if sales or billings are weak, we should have ideally cut down on some of these expenditure, so what is driving this and what is the outlook on ad spends in the coming quarters?

Murugavel Janakiraman: The ad spend, we expect to continue at a similar level while we understand that Q2 was one of the challenging quarters, probably could have managed the marketing expenditure but again its the seasonality issue that came in the middle of the quarter.So we thought that is the right thing to continue the marketing spend because sometime the profile acquisitions will also helps in the coming quarters, also we don't want to further impact this quarter which was already seasonally a weak quarter,.. So however, the marketing spend for us will continue to remain at this level because we see that one thing that we have multiple brands to manage, it was also that the marketing spend by competitors continue to remain high, it is important that we believe it is necessary to continue the marketing spend and operate at similar level. So while we are definitely working on our strategies and steps to drive growth. Again, while the way currently we look like marketing probably remain at the sort of similar level and we from now onwards could be able to drive the growth and now as we progress the increase in billing or the revenue would help us to get a better margin out of this. Yes, we definitely know that this quarter was tough and disappointed quarter, but however, we are confident of bouncing back on the growth however the marketing spend remain at this level only and in terms of other cost, as a company we are presently operating the business very efficiently and continue to look at the way to optimize the cost so I think the important priority we are working on it is driving the growth.

Prakash Kapadia: So the only way to offset some of these higher ad expenses is to get higher revenue growth which at least you alluded next quarter could be slightly challenging, but Q4 onwards that double digit revenue growth has to come into offset some of these expenses, otherwise profitability improvement could become a challenge in H2?

Murugavel Janakiraman: Yes, I think the growth, finally, the billing growth that need to definitely move up.

Prakash Kapadia: And from the revenue side, you did mention some of the factors in terms of seasonality or some of the auspicious days, so was it in South of India only or this was witnessed in some of the other markets and also you could give us some sense on what is happening to say in North, South or non-South market, so what is the competition doing or what are we sensing in some of the other markets except South?

Murugavel Janakiraman: No, for us, again seasonality is across India, you may know that in North, there is a period called Shradh so during that period people abstain from only matchmaking there are certain percentage not everyone look at you, take a break and all that during that period definitely you see that profiles or registration goes down because there are people who are very religious or sentimental about these things. There are certain percentage of people, so it is not that entire India or all the people across India, it is only certain percentages of people that is the reason why the drop is only a few percentage and again it is only during not entire quarter. Again, Tamil Nadu, it is for a month and Andhra, it is for a month, North East for 15 days, as across the region expect some regions it will be very limited. Kerala is not too sentimental about these things. So it varies from market to market, but some of the markets the sentiments are definitely very high. So for us, the drop is not limited to any particular region, it is across India we have seen the drop, so it is broad based and so it is not one geography, so the impact was quite big.

Sonaal: This is Sonaal. So sir, I want to focus again on marketing and pardon my knowledge of the business, but understanding from a marketing perspective that, I consider H1 to H1, if your let us say marketing spend has gone up by whatever Rs. 12-Rs. 13 odd crores typically in common sense is that we expect 3 to 5x kind of ROI on the marketing spends and hence let us say the topline ideally would go up by Rs. 13 to Rs. 15 odd crores, that is what I have learnt just attending FMCG cost, now I am just putting that common sense in India that if that kind of a throughput is not expected or you see a dropness in the market, there are two ways where you see may be we need to change the channel or we may need to cut down the marketing budget, so what is it going to be if let us say your marketing spends remains the same as what it was right now, it doesn't go up and you generate more cash, may be your topline is not growing what you wanted to be and you actually tightened your funnels on your marketing spend, the ROI has actually become better, is that something which on those lines, company, I am assuming you do things, but I will just try to open our discussion or dialog to understand how you guys think about marketing. That is part of my question?

Murugavel Janakiraman: Sonaal, today, definitely marketing spends has been one of the large part of our expense and most of the marketing spends are towards the brand side, so the marketing spend has gone up on account of multiple things, one is, today we have multiple brands and also we have seen that in the category strength have gone up substantially, so that now we need to defend our market position, defend our leadership, which lead to the increase in marketing spends. While the revenue to marketing spends had immediate impact, however, if we don't defend our marketing, with some increase in marketing there could possibly be a long term impact of our reach or our leadership that again if category going through intense competitions spend has gone up, so we have to step up marketing and all the thing while drop in the market in one of the quarter while the adverse impact won't be there, but however, we believe that the long run is kind of an impact we have to kind of operate at this kind of level of visibility to ensure that we will continue to remain at this level of leadership. So that way the marketing spend has gone up. So most of the marketing spend are the branded marketing spends. So because while the digital mix has been increasing that today it is a good percentage of what the marketing more digital, however, last part marketing spends continue to remain in our brand only, so as you progress and when the competitive intensity or the market spends for this category comes down we will be able to operate as well as marketing spends. At this point of time, considering the category intensity on the marketing spends, it necessitates that we need to up at level of visibility on the market expense. Let us also add to the thing, we have a multiple brands compared to other players in the market that also added to the increasing marketing spends. So may be couple of years down the line, when there some kind of slowness or comes to level of marketing spend then that kindly able to reduce the marketing spends.

Sonaal: So sir, if I were to just understand that now, just on what you had explained, even branding can be done on a performance basis, if I understand the marketing correctly, so has our customer acquisition cost, it would have gone up because it is not converting into similar topline growth so is it true that our customer acquisition cost has gone up significantly may be Y-o-Y or over the last 2-3 years?

Murugavel Janakiraman: The good thing is Sonaal, most of our customer acquisitions are organic that the brand centric what you have built, so while acquiring billions of profiles and so most of the profiles are organic. There we don't invest many on acquisition, so that is the strength of the brand, so in most of the areas, the brand phenomena is the category, so while certain percentage of market expense goes for digital where they will monitor ROI and other things, so in terms of while the brand building is done only on digital, so our category we definitely see that at this point of time the key advertisement is necessary, again, the things are changing and in India also things are changing is rapidly now also so always our question is what percentage is digital, what percentage TV and those things because marketing become all more challenging and complex as well. Five years ago, ten years ago our marketing used to be quite simpler, today we are increasing multiple channel, OTT many things, marketing has definitely become a challenge now. Because the brand being so strong, the majority of profile acquisitions are organic, we definitely look at the various things, the profile acquisitions and ROI everything we take into account. However, in terms of the TV spend when we take the money it is not that we want to get substantially increasing profile and so we definitely look at the spend while there is always brand building that can be only done only on digital but at this point of time we see combination of TV plus digital that is the best way forward, but as we progress thing will change. So, things are changing and we keep contemplating what is the right mix of the spend and all.

Sonaal: And sir, I am assuming a large part of our customers would be acquired online, right, more than 90% the customers are acquired online, is that correct understanding, just trying to understand how the acquisition kind of work?

Murugavel Janakiraman: No, it is completely 100% digital, so it is nothing that you have any offline acquisition, everything the customer needs to either download the app or digitize online.

Sonaal: So I am sure this would have and I think you do have physical outlets as well, but just trying to understand is the customer acquisition cost is cheaper in your physical outlets or if customer acquisition could be, it is online I think the customer acquisition cost has been going up significantly during COVID given….

Murugavel Janakiraman: Yes, sorry, I forgot to update the point, there is no definitely no online acquisition cost because as I told you most of the profiles are organic, we are not investing money on acquiring the profile, however, if you spend money on digital, that includes for brand as well and definitely cost have gone up because there is increased competition for our brands as well, so that has also definitely has gone up in the last couple of years because of the bidding cost have gone up for key words. Yes, definitely the cost of profile acquisition digit also gone up, our physical outlet is not part of profile acquisition, when people work in retail outlets, mostly they go for the transaction, so that way, the physical outlets are not meant for profile acquisition, they are mainly meant for customer acquisition or paid subscription.

Moderator: Thank you. We take the next question from the line of Nitin Sharma from M. C. Pro Research. Please go ahead.

Nitin Sharma: Two question if I may, first of all on the marriage services segment, I think EBITDA loss is back at the pre-COVID levels first revenue seems to be some lagging of it, can you please provide some color on the progress on this business and what are the typical challenges you are seeing in this segment?

Murugavel Janakiraman: So the wedding services definitely has been growing and we expect the wedding services to grow at a triple digit, now we have been seeing the benefits of integrating service, into Wedding Bazaar and the condition that the increase in traffic, increase in leads, increase in subscription, so the outlook for wedding services, the growth we expect to be continued at triple-digit, however, it is still a small part of our business, but it is growing at a pace so the last year we were at a similar level and if the growth continues this way and we are hoping confidently that we will continue with the double-digit growth. I think the losses will come down.

Nitin Sharma: And any challenges you are seeing from the competition?

Murugavel Janakiraman: It is more than that, it is progress, challenges are again is category again, there are multiple service provider in this category, we have to connect the parties, photographer, caterers, again the different service provider is converted at different levels, some of the service providers, they rely more on online, so we could be able to convert, some of the categories conversion are being challenge, so that is totally single service provider in this category, so there are multiple service provider, so the service provider photographer and makeup artists and they are very unorganized and converting them online it is not easy and we see definitely good traction on those segment. Some of the categories, they are getting services like say jewellers or apparel and all, they primarily grow the brand and they convert into a category and some of the category like caterers and all, they don't convert the like of the photographer and all these but there are multiple service provider, they are all converted to a different level. So this category has been evolving and we definitely have work to be done and to increase that level of satisfaction and increase the renewal rate, but the thing is that this is an unorganized segment and we definitely see opportunity to continue to grow in this segment. When there are challenges, we will see progress, then we will be able to improve and overcome those challenges. This business is still in early stages, lot of work to be done and on the product side, service side, and on the value delivery side, so we need to improve on all these areas, so we see the benefit of being a large service provider of wedding services and we are able to retain and we are able to charge more as you progress, so while there are challenges, but again having said that the business has been progressing well.

Nitin Sharma: And the second question is, can you help us understand what kind of traction you are seeing with the Jodii App paid registration, any data would be helpful and also on the APG side would like to understand how your premium subscriptions are doing, if you can again share some growth-related data that would be helpful?

Murugavel Janakiraman: Jodii is in the early stages and as a company, we don't give the breakup of individual segments, but again Jodii is definitely in the early stages, so we continue to experiment on this segment. Personal services are fairly progressing well, so as I said while we see definitely some kind of growth on these segments, but again as a company, we do not provide individual segments for competitive reason.

Moderator: Thank you. We take the next question from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead, sir.

Vivekanand Subbaraman: Muruga, you have been raising concerns in the past with the government on Google Appstore policies, now that the competition commission has ruled against Google, do you foresee any benefits for your business and the industry and further being a seasoned veteran in the tax space, would you be able to comment on the larger implications on the domestic tax space?

Murugavel Janakiraman: It was good verdict by CCI, so basically what Google wanted to mandate was that the companies who are operating via digital business with India are digital service provider that they have to use Google in our billing system and what is the meaning of Google in our billing system is that you have to pay certain percentage of transaction money to Google as it varied from category to category and the Google expectation whatever, again for some of the category like us, our 50% of billing will go to Google, Google is not the linked to payment and that they said you can also use other service provider, however you have to pay 11% commission, what you mean by that, suppose you use those payment gateways like Razorpay or PayU or other CC Avenue various payment basis, there the charge is around say 2% but again Google was billing us around 15% so obviously dominant in this space because today 90% of the downloads are happening through the Google Android Playstore. So we took out to the CCI because the Google is insisting that company's operating digital services, they need to use only the Google play billing or if you use other gateways you have to pay the commission and all those things. So if Google is going to take up the matter with NCLT we will also take up the matter to NCLT, there are other players against Google, , out of the revenue government charges GST of 18% and Google was to tax 15-30% revenue. Again these charges are for digital goods and services, obviously they cannot charge additional 30% on company's offering the e-commerce product say Swiggy or Zomato so conveniently it is only for the company operating digital provider like (company or digital services company and all those thing. Like Apple has been doing in the US and the Google tried to follow the similar thing and globally there are so many cases going against like that in South Korea, We have informed Google that they cannot do that, second this is a good revenue opportunity for them and both Google and Apple trying to leverage dominance to take our 15% to 30% of the company revenue. We basically transform into a tax which was additional services and it is only a limited digital company because they can't charge us, a similar kind of revenue for other companies. So thankfully that CCI kind of regulator is passing an order against Google and their practices. In fact for Indian companies, it is a kind of almost you pay like 15% or 30% revenue to Google that definitely increase that cost of running the business all the time and again I don't think that it is a right thing for Google to do that charging 15% or 30% billing just for forcing people use the Google in our billing or even otherwise pay commission on using other payment, even use other payment company. So it, in fact, Indian sort of the ecosystem, so the other startup companies are definitely against it, they have been fighting for it and thankfully CCI vindicated our stands on this one.

Vivekanand Subbaraman: Does it have any bearing on your realization and if you can talk to us about the proportion of transactions that happen directly through the Google payment system or through the other billing modes that you could have used and is this going to have any financial bearing on our business?

Murugavel Janakiraman: No, because we don't need the Google billing payment system, we use the various payment gateways so that commissions are limited to 1.5%, and 2%, so there is no change for us, no benefit or no change because the way we have been operating that way, every international company **operate** various payment gateways to conclude the transaction where the transaction fee is less but through the debit and credit card the transaction fee is slightly more, but again it is around 2%.

Vivekanand Subbaraman: My second and last question is, you are running your matchmaking business profitably despite hyper competition resulting in depressed ATV and very high ad spends, so why not deploy more money in wedding services to chase growth, that business you seem to be targeting a category which is very underpenetrated even more than your matchmaking business and could you give us an update on the business model, any metrics that you are tracking in terms of traffic or monthly active vendors or let us say the monetization there?

Murugavel Janakiraman: Yes, we are today India's largest wedding service market place, we have 1.5 lakh service provider on wedding bazaar.com, so again with the integration happened just one or two quarter earlier, so we are seeing the benefits of the integrations and the working on increasing the listing, working on increasing their traffic and they want to get to a certain threshold of certain milestones, then we decide what we want to do, how do you want to take this business forward because we believe that whatever things we have done we want to realize that the benefits of the integration. We believe that we can grab the revenue further where you are operating, just closer to the profitability, then you figure out what is the next course of strategy and all that, so at this point in time, I think the plan is to drive the growth, cross the breakeven and then work on the next phase of growth and all, rather now investing much more on this category because the investments we have now are good enough for the kind of growth what you are seeing now. Let us wait probably may be couple of more quarter down the line, then we can figure out what **will work.**

Moderator: Thank you. As there are no further questions, I now like to hand the conference over to the Mr. Murugavel Janakiraman for closing comments.

Sushanth Pai:: Thank you all for joining this call and look forward to speaking with you during the quarter. If you have any questions, you can write to us. Thank you once again.

Murugavel Janakiraman Thank you so much.

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

(This document has been edited for readability)

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