

November 27, 2020

**Corporate Relationship Department**  
BSE Ltd.,  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai – 400 001.

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 06<sup>th</sup> November 2020 is attached herewith.

The aforesaid information is also being hosted on the website of the Company viz., [www.matrimony.com](http://www.matrimony.com).

Submitted for your information and records.

Thanking you

Yours faithfully,

For **Matrimony.com Limited**

**S.Vijayanand**

**Company Secretary & Compliance Officer**

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**matrimony.com**

“Matrimony.com Limited  
Q2 FY2021 Earnings Conference Call”

November 06, 2020

**matrimony.com**

 **ICICI Securities**



**ANALYST: MR. HARDIK SANGANI - ICICI SECURITIES LIMITED**

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

**Moderator:** Ladies and gentlemen, good day, and welcome to the Matrimony.com Limited Earnings Conference Call for Q2 FY2021 hosted by ICICI Securities. 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. Hardik Sangani from ICICI Securities. Thank you and over to you Sir!

**Hardik Sangani:** Thank you Aisha. Good afternoon everyone. On behalf of ICICI Securities, I welcome all the participants to the conference call. Today, we have with us Mr. Murugavel Janakiraman, Promoter & Managing Director of the company and Mr. Sushanth Pai, Chief Financial Officer of the company. We are going to start with the overview of the company’s performance for Q2 FY2021, with that we can switch over to the Q&A session. Thank you and over to you, Muruga!

**Murugavel J:** Thank you Hardik. Good morning everyone. I hope all of you are staying safe and healthy. I am happy to inform you that we achieved double-digit growth in matchmaking billing both on a quarter-to-quarter basis as well as on a year-to-year basis. It is in line with our earlier indications.

This quarter also yielded the best paid subscription growth of 27.8% quarter-on-quarter and 25.7% year-on-year and we also demonstrated continued profitability growth in the current dynamic environment.

Now, let me come to the results. On a consolidated basis, we achieved Rs.93.3 Crores of revenue in Q2, which is a growth of 7.5% quarter-on-quarter and 1.1% year-on-year.

Key highlights for the matchmaking business are as follows. In Q2, the billing was at Rs.96.2 Crores, a growth of 18.5% quarter-on-quarter and 13.5% year-on-year. Revenue was at Rs.92.7 Crores, a growth of 7.6% quarter-on-quarter and a 4.6% year-on-year. Revenue growth was lower because of the billing impact and impact in Q1 as indicated earlier. Paid subscription of 2.1 lakhs added during the quarter, a growth of 27.8% quarter-on-quarter and 25.7% year-on-year. This was due to our strategy to offer a differentiated price for different segments.

ATV for the matchmaking business declined 7.3% quarter-on-quarter and 9.6% year-on-year on an account of this. We continue to track the impact we create for our customer. We are happy to state we have created about 21780 success stories in Q2. In line with our focus on innovation and enhancing with our experience, we launched a series of new services and features. The recent features we launched are- Bharat Matrimony a prime membership service that offers 100% ID verified profiles to our customers. Who can see me, feature that gives members, the complete control over who can see the profile and contact them; Unique secure connect feature, which helps the members to receive calls from prospects without giving the mobile number. This is very useful for female members that they can have a comfortable and safe matchmaking environment where they can receive call without giving the phone number to the prospects.

Now coming to the marriage services business, revenue was at 0.62 Crores in Q2 as compared to Rs.0.7 Crores in the previous quarter. As indicated earlier, the business continues to have some challenges during the current environment. Through operational efficiency, we have brought down the losses to Rs.2.5 Crores from Rs.3.3 Crores in the previous quarter. The losses will further reduce in Q3 for wedding services. On Billing revenue outlook for Q3, we expect the Q3 billing for matchmaking to show double-digit growth on year-on year basis. With the billing pick up in Q2, the revenue increases and also expected to show a double-digit growth on a year-on year basis. Marriage services revenue will be at similar levels of Q2.

Now let me pass on to Mr. Sushanth to comment on the key profitable highlights. Over to you Sushanth!

**Sushanth Pai:**

Thanks Muruga. Our EBITDA margins for the matchmaking business in Q2 are at 23.7% as compared to 25.1% in Q1. Marketing expenses for matchmaking are at 33.8 Crores as compared to 26.8 Crores in Q1. So, you can see we have increased our marketing expenses considerably. This is due to increased business traction, our profitability trends and also the competitive scenario. Excluding marketing expenses, our margins in matchmaking has reached a high of 60% in Q2 as compared to 53% a year ago due to operational efficiencies and productivity measures. This also indicates stability in all our operations if you exclude the marketing expenses.

On a consolidated basis, our EBITDA margins in Q2 are at 18.8% as compared to 18.6% in Q1. The tax rate is at 23.2% in Q2, which was similar in Q1 as well. Q2 PAT net profit after tax is at 10.3 Crores, an increase of 9.6% quarter-on-quarter and 31.2% year-on year. On the outlook for Q3 margins, given the expected revenue growth in Q3, we expect matchmaking EBITDA margins and PAT to increase.

I would like to end with a customary safe harbour 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. Over to you Hardik for Q&A. We can now open the questions for Q&A.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Hardik Sangani from ICICI Securities. Please go ahead.

**Hardik Sangani:**

Thank you for giving the opportunity. Great set of results. Just a couple of things, in terms of ATV had reduced, so is it because of the general market weakness or is it that we are trying to gain more market share now when we also having a price play which we are doing in near term and secondly what are the newer trends or an account of lockdown ,people not ready to do an online match making instead of what they would have been done earlier?

**Murugavel J:**

Thank you. In terms of ATV, ATV drop was on an account of our strategy to offer differentiated price to different segment of customers. As you know that in the matchmaking, we got all type of

customers from professionals to degree holder, diplomas etc with various economic status. We have built a capability to offer differentiated price based on various factors that includes economic status to various others driven by analytics. we are in line to maximize the subscription we are offering the best price possible and at the same time maximise revenue objective as well, so if you in line with our strategy and we believe that is the right thing to do when we have different type of customers, that is the reason for the drop in ATV and so, that is going to be our ongoing strategy and come to regarding whether is it because of COVID or whether the people are switching to more online matrimony, I see definitely there is increased digital adoption happening in India, so that is going to continue and again, lockdown by and large is kind of getting uncertain in terms of the COVID, but the COVID definitely has brought in the digital adoption across India and this has brought matrimony to normalcy and it is no more of why we have the lockdown and the things what we had in the initial phase during lockdown I think that is over now and the things are getting back to normalcy. Yes, there is a digital adoption. We expect that to continue not only for our category, in any category for that matter.

**Hardik Sangani:**

That is it on my side. Thank you.

**Moderator:**

Thank you. The first question is from the line of Rohit Balakishan from Vriddhi Capital. Please go ahead.

**Rohit Balakishan:**

Thank you for the opportunity. Sir, just a couple of questions, if I look at the last 3 years while our registrations and active profiles have grown at almost 15% to 18% annualized basis, but our paid subscribers have been probably flat, so in that sense our conversion has been falling, so could you share some thoughts from that, that is one, also Sir, if you can share your market share in non-south market? How has that moved to the last maybe a couple of years.

**Murugavel J:**

In the terms, why the paid volume did not move up in the past and I will put it differently now that the paid volume have really moved up almost 28% year-on year because earlier we did not build the capability to offer a differentiated segment to different customers and it was due to the way the things are built is the reason that the paid volume did not move up. By and large, there is a lot of flexibility which has been built in the system that we are able to offer. There are multiple things we are able to do and we build this competency so that things are starting yielding the results in terms of the market share in north definitely one of the strong player, but we do not have the exact market share where we stand, but definitely say that we are definitely one of the strongest leaders. We believe that early around 30% to 30% plus market share in the north and jeevansaathi is the number one player in the north. We believe they are ahead of us and progressing well. In fact our growth in the north has been very good where we had a good double-digit growth in north and we believe that we have increased our market share we are growing, but again we do not have the exact data, but the way we are seeing the internal growth I think we are getting market share in north.

**Rohit Balakishan:**

I have a few more questions. I will come back in the queue.

**Moderator:** Thank you. The next question is from the line of Archit Singhal from Safe Enterprises. Please go ahead.

**Archit Singhal:** Sir, want to understand like billing grew by double-digit in Q2 as well as expected to go by double-digit in Q3, what is driving this, is it the overall market for online matchmaking is expanding or is Matrimony winning market share from people, if you can highlight on that?

**Murugavel J:** I think, it has to do with our internal capabilities and the team and the way executed actually we have started working on north now, again, the strategy what we have started putting in place and we are executing it, so the offering of differentiated price based on various parameters, back to analytics and also stronger execution and the strong leadership and we are able to drive and convert, so all these factors have been taken out, so these are things accounted to the volume growth and I think the growth is largely driven by our online businesses, the premium subscription business have been sort of remained flat in fact we expect those business to move up further and the growth in online business was much stronger. I think by and large it has to do with our internal, the capability system processes, our execution has resulted in the double digit growth, while overall there is a definite increase in adoption is happening, but it has to do with mostly internal, than the change in the outside world.

**Archit Singhal:** Sir, basically you are gaining market share also, so when you mention the overall digital adoption is increasing, which is expanding the market and are you also winning market share from peers?

**Murugavel J:** Yes, when we are able to execute well definitely we are growing the market share, and in that we see that we definitely moved up in north, our growth has moved up in north and we are able to maintain our share in south, which is a very strong market so that clear we are executing well and we believe that end of the day the ability to convert and the ability to grow, which we were able to demonstrate as a company that we are able to convert very well, one thing is free profile and other thing is converting free profile, yes both the parameters are important. the profile growth had been good and conversion also has been good. We believe that we are gaining market share, but we do not gather information about the competitors, so now we are not in a position to comment what is the exact percentage, but the growth has been good in the market.

**Moderator:** Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.

**V. Subbaraman:** Thank you very much for the opportunity. I would like to understand the customer behavior trends better, so you have now chosen to follow a segmented strategies that you are assessing the right price for each customer segment, but just wanted to understand is pricing alone the lever that is resulting in this increased transactions or is the engagement also going up are the few user spending a lot more buying on the portal browsing profiles and if you could also comment on the trends of after users are they growing a very healthy cliff and is the engagement growing, thank you?

**Murugavel J:** Thanks Vivekanand. You know, pricing is not the only factor There are multiple things, the product actually is good and normally we have a larger number of profiles for various segment, so that is our quality profiles, large number of profiles, strong network effect and good product features, so there are many things. I would say that in spite of that, there are different customers, different segment, so price alone, it is not going to help the member to go from free to paid, the multiple factors are played into it and with respect to whether the customer engagement has gone up during that time, I think now they have come back to earlier levels during the Q1 when there was a lockdown by and large, and the engagement level was what it was in Q1 we saw some increase engagement on an account of people sitting at home, but again we are making continuous product improvement, those things continue to happen, so price is not the only factor for the conversions, this is one of the factor.

**V. Subbaraman:** Right and Sir when you talk about engagement returning to prior quarter level, so what are the engagement metrics that you monitor among the free users when you decide to get them an offer?

**Murugavel J:** There are various things, not one simple thing, there are multiple factors, because we have platform, there are multiple things that happens we did have a profile that are reviewed, contactable, active, there are many things, so it is not one single parameter.there are so many factors how the customers are engaged on the matching platform.

**Sushanth Pai:** Vivek, Just want to add one more thing is that one of the factors that should work well is the whole back end engine in terms of the telecalling, how they relay to the customers, what sort of metrics we monitor with the telecalling system. They have all been put into the place and if you remember last year, we also had some leadership vacuum in this whole area. In the last one year, the new leadership has put in many processes and systems in place to bring in productivity as well as efficiency in this whole process, I think that has also yielded into positive conversions and when we see that we believe the trend will continue in the future as well.

**V. Subbaraman:** Thank you.

**Moderator:** Thank you. The next question is from the line of Khush Gosrani from Visuddh Capital. Please go ahead.

**Khush Gosrani:** Thank you for the opportunity. Sir, just one question with the adoption of the differentiated prices has it also led to the discounts that we offer?

**Murugavel J:** Yes, when we have the differentiated pricing that means we offer lesser price so while at the rack rate that means we are discounting in some segments and we are selling at a higher price at other segments, you are right.

**Khush Gosrani:** Thank you, Sir.

**Moderator:** Thank you. The next question is from the line of Arpit Shah from Stallion Asset Management. Please go ahead.

- Arpit Shah:** Thank you for the opportunity. Just a bookkeeping questions, what are the re-registration for the last 2 quarters?
- Murugavel J:** Arpit, we are not sharing the actual number, definitely we are growing at a healthy double digit.
- Arpit Shah:** One question if I can add what is the lifecycle revenue one subscriber because what I am coming from because the amount of money that we are spending on advertising, this year for this quarter we had spend about Rs.35 on advertising for every Re.1 in billing and if you see that number in the last 2 years it used to be Rs.18, so what is the lifecycle revenue for one subscriber?
- Murugavel J:** The average revenue for one paid subscriber almost we say that close to year and they contribute all more like 13000, 14000 that kind of revenue from one single paid customer.
- Arpit Shah:** In value?
- Murugavel J:** Yes, during the course of tenure. Average people say nine to 12 months and depends on the user, so nowadays people say 2.5 or 3 times so we can expect the overall ATV to be 2.5- 3 times.
- Arpit Shah:** Is one the stable system at least for 9 to 12 months?
- Murugavel J:** Yes, customer may get married within a month, and also will get married in a couple months, there is no average kind of tenure.
- Arpit Shah:** This ATV, which we are having right now 4000 to 4850, is it a stable number or is it a oneoff because of the change in pricing strategy?
- Murugavel J:** I think excluding the pricing strategy and we expect now the pricing strategy continue, it depends on, which segment the users are growing, the update is to continue the double digit growth, continue for the right price on the different segment so it may come down or may be state at a similar level, it depends on which segment where the users are coming now, but that is due to broad strategy is to offer a differentiated price based on various factors with objective to drive the conversions.
- Arpit Shah:** We should model it somewhere about 4500 to 4600 ATVs and you should be looking to grow in a lot more in the subscriber part, right?
- Murugavel J:** Yes.
- Arpit Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.
- V. Subbaraman:** Thank you for admitting me back in the queue. The question that I had was the growth trends that we have seen in the various segments, so you had clarified that in your opening remarks you



mentioned that the online business grew at double-digits, so I am guessing that the retail business would still be struggling given that the walk-ins may not have improved, could you also talk about the premium packages and trends that are improving in anyway?

**Murugavel J:** So, our premium businesses, which are represented businesses including Assisted Services, and Elite, they had a flattish growth and apart for that the growth would have been better also because the both Elite Matrimony and Assisted Service were impacted during the pandemic, but on the contrary the online business had a much better growth rate. As you likely you said we had some impact, we expect those things to get the bounce back hopefully from this quarter onwards.

**V. Subbaraman:** Why are the premium packages not growing, is it because there is an online offshore element also there?

**Murugavel J:** It is so because some customers still wary of meeting in person, because the premium business not everything gets sold through online, sometime there is definitely meeting customer for elite matrimony or some personal services, .During that time there are people who are not comfortable in meeting the people in person so there is some impact and again, we believe that those things are kind of going away and we hope that this will also bounce back, the lockdown nothing of any fundamental changes happened.

**V. Subbaraman:** Understood. Thank you.

**Moderator:** Thank you. The next question is from the line of Swapnil Potdukhe from JM Financial. Please go ahead.

**Swapnil Potdukhe:** Thank you for this opportunity. Great set of numbers. Just want to understand with your pricing, so possibly will be that your pricing will continue to drop here on especially given that you are expecting double-digit growth in Q3 as well, so immediately what I want to ask is that is there any bottom price that you are looking at?

**Murugavel J:** Our objective is, while offering a differentiated price and the same time also looking at maximizing the price from other segments also. It is not that only offering discount for some set of customers, but to sell at a right price so that we can convert, so while the offer will drop probably to the similar level still it may further go down, but again, overall the strategy or where we want to anchor our thing is still at the right price to the customer what the customer thinks that you know he or she can able to afford based on various factors, not only socioeconomic factor. There are many factors with leveraged by technology, AI and many other things as well, some will be able to monetize better with the right ARPU following the similar stay at the same level, and able to convert those customers, the experiments also happens. It is not one standard price one single customer also it depends on the reaction from the customer, various factors, depend on lot of things in dynamic nature,.

**Swapnil Potdukhe:** Just one more question, Sir, any idea if you can give, readily stand with respect to the competition in terms of pricing, so right now we had around 4500 as a competition stand any idea will help?

**Murugavel J:** I believe definitely our ARPU is definitely much, much better than the competitor because we are a strong dominant player and we have a large number of customers and who are, high quality customer, and the lot of customer segment would operate better price, so definitely I expect that most of the markets enjoy a strong position, , so we do not know what is the exact ARPU of competitor that definitely may be at least 30% to 40% be less than, again, it may be wrong also because we do not have the actual number, but may be much lesser than may be 30%, though we are not sure.

**Swapnil Potdukhe:** Thanks a lot for this opportunity, Sir.

**Moderator:** Thank you. The next question is from the line of Amit Jeswani from Stallion Asset Management. Please go ahead.

**Amit Jeswani:** Sir, global platforms need money when they sell new products to the same customer, we have tried that in the past, but we have not been able to scale that, my first question is that what is the focus on scaling up on new product side because that is a very important avenue for growth because your current mid mix potential growth rate is about 10%, 12%, 14%, so then your high growth phase in a platform kind of business they mainly come out with new products, so I just need a small update for that, that is my first question and second question is what percentage of your people who are your free subscribers also download your app and if you can share how many app downloads you have as of the last quarter and also growth trending?

**Murugavel J:** You may know that as a company we signed up various initiatives. one can offer differentiate values and service in the process of maximixing, so apart from the online thing we have assisted match making service, and also Elite Matrimony. We recently launched something called Prime membership where we will offer 100% verified profiles, photo added profiles, so as you rightly said, yes, we find various initiatives, for our customers. In terms of number of downloads, downloads have been growing again, we are not sharing the actual profile related information, but we have been growing at double-digit and that online app downloads every people used to access our services and those things could obviously today mobile apps almost contributes around 80% of access are happened through mobile apps, which is dominant source of the profile creation that is growing at double-digit right now.

**Amit Jeswani:** Sir, just one question, for example your revenue goes from 400 Crores in the 3 years goes to like 600 Crores, what would be the increase of cost, will the marketing cost stay at 120 Crores yearly run rate, 120 Crores or it keep increasing and all the other cost, so just trying to understand the operating leverage that you have assuming the growth 60% revenue within the next 3 years?

**Murugavel J:** Thanks Amit. As Sushanth prior indicated look at the matchmaking business operating at a 60% gross margins, while today the marketing has become the single biggest cost, so while at this

point in time we think that it is important to continue to invest, there are 3 factors on marketing, one is that there are markets definitely we are spending just likely more than what is required because of competitor activity in the region, so in a normal course, we would have spent less. There are markets where we are spending less than what is required because there are multiple brands, multiple things to it wherein we need to step up. There are areas we need to step up on marketing because there is opportunity for us to grow and there are multiple brands between the matchmaking in the Bharat Matrimony Business, there are is Elite matrimony plus there are other brands as well, so there are multiple factors that placed in the market. To come back to the question of marketing remaining in the same level. We will continue to invest based on what is the need the factor which I said, the competition, opportunity, there is no point in investing much more than what it is required. But we continue to invest in marketing I believe till we reach certain threshold after which the growth due to marketing may not be that high, but today yes, the we are spending more in marketing what is required, , but the good thing is that with thanks to all the operation efficiency, which we are able to bring in we are able to invest in the marketing we are able to support our growth, so marketing in near term will continue to move up and what we are looking in the business, we are looking at good double-digit growth and profitable growth. What we are looking at both top linemoving up and bottom line moving up and continue to bring higher growth, , further we have to invest more, we are definitely looking at investing more, but again, beyond a point, competitive intensive may remain but we not need spend beyond a limit.

**Amit Jeswani:**

Thank you, Sir.

**Moderator:**

Thank you. The next question is from the line of Vivekanand Subbaraman from Ambit Capital. Please go ahead.

**V. Subbaraman:**

Thank you, again. Two questions, one is on our marketing budget, so how much of the marketing spends are we undertaking on branding in mass media like TV versus performance marketing and acquisition of profiles in certain categories that is one? Secondly, with respect to your non-matchmaking businesses, marriage services you have a downtime because of wedding is not happening the way they used to in the past, so how are you utilizing the downtime and on a related note any progress on certain other projects that you had planned like the astrology acquisition, overseas expansion, etc?

**Murugavel J:**

Thanks, Vivekanand. Coming back to things about first marketing that, see most of the marketing spend on the TV advertisement and the digital is optimal till we explore, and regarding the marriage services, the weddings are not happening the way it used to happen while slowly things are opening up, our focus is on the few things, one is that we are looking at increase in the listing both in Mandap.com as well as on matrimonybazaar.com, so the things are going up because that is very important in the market place model and so that is moving up and also improving on product, improving our systems and other things so that when the market opens up we will be in a position to grow these businesses. When it comes to astrology, the business seems to be growing in line with our expectations and we are also looking at how we can leverage that investment and also looking at offering some improved services to our customer astrology services, so there are something we are looking at.

- V. Subbaraman:** On the marriage services a bit you mentioned that you are looking to increase the things on Mandaps and Bazaar does this you are expanding the listings in cities that you are not present right now or is it just deepening your presence in existing cities and are you focusing just on listings or will you do more, any thoughts on how you are improving the processes?
- Murugavel J:** I think we are doing both depending on some markets and expanding in newer market and it is not only the listing but also the product improvement,. It is a combination of listing plus all improvement and the process improvements on the wedding services, yes.
- V. Subbaraman:** Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Rohit Balakishan from Vriddhi Capital. Please go ahead.
- Rohit Balakishan:** Thanks again for the operations, Sir. My question is also on the marriage services business, given the duration of the customer is you have nine plus months make sense to cross sell and bring the ARPU for customer, so can you bit outline your thought process on how do you intent to scale the business given a lot, many will try to scale the businesses, we would love to hear how is our company, trying to scale this particular business and any profits that we have made in the last year and year-and-a-half?
- Murugavel J:** Thank you, Rohit and we are looking at doing few things as I said, one is that on a market place it is important that we need to have the listing done because at the end of the day the customer looking for services and then looking for listings and also verified .We have two things, mandap.com and when some are looking to get married once after finalizing the life partner, the first thing you should know in India, people start with looking for the right venues and I think that is the one area where we see that there is an opportunity because today no single aggregator player offering a large number of venues and mandap.com with more than 10000 venues and we are looking at definitely scaling up to 30000 venues over the next year or so or may be more also and it would be offering a comprehensive list of wedding venues across India. So we want the mandap.com to be the go-to destination for anyone looking at a wedding venues, we are not only looking at providing that, we look at almost 64 parameter something like that we offer information, so people can easily find the wedding venues matching their budget, other preference of locality, availability, again, availability is something are also focusing on available information of the wedding venues, so it is not just showing the venues information also focusing on getting our level and again, there are some challenges is not that easy to get information, those are some things we are working on it, so mandap we believe that there is a problem we are trying to address and again, throughout the business, it is to say again, there are lot of things to put in place before the businesses scale up and again, the pandemic got affected, we start offering the business model as commission, we moved to the subscription based model, we believe that is the right business model, so those things started happen again the pandemic itself sort of negated, on the business, but again, listings are going up, which is important for the long-term strength of the business, so that is on the mandap.com. The matrimony bazaar again, there are many players are there, many people try to do all the things, but the thing we have a large matchmaking audience

when people get married we believe that we are able to effectively integrate the wedding service business also, there is some work again, something we are executing so we believe that in the long run we can make the matrimony bazaar business also successful again, there is a focus on listings and the quality of vendor, we offer CRISIL, verified vendors on a platform and we see that many vendors are taking the CRISIL certification because the capability of the vendor also comes into a play and we offer with the CRISIL tie up, we would be able to offer the vendor information getting verified through them, so like that the initiative taking place, we also strengthen the membership team, so the people side, product side and we are probably looking at other things for the wedding service and long-term play, as Sushanth Pai indicated that with the efficiency we are able to bring down the losses from 3.5 Cr, so the business revenue had come down and obviously as expected, so we have optimized many areas and it is a long-term play for us and we believe we do the right things, and the pandemic ends, I think we are able to start scaling up the business.

**Rohit Balakishan:** Sir, there is one followup on this CRISIL partnership, I just wanted to understand that the rationale going ahead with CRISIL, why haven't we been doing that on our own I mean in terms of like having our own rating and sort of our own engine to do this because it is the scale and if we do this then can be a very big source for us in terms of future insights, and data capacity, etc., so wanted to understand the reason why we outsource the CRISIL?

**Murugavel J:** We have the information, we know the vendor information, basically it builds the credibility. CRISIL is the worldwide organization, the credibility what they have built to the customer actually, when you say that verified by matrimony bazaar compared to verified by the CRISIL, so matrimony bazaar how much of the customer attach value to it compare to the global organization, so that definitely adds to the credibility, fairly long run when the business, and things can probably what matrimony bazaar offer also some value, but at this point of time CRISIL does have the credibility.

**Rohit Balakishan:** That is it from my side. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Hardik Sangani from ICICI Securities. Please go ahead.

**Hardik Sangani:** Thank you for taking my followup question. In terms of female participation, so the way we understand generally the walk-ins are primarily driven through female profile, which the parents would be giving, but now in the times of pandemic there might be some walk-ins would have been lesser, so are we ensuring that the female participation either improves on our space and the second part, so the management looks for some investment on our tech team, which will help us in better matching of profiles and we also did some addition to our tech team, so how had been playing up? That is it from my side.

**Murugavel J:** Firstly the people create profiles through online either by downloading the app or coming to online or the mobile device, so people do not walk to create a profile, when the people walk-in retail more like they want to subscribe the matchmaking, so retail does not contribute to our

profile addition, so it is a very, very insignificant. So in retail the parents want to walk in and have a face to face interaction and want to go for subscription, so retail is mainly for adding to paid volume and servicing the customer, retail contribution is a small part of our business,.

**Hardik Sangani:** Just on the tech side?

**Murugavel J:** Tech side, we continue to add more manpower, we have strengthened our data science lab. We recently hired a data science Head, and we are doing all the required investment on the product side, tech side, on the analytical side, so continue looking at improving our product and matchmaking algorithm, there is a lot of work with ongoing work happening on that area also.

**Hardik Sangani:** Thank you. That is all from my side.

**Moderator:** Thank you. The next question is from the line of Anthony George from Kriis Portfolio. Please go ahead.

**Anthony George:** Thank you for the opportunity. Could you please give us some clarity on your advertising strategy, how much is online and advertising?

**Murugavel J:** Major advertisement is done on TV, so online is Google and other Facebook and other things, so is where we spend lot of money, so good amount of money is being spent there, almost you can say 70% to 80% money is being spent on TV and rest with digital area, so again, is a ballpark.

**Anthony George:** That is all from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Avdesh Babu an Individual Investor. Please go ahead.

**Avdesh Babu:** Sir, my question is related to a strategic move in future, currently your main market is like mid income people, are you also planning to move to lower side because that market is still untapped, it is not because that your platform is also available for them, but it is because they are unable to create their profile because of may be because of their educational background, but that market is still growing at very fast pace because the mobile is growing, are you also thinking to tap into the market in future?

**Murugavel J:** To come back to question on mid income customer today that they are not able to avail the services, we need to plan it out where there is an opportunity and need to figure out and how to serve the customers and there are some of the opportunity which we need to evaluate and to figure it out, a differentiated product, the same product which we need to figure it out and execute it.

**Avdesh Babu:** But you have not started or initiated anything in that?

- Murugavel J:** No, I cannot say that, the company does not look at it, various things happening into the organization so I cannot say that we have never thought about it, there are many things, many ideas, many discussions, so it depends on the priorities and things get executed, where is the opportunity, where the organization need to focus on, yes, something we need to look at, but I cannot say that something like what is going on this time, there are many things we are looking at to try to grow.
- Avdesh Babu:** Thanks.
- Moderator:** Thank you. The last question is from the line of Harsh Jain from Centrum PMS. Please go ahead.
- Harsh Jain:** Sir, my question was how has been the billing revenue growth for the month of October and how has been the trend in month-on-month for the last 2 to 3 months?
- Murugavel J:** We have been having the double-digit growth and even in October we have a double growth, we expect the double-digit to continue
- Harsh Jain:** Month-on-month, is October billing growing September month?
- Murugavel J:** Yes, October also had a double-digit growth.
- Harsh Jain:** Thank you, Sir.
- Moderator:** Thank you. The last question is from the line of Dewang Bhatt from ICICI Direct. Please go ahead.
- Dewang Bhatt:** Sir, thank you for taking my question. Just wanted to know that your paid subscriber growth is 25% Y-o-Y this time, so what kind of growth are you seeing in the medium term and with this revenue growth, what would be your sustainable margin in the medium term?
- Murugavel J:** Basically, we expect that the double-digit growth on billing to continue, what we are looking at is the broad direction, there will be a topline growth, there will be bottomline growth, so we are just looking at a profitable double growth.
- Dewang Bhatt:** Thank you for taking my question.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Sushanth Pai:** Thanks Aisha. Thanks Hardik. Thank you all for joining this call. We look forward to speaking with you in the coming days. If you have any further questions, you can write to me. Thank you once again.

**Murugavel J:** Thank you everyone for the participation support and thank Hardik and Ayesha and thank you everyone and advance wishes for Diwali and look forward to speak to you all soon. Thank you very much. Have a great weekend as well.

**Moderator:** Thank you. On behalf of ICICI Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines and have a good day everyone.

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(This document has been edited for readability)

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