



## **Just Dial 3QFY17 Conference Call**

**January 30<sup>th</sup>, 2017**



**SPEAKER: Mr. V.S.S. Mani, Founder and CEO  
Mr. Ramkumar Krishnamachari, CFO**



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**Moderator:**

Very good evening, ladies and gentlemen. I am Sourodip, your moderator for this session. Thank you for standing by and welcome to the Just Dial Post Results Conference Call. For the duration of presentation, all participants' lines will be in listen-only mode. We will then have a Q&A session after the presentation. I would like to now hand over the conference to Mr. Ashwin Mehta. Thank you and over to you, sir.

**Ashwin Mehta:**

Thanks, Sourodip. On behalf of Nomura, we would like to welcome you all to the Just Dial Q3 Earnings Call. We have with us the CEO and MD of Just Dial, Mr. V.S.S. Mani and the CFO of Just Dial, Mr. Ramkumar Krishnamachari. So without further ado, let me hand it over to the Just Dial management.

**Ramkumar Krishnamachari:**

Thanks, Ashwin, and good evening friends. Let me start with the highlights for Q3. Our operating revenue for Q3 increased y-o-y by 8.5% to about 180.3 crores. Of this, 179 crores is the Core Search revenue, so Omni revenue is just 1 crore. Operating EBITDA for Q3 was about 25.7 crores, adjusted operating EBITDA after one-time and ESOP is about 29.8 crores. Net profit for the quarter was about 27.4 crores with a net profit margin of about 14%.

Let me give you some of the operating highlights of the quarter. We were conducting approximately 424,000 campaigns as of 31<sup>st</sup> December and y-o-y a jump of about 20%. During the quarter we added about 16,000 odd campaigns during the quarter. We had about 17.3 million database listings as of December and about 11,185 employees. Let me give you some of the qualitative aspects during the quarter starting with the revenue front. We had very good quarter, I would say, from revenue standpoint, as we mentioned earlier also, we have seen sort of a turnaround as far as the Core Search revenue is concerned and we are glad that we have been able to improve the growth in Core Search to about 8% from 6% odd during Q2. Now, as far as demonetization is concerned, it did have a mixed impact on our business. On the new business addition we did get impacted roughly about 7% odd. We did have a good 7-10% of our revenue coming from cash that got impacted and, however, this has been offset by increased and improved clearances from our existing ECS customers, so sort of a neutral impact as far as demonetization is concerned, which I would say is a positive under the circumstance.



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Second, during the quarter we did embark on profit efficiencies and what you would have seen in terms of reduction in manpower a bulk of it is mainly due to rationalization due to process efficiency especially in the support services. On the sales we had rationalized bottom performers to the extent of about 200 odd, however, during Q4 we would continue the addition as far as salesforce is concerned. Now, I would say that going forward our focus is going to be on core business and that's what the entire effort would be and that would be the single point focus from the management perspective to get back to the historical levels that we were witnessing and the 3 point agenda going forward would be the focus on core business and, you know, expanding salesforce at the same point rationalization of bottom performer. Second is to release the ad ASAP - it's already ready. We should be releasing it any time. We released the new version of JD app during the quarter. Mani will give more colour, as we move into the call. Third is to improve the depth and breadth of the database. As far as Omni is concerned, we are reviewing it. We will get more colour during Q4 as to what are the segments that we would focus on and, you know, till such time we continue to put the Omni sales on hold. So with that, I hand it over back to Ashwin and the team for any question and answers.

**Ashwin Mehta:**

Sourodip, can we start the Q&A?

**Moderator:**

Thank you very much. We have the first question from Arya Sen from Jeffrey's. The line is unmuted. You may please go ahead and ask your question.

**Arya Sen:**

Yeah. Hi. Good evening, everyone. Firstly, if you could give a little more colour on, you know, what exactly it is that you are reviewing in on Omni, you know, because the product was launched only last year, so, you know, what's the issue there?

**V. S. S. Mani:**

The product was launched last year and there was a lot of learning from the product and we also realized that we were just going too broad on Omni and instead we should focus on certain narrow business segments. Also we had leveraged the existing sales team to a great extent to get the revenues and that was hurting our core revenue and Core Search business, so we decided to really hold it for some more time and then rethink on our strategy for Omni all over again and focus a lot more on Core Search and we are majorly inspired by the turnaround story of Yelp the way they kind of focused back to US market and the Search business and then the



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way they could grow their revenues and satisfy the customers. So we really want to focus on our Core, with our Core team we want to focus on the Core Search business and we will find an alternate distribution model for Omni.

**Arya Sen:** Understood. And what is the thinking on Search Plus, I mean, you talked about launching the ad campaign soon, so is that going to focus more in Search Plus or?

**V. S. S. Mani:** Yeah. So the campaign is ready; campaign is ready, you will be seeing it any time soon on televisions.

**Arya Sen:** And will it focus on Search Plus or on Core Search?

**V. S. S. Mani:** On Search and Search Plus, as I always been telling, that Search and Search Plus are one and the same, so you would see ads talking about Search, ads talking about, you know, Search and able to transact.

**Arya Sen:** And what's the kind of ad spend that you are looking at now?

**V. S. S. Mani:** A decent budget – I have already guided the market we can go up to 100 crores of, you know, spend on this advertising which is really important for us and we stick to that.

**Ramkumar Krishnamachari:** That will be in the period of about 3 to 4 quarters.

**Arya Sen:** Understood. And lastly the employee, sir, you had given a guidance that you were planning to add almost 2000 employees over this year, but obviously now it looks like it will be a lot less, so what is now the new number for, say, end of Q4 and maybe even FY18 in terms of employee addition?

**V. S. S. Mani:** We will a bit low on employee addition because they were little, you know, macro level changes like demonetization or other aspects, we wanted to just watch out. And then also we wanted to clean up all those extra flab that we had in different departments and we are trying to automate the entire system. So once we have done with it, we would just go and add and majorly for us additions are going to be more on the sales, headcounts on sales and probably software engineers.

**Arya Sen:** Sir, is it fair to expect that the employee addition will be less than what you had guided earlier now even in FY18?



**Ramkumar Krishnamachari:** FY17, right?

**Arya Sen:** No. FY17 we have just one quarter left, so clearly I think it will be less, but even FY18?

**V. S. S. Mani:** No. FY18 I mean, there's no need to reduce the salesforce; obviously that is an interest in increase in salesforce because there is a lot of market to be tapped out there. So we will let you know by the next quarter call, maybe, in a much better position then.

**Arya Sen:** Understood. And also you talked about improved clearance from ECS customers, could you explain that a bit more, I mean, how has that, I mean, have you shifted customers to ECS or how has that worked?

**V. S. S. Mani:** Overall realization improves because of demonetization people are parking their money in the banks, so obviously more people are getting familiar with digital payments and generally thanks to the decisions that were taken, I think, overall we are seeing some turnaround in these kind of instruments; not just ECS, also cheques that are issued are also getting cleared on time and stuff like that.

**Arya Sen:** Understood. And lastly if you could give the split of how much is now coming from the top, how much of your revenues now coming from top 11 cities versus others?

**Ramkumar Krishnamachari:** Yeah. So it is about 84% from top 11 and 16% from the rest.

**Arya Sen:** Thank you. That's all. That's all from my side. Thank you so much.

**Moderator:** Thank you very much. We have a next participant, Mr. Aniket Pandey, from Elara Capital. Your line is unmuted. You may please go ahead and ask your question.

**Aniket Pandey:** Hello, sir. Thank you for the opportunity. I have couple of questions. I just want to know how many Just Dial app downloads and installation were achieved this quarter and how about the number of ratings and reviews, you know, like did that see a significant improvement due to campaign and to rewards, user of to review and rated?



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**V. S. S. Mani:**

Yes, of course, we have seen a good increase in both the reviews and ratings as well as we have seen in the app downloads. App downloads we actually see an all-time high in the recent years and that's continuing, so that trend is continuing. We also launched our new JD Lite App. I just want to kind of highlight this that our future we are focussing on less than 1 mb app offering to the users because we have done our own analysis on apps and people usually like lighter apps and also apps that are less on, you know, other aspects, so this is what we have addressed in this. Without having to compromise on any of the features of the regular app, we are able to deliver a 1 mb app and in the next couple of weeks we will see a much improved version which will have voice navigation, which will have voice search, which will have friends ratings and all those features that we have had so far. So being less than a 1 mb app and the potential of app download becomes exponentially can grow because pretty much anybody and everybody in this country is the target audience for us. Just to update, the current app is 16 mb, the one on the Playstore, and the light version is 844 kb.

**Aniket Pandey:**

Okay. Yeah. And, sir, my second question is, you know, like why is the realization per campaign falling, you know, like should this not be a concern or cause or a serious concern considering the customers around something around 30-40%, so, you know, at some point customer acquisition might start approaching revenue realized from the campaign, so, you know, what steps can we take to arrest this decline and, you know, we should expect this trend to reverse?

**V. S. S. Mani:**

You will see hopefully a big reversal because of branding which we have not done for almost 3 years now. With that, you would see a more uptick in traffic and overall customers willing to commit a higher amount of money, you know, for the campaigns in Just Dial you should see that. But we have warned earlier also that the average ticket size may go down because, as we expand, and if you remember last year probably our tier 2, tier 3 share of revenue roughly was at about 8%, 8 to 9 %.

**Ramkumar Krishnamachari:** So the revenue share was about 12%, we have gone to about 16 now.

**V. S. S. Mani:**

16%, so those will also have an impact on the average realization. The cost for sales is not of a concern because it's pretty much sunk



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cost, so, yes, we would do better if we are able to realize better value per customer.

**Ramkumar Krishnamachari:** Just want to add to that. You know, currently our bulk of the growth is coming from the tier 2, tier 3 cities and there the ticket size is lower than what you would have in the main cities. And, as we go forward into Q4 and for subsequent quarters, we would expand into these main cities as well because there we have not even reached a level of, I will say, the potential that we think that we could tap into these main city markets. So, as we expand, we will see growth happening in the main cities as well which will bring back the average. Now, this average realization is a function of mix because we do fix our, you know, we don't change much our pricing; we fix the minimum payment in each of the smaller cities as well as in the main cities, as well on the premium positions the pricing are determined by the pricing engine. So pretty much there is no change that has taken place in the last, I would say, year or so in any of these. So you would see better in the – mainly whatever the variation that you are seeing today is a function of mix which will improve, once the growths get back into the main cities as well.

**Aniket Pandey:** Okay. And, sir, one last final question like how much was Just Dial's Omni sales is, I mean, how much did it contribute to revenue and how much addition is there, you know, what's your, you know, like what's your take on Omni now for coming quarters?

**Ramkumar Krishnamachari:** Omni revenue is about 1 crore. Pretty much didn't sell any Omni during the quarter. So, as we said in Q2 itself, we have taken a pause, so the overall Core Omni sales remains at about 7000 odd, with the combo included it would be 9000.

**Aniket Pandey:** Okay. Thank you, sir. Thank you.

**Moderator:** Thank you very much. We have the next question from Mr. Niket Shah from Motilal Oswal. The line is unmuted. You may please go ahead and ask your question.

**Niket Shah:** Yeah. Thanks so much for the opportunity. Just wanted to understand on the JD global merger with the listed company how much time would it take and what benefits that would have for us?





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**Ramkumar Krishnamachari:** The JD merger we just got the approval from the shareholders and it has been filed with NCLT which is the new tribunal handling all these cases; earlier it was high court. So we expect the approval to come through in the next month-and-a-half or so.

**Niket Shah:** Right. Okay. And it would help us to bring down the tax rate next year, right?

**V. S. S. Mani:** We can't comment on that.

**Niket Shah:** Okay. The second question is just wanted to know on margins, you know, whatever margins we would end this year with on FY17 is it safe to assume that FY18 margins would look a tad lower than what it is in FY17 because you would be adding employees plus there will be advertisement campaign that you would basically running through for the next 4 or 5 quarters, so any sense on...?

**V. S. S. Mani:** See, next several quarters our focus is going to be on growing the business, growing the traffic, growing the revenue. I would also like to highlight that we made several mistakes in the last several quarters, one was taking our eyes off the core business; we try to over achieve by including several new products and trying to do too many things. Whereas, a great running business when we lost sight and it, you know, kind of I have to tell because obviously it's a question of management bandwidth right from the CEO downwards and experimenting with new products also kind of disturbs the entire sales rhythm, you know, so all that has been the cause for all the slowdown in revenues and the growth and stuff like that. So we said let's go back to basics, let's focus on the core and even within the core, even the most relevant thing, you know, it's not like talking about 17 million business, out of 17 million businesses probably 9 million are not even a TG for us to monetize or whatever I am just giving a number. So if it just a 8 or 10 million which is what makes sense for you to monetize just focus on those and get the growth back to a decent double-digit maybe in the 20s or higher than 20s majorly inspired by what has happened in Yelp the way they turned around we have been reading a lot about that and so that's going to be the focus area. So the focus is not margins; our focus is going to be growth in revenue, growth in traffic.





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- Niket Shah:** Right. So safe to assume next year, you know, we would require more than 20% growth to at least maintain our FY17 margins, is that a safe assumption?
- V. S. S. Mani:** That Ram can say.
- Ramkumar Krishnamachari:** See, I would say that if the growth comes back to more than 20%, margins will improve excluding the one-time ad spend that we might be doing. So you have to look at the extraordinary spend on ad and exclude that and look at the margins and we believe that we can sustain this business if the growth, you know, as Mani has alluded, if we average 20-25% growth in the next 3 years, the margin we can sustain in anywhere between 25 and 30%, if not higher, as we move forward on the core business, I mean.
- Niket Shah:** Right. And one final question on pricing, any tweaking of pricing that we have done or do we plan to do that at least for our premium or platinum customers, you know, more like towards the first quarter or something like that?
- V. S. S. Mani:** Once the campaign starts, then we will take our call.
- Niket Shah:** Okay. That would be closer to first quarter, right, or by like first of April?
- V. S. S. Mani:** So campaign is going to start any time soon.
- Niket Shah:** Okay. Got the point. Perfect. Thank you so much and best of luck.
- V. S. S. Mani:** Thank you.
- Moderator:** Thank you very much. Mr. Ashwin, your line is unmuted. You may please go ahead.
- Ashwin Mehta:** Yeah. I had a question in terms of from a Core Search perspective when you say you are looking to replicate what Yelp has been able to do it successfully, so from an engagement perspective while sales and better listings, better data all that would help from a backend perspective, from an engagement perspective what are the measures other than the ad campaign that you are taking to help better engage and help generate more leads on the platform?



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**V. S. S. Mani:**

Right. So if you look at it, first there are two levels of engagement, one is the user engagement and the other is vendor engagement which one you are referring to, I guess, the user engagement?

**Ashwin Mehta:**

Yeah, the user engagement part.

**V. S. S. Mani:**

Okay. So from the user engagement standpoint we realized that, you know, the communication has not gone there; people are not thinking – there was a time when Just Dial was a go-to-destination for everything before the whole penetration of mobile Internet and stuff like that. Then we were like riding the wave...it was a go-to-place and slowly obviously we benefitted out of that branding on when we went online, but then over a period of time JD as a go-to-destination wasn't happening as much as it should have. So that is where our focus is, one is communication to the people and have a rock solid product, a product which is far superior to what's there in the market and you would see that a product which is truly a one-stop get everything kind of a thing where you can search for everything, it's ease of search speaking in any language and searching, ability to transact, ability to even use instruments like JD Pay which has been launched, which has got phenomenal response, it's a very simple, you know, payment mechanism where you can pay vendors or peers, you know, and all those things, so all that we have to consistently communicate. Once you communicate and deliver the product, then obviously you will have user engagements. And apart from that we have contest around, you know, reviews and ratings, there are contest on, of course, downloading the app and using certain features, you know, sharing it with friends and, you know, because it's just a less than 1 mb app, so it's worth sharing it with friends, you know, telling them to download the app. So a lot of those activities are on. And if you look at Yelp, you know, a good majority of their traffic like probably close to 65-70% of their traffic comes directly from their app and their own site they are less dependent on the search engines. So our goal is also to shift our traffic more directly to our app, you know, the users should come and use it and obviously consistent advertising and communication with a great product experience will help us achieve that.

**Ashwin Mehta:**

Okay. And as a followup in terms of from an app perspective, is there a new version of the app coming before the ad launch or what we currently have?



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**V. S. S. Mani:**

Yeah. That's the reason we are holding that. So there are little bit touches being made, as I speak, so we will have like two versions of apps in all, you know, you will have a lighter version and you will also have a regular app, both are getting updated and in both you will have pretty much the same features, so it's up to the user what you want to use. And this would be the case for Android to begin with, and Windows and soon on iOS also we will have a lighter app, but, of course, the new app is much better designed, more easy to use and it has the full-fledged features like JD Social, JD Pay, pretty much search for anything and much easier search, you know, all those things. And we have also created great commercials we are pretty happy with the outcome and those are also going to be really high impact commercials.

**Ashwin Mehta:**

Okay. And from a cost rationalization perspective how much scope do you think you have and where exactly are the inefficiencies which can be plugged?

**V. S. S. Mani:**

Well, as the growth slows down, our attention went to cost and we are seeing that there is a lot of inefficiencies in the system which we never bothered because, as a company, we have been growing at high double-digit, you know, for several years, so we over a period of time kind of increased this cost. So now our focus is, one, cut the wastage, cut the flab, bring in automation, reduce people... just more on process than people and these are all, as we roll them out, I think a lot of people will be redundant for us and, you know, we would be saving a lot on that and, of course, the other expenses that go with it. But that, of course, is like we are kind of touching this after probably several years, so one-time cleanup is required and also be careful that in future we just don't add the headcounts which doesn't help in productivity. There will be no compromise on sales, though, we need more feet on street, more tele-sales people, so that effort will continue and you will see in the coming quarters, you know, the sales team might just go up substantially.

**Ashwin Mehta:**

Okay. Fair enough. And just one last data point question to Ram. Ram, how much of our mix of listings is currently premium versus non-premium and how much of our revenue is coming from premium versus the non-premium listings?

**Ramkumar Krishnamachari:**

That I would say from a paid campaign this is about 18 to 20% would be the premium, but from a revenue standpoint it would be roughly in the range of about 45% of revenue would be from premium.



**Ashwin Mehta:** Okay. Fair enough. Thank you and all the best.

**Ramkumar Krishnamachari:** Thank you.

**Moderator:** Thank you very much. We have Ms. Rakhi Prasad from Alder Capital. Your line is unmuted. You may please go ahead and ask your question.

**Rakhi Prasad:** Hello? Hi, good evening. I just wanted to understand in the growth of your unique visitors would you have a sense of how many of those would be some tier 2 and tier 3 cities versus your top 11 cities?

**V. S. S. Mani:** We are not in a position to give the breakup right now.

**Rakhi Prasad:** And your growth in unique visitors increased to 80.6 million, is that correct this quarter?

**Ramkumar Krishnamachari:** Right. Yes.

**Rakhi Prasad:** Thank you.

**Moderator:** Thank you very much. I would like to repeat, participants, should you have any more question, please press "0" followed by "1" on your telephone keypad. We have the next question from Mr. Pratik Choudhury. He is an individual investor. The line is unmuted. You may please go ahead and ask your question.

**Pratik Choudhury:** Hi. My questions have been answered. Thank you.

**Moderator:** Thank you very much. We have the next question from Ms. Garima Mishra from Kotak Institution Equities. The line is unmuted. You may please go ahead and ask your question.

**Garima Mishra:** Yeah. Hi. Thank you for the opportunity. Just on the traffic matrix from the mobile user based perspective could you please share what proportion of your traffic is from apps and what proportion is from the mobile website?

**V. S. S. Mani:** Ram, can you give the breakup?

**Ramkumar Krishnamachari:** Yeah. So around 12 to 15% of the mobile traffic would be app, rest is from the website.



- Garima Mishra:** Ram, would this matrix have changed materially over the last one year, so, I guess, what I am trying to ask is has the proportion of app increased overtime or has it remained relatively steady, say, over the past 12 months?
- Ramkumar Krishnamachari:** I would say materially we have not seen a big amount of change especially because we have not launched the app specific campaign anywhere in the last one year, if you will notice other than few contest that we have done. So materially there is not much of a change from this proportion of mix coming from app versus website.
- Garima Mishra:** Okay. And the last one is how would you go about measuring, say, app traffic, does it just refer to everybody who has probably downloaded the app or are there more, you know, sort of user engagement matrix that are taken into account when calculating app traffic or is it just based on, say, things like log ins or people who've logged into their app for, say, over a period of one quarter or something like that sort?
- V. S. S. Mani:** Obviously, it's by the usage and it is like if it is unique visitors they are then obviously the unique visitor is taken into account, we don't double count it, but the thing about is the usage of app goes along in most cases at least with the publicity. If you see there is an app trending right now, you would see there's lot of advertising about the app, generally people are aware about it, then, of course, each one, you know, recommending to their friends and family and stuff like that. Like Ram said, in the three years we have not ever advertised the Just Dial app. I don't know if you have ever seen an ad, except for some commercials on, you know, movie halls and multiplexes. Now, you would see once the campaign takes off, the same mobile traffic which goes to the website will slowly shift to the app and obviously once they download the app, they will see, you know, it's far more engaging and there are so many more things to do, so you would see that. We will be able to give you more data on this and we are, in fact, very keen to give this data to the market from the next quarter onwards, once our campaigns take off and thereon we will be updating you every quarter.
- Garima Mishra:** Sure. Thank you so much for that, Mani. Thank you.



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**Moderator:** Thank you very much. We have the next question from Shalin Kumar from UBS. Your line is unmuted. You may please go ahead and ask your question.

**Shalin Kumar:** Yeah. Hi. I am really sorry. I am in a very bad network area and my called already dropped twice, so you may have already answered these questions so I will be just asking them again. So just wanted to understand, you know, 20% growth in the paid listing during demonetization how should we read it, is there an impact and, if yes, should we expect better growth over here probably in the next quarter?

**V. S. S. Mani:** I mean, one point I want to highlight that, of course, just focusing on our Core Search the entire management CEO downwards to the feet on street, I think, that has really helped us; it's not that market is suddenly responding differently, it's just our own internal things our stuff that we have created undoing is happening. So you would see, as this efficiency goes on and this focus continues and with advertising and marketing support, yes, the growth should continue, I don't see any reason, unless we mess it up.

**Ramkumar Krishnamachari:** Yeah. So just to highlight, Shalin, adding to that, Shalin, is that if you notice in Q2 we have a net campaign addition was about 18K and that actually dropped to about 16K in this quarter. So to that extent, yes, we have been impacted by demonetization on the new campaign addition. As I mentioned earlier, revenue got neutralized due to the fact that we had improved clearances from our existing paid customers, so that's sort of offset. But what we are witnessing, you know, currently is things are stabilizing and we should come back to the normalized level of our net campaign addition, as we move into subsequent quarters.

**Shalin Kumar:** Right. Thanks a lot. I have one question for Mani. This is little diverting from the thing. What's your view on this personal assistant app like Tabzo, Haptik, is there a view on them?

**V. S. S. Mani:** I can't have a view on other products, but it's always a flavour of the season. I guess, it's time for this kind of – I would say that if an app has to be successful, it has to have its own content; it has to have its own curated content and it has to have in-depth data and a horizontal in that case, of course, and in more in our case as well. If we are a horizontal, you have to really do a great amount of work to get this user experience to a new level. As a convenience



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just having one app as a shortcut to others may or may not work I don't know.

**Shalin Kumar:**

If it may work, then do you think that Just Dial has much...?

**V. S. S. Mani:**

Actually, JD does more than that. So you don't have to worry because these apps are limited in a sense if you look at the new offering of JD and you would see that it is far, far superior to all offerings from the market.

**Shalin Kumar:**

I agree with you, Mani. The only thing I am asking from the perspective, right, you know, this new personal, you know, do you see, you know, it could be a competition and also can you see JD in that kind of a context as well that we have such a curreted content behind us and the kind of offering in form of personal assistant can be much, much superior than what is available in the market, right?

**V. S. S. Mani:**

It is. As you see that when we launched the app as well as the campaign, you would know that this is a far, far superior experience, for example, the Search, the convenience of Search, the depth of information, you know, length and breadth of the country that we cover we have features like map with voice navigation, we don't use any other maps, its our own built-in map within the app which is again far superior to what's available in the market for at least finding small businesses and there are several other features in the app that you would see and, of course, you can do all those dozens of things that you can do which is basically a one app for many things. So, in fact, one of the ads talk about why have so many when you have just one app that can do the job of 10 perhaps, you know.

**Shalin Kumar:**

Sure. All right. Just one last question for Ram. Ram, how should we see other income, can we sustain this other income quarter-on-quarter around 20 crores?

**Ramkumar Krishnamachari:**

Yeah. So with this new IndAS you know, the mark-to-market is what we are recognizing in most cases other than certain realized income. So you would see the overall, see, we have a portfolio value of about 950 crores you should see anywhere between effective rate of return anywhere between 7 to 8% so that we should be able to sustain, you know, over a period of time. So that way the IndAS has been good for us, you know, from normalizing and recognizing the other income.





- Shalin Kumar:** Okay. Got you. All right. That's it from my side. Thank you so much.
- Moderator:** Thank you very much. We have the next question from Ashwin Mehta. Your line is unmuted. You may please go ahead and ask your question.
- Ashwin Mehta:** Yeah, Mani, I had a question on Omni. So from a product perspective on the product side of Omni and on the services side of Omni where are we - is the product side ready in terms of the launch and the services side as where you are kind of narrowing down the use cases, so where are we in terms of the product, so how soon can we see a launch or the restarting of sales there?
- V. S. S. Mani:** Okay. So I would repeat again, the focus is on Search; Omni is being handed over to one of the executives, senior person, and he is taking his talk as far as the shaping of the product for services and product is concerned, couple of services we have cracked it very well which is, you know, medical services and doctors and restaurants and stuff like that. On the product side we have cracked very well retailers especially, you know, outlets and retails and so but the point is that then the thinking on Omni is what exactly should be our distribution mechanism, should we have feet on street to sell it or do we have some alternate way of distributing as more software companies have resellers, you know, so that's the thought process and we want to really do it so well that, you know, there is no revisiting, you know, this all over again. So that's, but we are more than willing to meet analysts and demo them the product, but the core management team at Just Dial is right now focused on Search.
- Ashwin Mehta:** Okay. And secondly in terms of the campaign we had earlier talked about, you know, an evangelist campaign as well, so does that start...?
- V. S. S. Mani:** Yes. That got delayed because the app got delayed. So basically evangelist campaign was supposed to start with the completion of the app and the app we added several other features to the apps, so hence it got delayed. So you will see the evangelist campaign would kick in, once we have the app launch and the television commercials, then we would have the evangelist campaign; the product is ready for us.



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**Ashwin Mehta:** Okay. Fair enough. Thank you.

**V. S. S. Mani:** Thank you.

**Moderator:** Thank you very much. We have the next question from Mr. Tushar Malu from Kora Management. The line is unmuted. You may please go ahead and ask your question.

**Tushar Malu:** Hi. Good evening, Mani and Ram. Thanks for taking my question.

**V. S. S. Mani:** Hi.

**Tushar Malu:** Hi. Just wanted to confirm the current cash balance and then wanted to ask what you are thinking about the possible usage of this cash going forward?

**V. S. S. Mani:** Investments would be about 960 odd crores and use of cash - running the business. What else?

**Tushar Malu:** I mean, with your business already generating significant amount of free cash flow, I guess, incrementally where do you think about deploying this cash, do you think about perhaps dividending some of this back?

**V. S. S. Mani:** Yes. There is discussion on that on dividending and other ways of distribution to shareholders. We are not in a position to tell you right now, probably in the next quarter or so you will get to know about it.

**Tushar Malu:** And then any thought on M&A, I mean, have you considered it because in the past you said that's not in the consideration?

**V. S. S. Mani:** I mean, the worry is M&A even if you consider it, those companies have to exist before you could buy them they kind of shutdown, so that's the problem. So it's like I don't think we would do any M&A.

**Tushar Malu:** Okay. And then just another question I had on the competitive landscape. It looks like at the beginning of this month Google relaunched their My Business initiative and I was just wondering have you seen any changes after that launch because, I guess, their results show up now on top of your results on the main search page and so I was just trying to understand it what the overlap looks like



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with your sort of campaigns and how competitive landscape is sort of changing from your perspective, if at all?

**V. S. S. Mani:**

We have not been impacted so badly, but then I would like to say that if we have to watch out, we have to really watch out strategies of Google and how they want to really run their search engine because so far they have been acting as a go-to-place for... they organize information and show it to us, now it seems like some bit of it they want to curate and show it, so we do not know but we have our own strategy to think of a world without getting traffic through SEOs, so obviously that's our focus right now.

**Tushar Mali:**

Okay. Great. Thank you.

**V. S. S. Mani:**

And also let me just highlight certain things like, you know, whether it's on SEO or, let's say, even Adwords, the standard global clickthrough rate for an ad is about 2% or little less than 2%. We do phenomenally well like several times better than the global average, several times. So that qualifies that the thing that the quality of information available in Just Dial and brand Just Dial is what people are looking for. So if that is the case, then if that is a way, I mean, if people are not able to find this on the first page of a search engine, they will find us directly, you know. I don't know, consumers are particular about what their experience is, you know, and the quality of information they get and the overall experience.

**Tushar Mali:**

Okay. Great. Thank you.

**Moderator:**

Thank you very much. At this time we have no more questions. I would like to hand it over back to the management for any final or closing events.

**Ramkumar Krishnamachari:**

Yeah. Thanks, everyone. As Mani had alluded earlier in the call, we are intently focused on getting our core business back to the historical growth rate, that's what is been focused on and ensure that will be backed up by a great product and an ad campaigns that we are going to be launching any time during the month of February. So with that, we are hoping that we will come back to, you know, the growth rate that we have witnessed and we will continue to execute on the strategies that are needed to ensure that we get back there. So we are quite confident and we have conviction that we will get there. Thank you very much.

**V. S. S. Mani:**

Thank you. Thank you, all.



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**Moderator:**

Thank you once again. I would like to thank all the investors who had joined us today. Hope you all have spent a useful time. With this, we conclude the session. Wish you all a great day ahead. You may all disconnect your lines now. Thank you very much.