



India's No.1 local search engine

“Just Dial Post Results Conference Call”

July 25th, 2017



SPEAKER: Mr. V.S.S. Mani, CEO and MD, Just Dial
Mr. Abhishek Bansal, CFO, Just Dial

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Moderator:

Good evening, ladies and gentlemen. I'm Sagar, your moderator of this session. Thank you for standing by and welcome to the Just Dial Post-Results conference call. For the duration of the presentation, all participants' line will be in the listen-only mode. We will 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:

On behalf of Nomura, we would like to welcome you all to the First Quarter FY18 call of Just Dial. We have with us Mr. VSS Mani, Founder and CEO of Just Dial, and Mr. Abhishek Bansal, the CFO of Just Dial. Without further ado, let me hand it over to Abhishek. Abhishek!

Abhishek Bansal:

Yeah, thanks. Hi everyone, welcome to Just Dial earnings call for First Quarter of FY18. I shall briefly run you through financial and operational highlights for the quarter. Total operating revenue for the quarter stood at 190 crores witnessing a growth of 7.8% YoY and 4.6% sequentially. However, on a like-for-like basis, core search business revenue witnessed a growth of 11.7% YoY from Rs. 170 crores in 1Q last year to 190 crores this year. Operating EBITDA margins stood at 17.1% witnessing a growth of 51 basis points YoY, excluding ESOP expense of 4.8 crores incurred for the quarter. Adjusted operating EBITDA stood at about 37.3 crores which witnessed a growth of 8.1% YoY. On a margin basis, adjusted operating EBITDA margin stood at 19.7%. Net profit for the quarters stood at about 38.2 crores which witnessed a 50% sequential growth. Deferred revenue as on 30th June stood at 290 crores, which was up 20% YoY. Cash and investment stood at about 1086 crores as on 30th June.

Now, coming on to operational highlights for the quarter, as you know, we launched our advertising campaign in March this year. We have seen highly encouraging response such as traffic, measured through unique visitors witnessed 32.5% YoY growth and about 16% sequential growth. We have crossed 100 million quarterly unique visitors for the first time. Our total app downloads went up by about 50% YoY to a gross level of 15.4 million now, daily downloads were up over to 50% YoY.

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In terms of our database, total active listing stood at 18.8 million as on quarter end, witnessing a growth of 13.3% YoY. About 900,000 plus listings were added to the database during the quarter. The richness of our database is also evident from the fact that out of total listing, 40% plus stand geo-coded as on 30th June. Total images in listing stood at 35.6 million. Paid campaign stood at approximately 435,980 at the end of last quarter, witnessing a growth of 12% YoY. In this particular quarter, we took some price hikes on certain entry level products in certain cities which led to sequential realization per campaign growth.

Overall to summarize, it was a great quarter for us from operating perspective. Traffic had strong growth owing to advertising excluding advertising spends and ease of expenses. EBITDA had a healthy 50% YoY growth indicating cost-efficiency which we have been able to bring in. Going forward, focus continues to be on growing usage of our product. We should translate into better monetization. Apart from this, board has approved buyback of shares via open market mechanism for about 84 crores at a maximum price of Rs. 700 per share. Buyback should open in a couple of weeks. We shall now open the floor for any questions.

Moderator:

Thank you very much, sir. Ladies and gentlemen, if you wish to ask a question, you may please press “0” and “1” on your telephone keypad, and wait for your names to be announced.

I repeat, participants, you may please press “0” and “1” on your telephone keypad, and wait for your names to be announced. You are requested to keep restricted to your two questions at a time.

Ashwin:

Yeah, this is Ashwin from Nomura starting off. Just want to get a sense in terms what was the reason for the slow growth in paid listings this quarter and how do you see the outlook on paid listings going forward?

Abhishek Bansal:

Hi Ashwin, see, paid campaigns and realization depends on multiple factors. One is obviously the geographical mix. As you know that we are venturing more and more into Tier 2, Tier3 cities where realization is obviously much lower compared to Tier 1 cities. Secondly, campaigns are also a function of what is the product that we sell. We have some add-on products as well. This

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particular quarter, since we were launching advertising, we took a conscious decision that we should take some entry level price hikes in some of the cities. So, our key objective to our sales team was that since we have taken **price hikes**, please ensure that we are able to maintain our campaigns or grow our campaigns. And I think they have been able to do so. Going forward, we are hopeful that this particular campaign growth should also result into higher revenue. So, going forward, campaign growth and possibly better realizations or say lesser decline in realization should be the way forward.

Ashwin: And by when do we think we should be back to double digit growth?

Abhishek Bansal: See, it's difficult give guidance as we have seen historically whenever usage of our product has grown, monetization has subsequently followed. So, when we launch our particular advertising campaign, this particular 32% plus YoY traffic growth has in fact surpassed our expectations as well. So, whatever additional traffic is coming to our portal, benefit of that particular traffic obviously accrues to our particular paid ad advertiser. With more benefit accruing to them, we obviously expect growth rates to improve in coming future. But to put a definite timeline obviously would be difficult.

Ashwin Mehta: Operator, can we take the next question?

Moderator: Sure, sir. The first question comes from Mr. Pradeep Menon from Elara Capitals. Please go ahead.

Pradeep Menon: Hi! This is Pradeep Menon from Elara. Thank you for the opportunity, and congratulations on the good revenue growth. I just want to ask in a slightly different way. You know, I think the growth in paid campaign incrementally if I look at the number of additions to the paid campaign. You just had about, I think, 600 campaign. I think this is the lowest that we have seen. So, was it because, we've seen, you know some resistance to the price increase that we have taken or you think you could have closed more of... Was there any impact of any other factors like say the GST introduction and does this actually impact your pricing or you having to add that?

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Abhishek Bansal:

Okay, Pradeep in terms of realization, as I mentioned, our particular pricing differs not only by geographies, by products. Within the same product, it also varies by various key words. So, in Mumbai, suppose there is a Movers and Packers or... Out there we would have strong pricing power. We would want to monetize it the way we want whereas what keywords such as chemists, grocery stores, tailors, cobblers, who would not be willing to pay say Rs. 2000 or Rs. 3000 per month entry level price, we are fine having them in our pay ecosystem at even Rs. 1000 per month. Internally, the way we look at the revenue is that the total revenue should grow. Some part of the revenue growth would come from listing growth in categories which are say low ticket size categories. In other cases, it would come from pricing growth say from premium listing or top cities. So, I wouldn't be that worried about lower pace of campaign addition. It's a combination of campaigns addition and pricing. Overall, we are targeting that we should be on our growth path.

Pradeep Menon:

Alright. And secondly, you know, how much do you think are other expenses increases in this quarter can be attributed to just from advertising?

Abhishek Bansal:

So, total advertising expense during the quarter was about 22 crores, out of which 16.2 crores was on TV advertising.

Pradeep Menon:

Alright, great. Thank you and best of luck.

Moderator:

Thank you very much, sir. We take the next question from Mr. Arya Sen from Jeffreys. Over to you, sir.

Arya Sen:

Yeah, Hi. Good evening, everyone. Firstly, you have talked about search revenue separately. So, the balance last year same quarter would be mainly JD Omni. Is that correct?

Abhishek Bansal:

Yes, last year, we had about 6 - 6.1 crore revenue for 1Q 17.

Arya Sen:

Okay. And what was JD Omni's contribution for the full year FY17?

Abhishek Bansal:

It was about 12.5 crores.

Arya Sen:

Okay. And that would be close to zero this year, right?

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- Abhishek Bansal:** See, as of now, yes that is what the case would be. But JD Omni, incrementally what we are looking at is Omni, we could either sell it as a standalone product or as a bundled product as well. The thought process on Omni is that, as part of Omni we would be giving a good-looking website and mobile site to our paid advertisers whether those particular paid advertisers continue to be with us for Omni or for our particular overall listing, we are fine either ways. So, that is how we intend to sell going forward.
- Arya Sen:** Sir, are you starting to sell Omni again because I thought you were not selling Omni for now?
- Abhishek Bansal:** Omni per se is paused at this point of time. I'm saying that going forward whenever we sell Omni, if it is sold as a bundled product, maybe you would not see Omni as a separate revenue item and it could be bundled along with our regular product itself.
- Arya Sen:** Okay. So, whatever you had not, you know, taken upfront payment for when you sold Omni last year, shouldn't there be some revenue contribution of that, you know, even in 1Q and going forward, I mean, are you bundling that into Search now?
- Abhishek Bansal:** So, that particular quantum of about 1.5 - 2 Crores, that would come over a period of time. Most of the Omni revenue has already been recognized.
- Arya Sen:** Okay. So, in 1Q, that was not a material number?
- Abhishek Bansal:** In 1Q, that was almost negligible.
- Arya Sen:** Understood. Secondly, you gave the numbers for advertising expense for this quarter and TV expense within that. Could you give similar numbers for last year full year and last year first quarter?
- Abhishek Bansal:** Yeah, sure. Last full year, total advertising expense was about 28 crores. In 1Q 2017, total advertising expense was about 5 crores.
- Arya Sen:** And TV.....
- Abhishek Bansal:** Sorry, last year 28 crores included about 4.8 crores of TV advertising expense which we incurred in March quarter.

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- Arya Sen:** Okay, understood. Not much in the first quarter of last year.
- Abhishek Bansal:** First quarter of last year had our regular 5 crores advertising spend. Obviously, there was no TV ad spend during that quarter.
- Arya Sen:** Right. Now that you started spending, you have sort of gotten some look into what sort of traction it is generating, what's the thinking going forward, are you still sticking with that 100 crore budget and over what period of time? Is there any change in terms of your strategy and how you want to spend it or where you want to spend it?
- Abhishek Bansal:** See, in terms of advertising strategy, we are not that much obsessed about whether we have to spend 100 crores, 25 crores a quarter. The thought process is that, as long as the traffic growth continues to be visible through our ad spends, we will continue to do so. We would be judicious in terms of what sort of mediums we will use. We took a conscious call of advertising on news channel. That has paid off extremely well for us. Maybe we might go with some of the channels going forward. But as of now, this medium seems to be auguring well for us.
- Arya sen:** Right. And, lastly, if you could give a bit more colour on how much of the revenue this quarter came from, the Top 11 or 9 cities or was it the rest and, you know, if any particular vertical is doing better or worse.
- Abhishek Bansal:** The Top 11 cities contribute now about 78-79% of the revenue. Rest of the Tier 2, Tier 3 cities contributed 21-21.5% of the revenue this particular quarter. In terms of verticals, there hasn't been much change. Key categories continue to be Movers and Packers, pest control services, real estate agents, dermatologist, car hire, etc.
- Arya Sen:** Okay. That's all from my side. Thanks so much and congratulations on your new role.
- Abhishek Bansal:** Thank you.
- Moderator:** Thank you very much, sir. Before moving on to the next question, I would like to request participants, if you have any questions, you

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may please press “0” and “1”. We take the next question from Mr. Rajeev Sharma from HSBC. Over to you, sir.

Rajeev Sharma: `

Yeah, hi. Thanks for the opportunity. Just had three questions. So, firstly, you know, in terms of the next 4 to 6 quarters, what's the plan? Is it all growth driven by advertising spend or there is something more which is on the way? Second, I did read that Just Dial is keen to work with Google. So, if you can just provide some more colour as to what exactly is in your mind. And third, do you have a CTO now, do we have a HR Head now? There have been some news reports that there has been, you know, vacuum at the senior management level. So, any updates there? Thank you.

VSS Mani:

Rajeev, this is Mani. I'll take the question. There is senior management in place. Shreos is our CTO. You will see his profile soon on the website. Shreos has been around with us for several years. There's a Chief People Officer, Much younger, talented, extremely dynamic person called Rajesh Madhavan... You'll see his profile too. There's a Chief Product Manager called Vishal Parikh. You will be meeting him in one of the Panelist Meet that we are trying to organize with the entire management team. And there is also all other people that in every department. And, as you know that Abhishek is here for now.

Abhishek Bansal:

Rajeev, on your other two questions, first one on how do we look at the next four to six quarter in terms of growth, see, advertising campaign as you know that we had been guiding that we want to actually communicate to the entire community about our new internet avatar. So, these particular set of ads are focused on communicating what all you can do on Just Dial, which obviously is auguring well for us in terms of 32% YoY traffic growth. So, in order to grow our traffic, obviously we would look at various ways of advertising or other programmes such as evangelist programme, etc. So, that is the thought process on the traffic growth. Coming on to your second question on keen to work with Google. So, there essentially, what we are saying is we are open to partnering or we are open to having an ecosystem where everyone works together. So, that is the basic thought process. No specific thoughts.

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Rajeev Sharma:

Just to follow up there, what do you exactly mean by working together? I mean, that's exactly my question. That both of you are competitors and there is no infrastructure which can be shared. So, do you plan to leave your database or, you know, just broad counters, you know, what's in your mind?

Abhishek Bansal:

See, the way we look at is... Okay, you might call Just Dial and Google as competitors but I also look both of them as collaborators as well. Our database of 18.8 million listings, obviously, it is exposed to Google as well. So, when you search any particular category in an area, though you have paid ads coming on top, Just Dial results are also coming in which also enhances user's experience on Google's portal as well. So, that way, we consider it to be a symbiotic relationship so far, and we hope that continues going forward.

Rajeev Sharma:

You know, just one last follow-up from my side. So, other than ad campaign, is there any specific new product launch or, you know, any other thing which is planned over the next four to six quarters and how much do we plan to spend on ads tentatively over the, at least, next two to three quarters basically this fiscal?

Abhishek Bansal:

in terms of products, we are internally working on messenger which could help connect our particular SMEs with buyers on real times. So, you would possibly see that particular product being rolled out soon. In terms of products, we will be able to provide text chatting, video chatting, etc. It will have all such capabilities. On Omni side, we are obviously revamping Omni to ensure that particular business should be having their mobile site live within 50 minutes of being up. So, that is another initiative that is ongoing. Rest, JD Social, we are trying to encourage related content. You will see traction on that as well. So, these are the key initiatives that are being taken.

In terms of your forecasted advertising spend, as I mentioned earlier, if you see good traction continuing, we end up spending whatever, say, 100 crores that we had expected. But at every point of time, internally as a company, we keep evaluating whether any medium that we are spending, what kind of traffic it is giving us, what kind of value addition this particular medium is giving for the

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company. So, as long as advertising is value accretive, we shall continue to do so.

To put a specific number, so to say whether 16 crores of quarter should be forecasted to 48 crores over three quarters or would it be higher, would be difficult for us to assess at this point of time.

Rajeev Sharma:

That's very helpful. Thanks a lot.

Moderator:

Thank you very much, sir. We take the next question from Mr. Parag Gupta from Morgan Stanley. Over to you, sir.

Parag Gupta:

Hi! Thanks. I just had three questions. I think, you know, the one follow-up that I had with respect to the question earlier on Google, I just wanted to understand, you know, has there been any kind of discussion that you have had or has Google reached out to you for any kind of collaboration? I just want to understand what exactly is, you know, making you talk about this? Has there been any initial conversation on any type of collaboration? That is one. The second is, you know, we have talked about sales and marketing, or basically feed on street numbers being rammed up. Just wanted to understand, is that something that you are still planning to do or you are happy with the productivity of the current sales people? And the third is, just wanted to understand cash utilization. I can see there are other companies making buybacks which may not necessarily be the most accretive to earnings. So, just wanted to understand what exactly do you want to do with your cash balances that essentially going to be just paid back and will it be on a sustainable basis or do you think you can do something more aggressive with respect to growth in itself?

Abhishek Bansal:

Okay, on your first question on Google discussion, see Parag, that particular Google discussion popped up during media interactions on a query whether Google is a competitor, what are our thoughts on that. So, I think that is getting blown up a bit out of proportion. We do work with Google on a daily basis in terms of our particular ad world and regular stuff. So, there is a healthy or a regular discussion on that front. Nothing apart from that. On feet on street numbers on a YOY basis, we did have about 11% growth in feet on street. Going forward, considering our product, now is more of a show and tell. We believe that feet on street is the way to go

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compared to traditional telemarketing way. So, we do intend to ramp up our feet on street numbers. But there we are internally clear that we would do so by maintaining productivity intact. So, far this strategy is doing extremely well particularly in terms of our feet on street. They have a clear mandate of hiring as many feet on street as possible whereas if any particular branch is not meeting our internal threshold productivity criteria, we would want to maintain that.

On your last question on cash utilization, see, the buyback that we have recently announced via open market, the key thought process there is that considering the level at which the company is being valued currently in the market, we think it would be much value accretive for the share holders if we are able to do that particular buyback at this particular price level or even something higher, anything under say Rs. 700, Rs. 600. So, the business is obviously is generating significant amount of cash whatever buyback we do. We would be able to replenish in it in next three quarters or so. In terms of using that cash, obviously while advertising we are clawing back whatever cash is that we have to grow our product usage, etc. There aren't any specific thoughts on any inorganic opportunities so to say.

Parag Gupta:

Okay. Thanks, Abhishek.

Moderator:

Thank you very much, sir. Ladies and gentlemen, before we move on to the next question, I would request participants who wish to ask questions, you may please press "0" and "1". We have the next question from Ms. Rakhi Prasad from Alder Capital. Over to you.

Rakhi Prasad:

Hi. Good evening. I just had a few questions. One was on the campaign. If you could tell us what was the split between the Top 11 cities and the rest of cities? You mentioned that 78-79% of your revenue comes from the Top 11 cities. So, that means the rest of your cities is about 42 odd crores of revenue?

Abhishek Bansal:

On campaign, in terms of number of campaigns, broadly the split between the Top 11 versus rest should be about 40 to 43% which would be likely coming from Tier 2 Tier 3 cities, outside of Top 11 cities. So that is what the campaign split. In terms of revenue,

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21.5% comes from these Tier 2, Tier 3 cities and the rest comes from Top 11 cities.

Rakhi Prasad: 42% is from rest of the cities. That is quite a jump from your last quarter about 17 odd percent. Is that correct? Correct me.

Abhishek Bansal: 42% is by count of campaigns I was saying. Considering the ticket sizes lower in Tier 2, Tier 3 cities, Tier2 and Tier 3 cities have high proportion in terms of count of campaigns but their overall revenue contribution is about 21.5%.

Rakhi Prasad: Okay. Understood. And in your listing also, if you could also give us a split between the top 11 and the rest of the cities listing proportion.

Abhishek Bansal: In terms of listing, I will have to check on exact number. But last I recall, out of 18.8 million listings, about 50% of the database was in Top Tier 1 cities and the rest 50% was from Tier2 Tier 3 cities.

Rakhi Prasad: Okay. Alright. So, that's it. That's it from my end. Thank you.

Moderator: Thank you very much, ma'am. We take the next question from Mr. Ashwin Mehta. Over to you, sir.

Ashwin Mehta: Yeah. I had one question on competition from Google. Now Google seems to be pushing the organic results down with their ads on top and their own listings after that. What are we doing to kind of tackle that? And how much of your traffic as of now comes in on your app?

VSS Mani: See, the most important thing is the growth in direct traffic in this quarter. You have seen substantial growth in the direct traffic. As we continue to advertise and make—Just Dial is a go to destination—you'll see over a period of time, this will change. The composition of Google dependency will reduce. It was earlier 11% direct traffic. Now gone up to 15%, which we feel is a big achievement just in three months, you know. And if we continue to do that consistently, we should be able to secure ourselves by getting data traffic.

Ashwin Mehta: And secondly, Mani, I wanted to—

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VSS Mani:

And also one point that I want to highlight that we are now focusing more to become a meta search engine—try to give—we figure out that the users want actually two specific things. One is, they want reviews and ratings for every listing, and every product they can buy. And they also want price comparisons, you know. So, we are trying to expand price comparisons to as many verticals, as many categories as possible So that being the focus area. I think we will be able to differentiate a bit from Google with the way they are structured right now—you know—with the ads word result showing right on top. This is actually you're getting relevant results with comparable reviews and ratings, plus you get price comparisons.

Ashwin Mehta:

And these price comparisons will be not just the online players, it will also include the offline players?

VSS Mani:

Include the offline players also, yeah.

Ashwin Mehta:

Mani, one thing that we have noticed on your app is that there are more call buttons now than order or buy buttons which were there earlier. So, given that you are kind of restricting it to a few trusted vendors who can deliver, doesn't that lower the attractiveness of the platform? And what are we doing to ramp this up much faster so that the number of trusted vendors can actually go up substantially?

VSS Mani:

See, these vendors are trusted. Call button is there because they don't update their price. There is an expiry for the price that we are setting. So then the price will not be displayed because that creates more confusion. And that's why it is good for us to get into Omni kind of a tool which we give them and we get constant real time, you know, status on inventory and pricing. So, we work on all those areas as we re-launch it and as Abhishek said we could package with all these things, give it as complementary or probably charge a slightly higher price and all those things. We can make a much more successful market place. So, at least the direction is clear that if users want not just product, not just list of providers but they want price comparisons. We have to achieve it, come what may even including deals and discounts and offers. We are talking to you on online companies and the different verticals

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and asking them to even share their deals and discounts. So, we will be able to send them traffic. So, that's going to be our approach.

Ashwin Mehta:

Okay. Thanks a lot.

Moderator:

Thank you very much, sir. Ladies and gentlemen, before moving on to the next question, I would like participants who wish to ask any questions, you may please press "0" and "1". We take a follow-up question from Mr. Pradeep Menon from Elara Capitals. Over to you. Mr. Pradeep, your line has been un-muted. You may please go ahead and ask your question.

Pradeep Menon:

Could you give me the telesales feet-on-street and the JDS number for the corporate please? ***

Abhishek Bansal:

Sure. We had about 3600 telesales executives (numbers for that department including team leads, managers is about 4,000) and about 1900 feet on street JDA.(numbers for that department including team leads, managers is about 2,300)

Pradeep Menon:

Okay.1900 feet on street and JDA.

Abhishek Bansal:

JDA, what we referred to as the feet on street who do cold calling. So those were 1900.

Pradeep Menon:

Thank you. Just taking us back a little bit, we had talked about, you know, aggregating demand and trying to do a local fulfillment. Are you thinking about initiating that at some point of unit? Do you think that still economics don't make sense?

VSS Mani:

Can you repeat the question please?

Pradeep Menon:

You had talked about, you know, trying to do local delivery in some select pin codes and, you know, starting off with that and I thought JD Omni was an outcome of that approach because you wanted to have real-time visibility into inventory. Now you are reviving JD Omni plan. You are also thinking about looking at local delivery?

VSS Mani:

No. I don't think we will ever do delivery because we did have our pilots done last year sometime around this time only. And we found that it is too cumbersome and too difficult business to do and

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we are not competent to do delivery. So we would only believe in providing technology. Enabling and empowering is our goal. The logistic aspects, businesses have to look after it themselves. So, that's why it's going to be more like a marketplace where shipment would be done by the vendor, not by us, you know. So, that's the idea.

Pradeep Menon:

Right. You know, you were trying to initiate conversation with some online players about charging them for traffic that you could give to them. But you were also looking at probably some sort of revenue share as well as part of that if you enable transaction?

VSS Mani:

Whatever is mutually beneficial, we will work out on something like that whether it's revenue share or traffic. Core focus is what the user wants and if you can give him in one place, if he can get everything, that's the whole idea. So we would look at all possible options. You know, fix the option, per lead option, per transaction, you know. We will see how it works.

Pradeep Menon:

Right. Thank you, and best of luck.

Moderator:

Thank you very much, sir. We have a follow-up question from Mr. Ashwin Mehta. Over to you, sir.

Ashwin Mehta:

Yeah. I had one question in terms of internal margins. We did pretty well in terms of managing our margins this time around and negating the impact of advertising cost increases. How much more scope do you think is there from an operational perspective in the various cost levers to be able to manage margins even if you decide to escalate our advertising budgets going forward?

Abhishek Bansal:

Ashwin, historically, if you see, the key cost component that we have is obviously the employee cost. It used to be in the 49 to 50% range say about 6 to 8 quarters back. That shot up to 61 to 61.5% of revenue 2, 3 quarters back. This particular quarter we have been able to pull it back to 56 - 56.5% of revenue by two ways. One, we have done rationalization across few departments such as database administration where automation has resulted in some of the folks being replaced. Secondly, in terms of salary cost as well, we have done some rationalization. For example, if we were hiring a feet on street at about say Rs. 26,000 per month, what we have done is we

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have tried to restructure the salary component in a way that initial month costs are relatively lower and if the person stays for the entire year, then part of the particular compensation is paid in the twelfth month. So, what that effectively does is that it helps us in arresting attrition as well as in lowering employee cost as well. Going forward, while we try to ensure that we remain as much cost conscious as possible but we have to ensure that that does not at the end of the day affect the revenue in any case.

Ashwin Mehta: Fair enough. And just one last question in terms of the buyback, over what period would this buyback be completed?

Abhishek Bansal: Buyback would start about two weeks from now. One week for public announcement, then within one week from public announcement we have to start the buyback. And from that date, we get about six months to complete this particular buyback.

Ashwin Mehta: Okay. Thanks a lot.

Abhishek Bansal: Since it's a open market buyback, it is at our discretion how to do it and total 84 crores whatever needs to be done over a period of six months.

VSS Mani: So we can do it within a week. We can do it within a month. We can do within six months.

Ashwin Mehta: Okay.

Ashwin Mehta: Okay. Moderator, do we have any more question?

Moderator: Thank you very much, sir. Ladies and gentlemen. if you wish to ask any question you may please press "0" and "1" on your telephone keypad. We take the next question from Mr. Naveen Jain.. Over to you, sir.

Naveen Jain: My question is on JD Omni. What are the challenges that you are facing in sort of re-launching JD Omni sale?

Abhishek Bansal: See, on JD Omni, there aren't any specific challenges in launching. When we launched JD Omni about one, one and half years back, what we realize is that many of the vendors wanted some customization or the other. We have significant amount of Omnis installed with several vendors who are using it. Over the last 12 to

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15 months, we have been able to compile whatever customizations vendors would mostly require and we had incorporated that. The product is almost ready. Another learning that we had is that more than the back-end of the inventory management solution, vendors valued a good looking website and a mobile site much more. So, in the part of Omni what we are doing is that for every particular category we are trying that we should be able to provide multiple-beam websites and those particular websites and mobile sites should be live for that particular client within say 15 to 20 minutes of sign up. So, within few months or a couple of months or so, we intend to re-launch Omni as either as a part of bundled package or a stand-alone package. So, the thought process on Omni is it should help us in better retention of our customers going forward.

Naveen Jain: So, as a follow-up to this, how many customers you have been able to, sir, retain in terms of percentage or in terms of absolute number?

Abhishek Bansal: Total, we had sold about 9000 Omnis and those particular vendors are using our particular solution.

Naveen Jain: Also they continue to be active on the platform?

Abhishek Bansal: Yes. So, in Omni, most of the Omnis were sold on an upfront payment where they were getting that particular solution for either 5 years or more.

Naveen Jain: Thank you, sir.

Moderator: Thank you very much, sir. Ladies and gentlemen, if you have any questions you may please press "0" and "1". I repeat, participants who wish to ask any questions, you may please press "0" and "1". At this time, there are no further questions from the participants. I would like to hand over the floor back to the speaker for final remarks. Over to you, sir.

Abhishek Bansal: Thank you, everyone. Just one clarification on feet on street. The total feet on street are about 3150 (*numbers for that department including team leads, managers is about 3,700*), out of which 1900 (*including team leads, managers is about 2,300*), are as we call JDA who do cold calls and rest 1250 (*including team leads,*

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managers is about 1,400), do appointment-based calls. And in case of any other queries or questions that you might have, please feel free to reach out to us. We would be more than glad to assist. Thank you.

VSS Mani:

Thank you.

Moderator:

Thank you, speakers. Thank you, Mr. Ashwin. Ladies and gentlemen, that does conclude the conference for today. Thank you for participating. You may all disconnect now. Thank you.