



“Just Dial Limited  
Q4 FY2021 Earnings Conference Call”

May 17, 2021



ANALYST:

MR. RISHIT PARIKH - NOMURA FINANCIAL ADVISORY &  
SECURITIES

MANAGEMENT:

MR. VSS. MANI – FOUNDER, MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER - JUST DIAL LIMITED  
MR. ABHISHEK BANSAL – CHIEF FINANCIAL OFFICER - JUST  
DIAL LIMITED

**Moderator:** Ladies and gentlemen, good day and welcome to the Just Dial Limited Q4 FY2021 Earnings Conference Call hosted by Nomura Financial Advisory Limited. 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. Rishit Parikh. Thank you and over to you Sir!

**Rishit Parikh:** Thank you, Ayesha. On behalf of Nomura, I would now like to welcome you all to Just Dial’s 4Q FY2021 earnings call. We have with us the Founder, CEO and MD, Mr. VSS Mani and the CFO of the company, Mr. Abhishek Bansal. Without further delay, I would now like to hand over the call to the management. Over to you, guys!

**Abhishek Bansal:** Thanks, Rishit. Welcome to Just Dial’s earnings call for fourth quarter of fiscal 2021. Operating revenues stood at 175.7 Crores for the quarter, which declined 25.2% year-on-year and grew 3.6% quarter-on-quarter. On a per day basis, revenue during fourth quarter grew 5.9% sequentially. The Y-o-Y drop primarily reflects impact of lower collections, which we have witnessed over past few quarters due to impacts of COVID-19.

With lockdown easing and impacts of COVID-19 abating post the first wave, monetization had been on an improving trajectory in 4Q. 4Q monetization stood at approximately 85% of pre-COVID levels. Due to reasonably healthy year end collection, deferred revenues stood at 330.3 Crores as on March 31, 2021, which was only down 1.7% year-on-year and was up 8.2% quarter-on-quarter.

Operating EBITDA adjusted for non-cash ESOP expenses stood at 41.5 Crores for the quarter, declining 48% year-on-year, primarily due to lower topline. Sequentially, there has been some decline in margins due to approximately 5% quarter-on-quarter increase in employee expenses, which was partly due to increasing variable payouts and partly due to increments. Other expenses were higher by about 4 Crores quarter-on-quarter due to 1.5 Crores increase in advertising spends and about 2.9 Crores of CSR provisions, which got bunched up in fourth quarter.

Our margin profile ideally should be looked on an annual basis rather than just a quarter because certain quarter might have lumpy costs within. On a full year basis, if you see, we had 29% year-on-year drop in topline despite that, adjusted EBITDA margin stood at 28.2% for the full year. Our employee expenses, excluding ESOP expenses, were down about 21% for the year. Other expenses were down 48% year-on-year in fiscal 2021. Even excluding advertising spend, rest of other expenses were also down about 13% year-on-year. So overall on the cost front, we have been controlling those quite well even in this exceptionally tough year.

Other income for the quarter stood at 15.6 Crores, which was impacted due to increase in bond rates during the quarter versus decline in yields which we had been witnessing in preceding quarters and same quarter last year. Consequently, net profit for the quarter stood at 33.6 Crores. For the full year, we had 214 Crores of PAT versus 272 Crores of PAT last year. Cash and investments stood at 1,572 Crores as on March 31, 2021, down just 1.2% year-on-year. The 220 Crores buybacks that we concluded during the year, we were effectively able to fund the entire buyback and tax related payout of total 273 Crores via our operating cash flows and treasury gains.

Coming to operating highlights, we had curtailed our advertising spends in fiscal 2021. During FY 2021, we spent only about Rs.6 Crores to Rs.7 Crores on advertising versus about Rs.65 Crores spent in FY2020. In FY2021, bulk of traffic came organically. For 4Q, we had 129.1 million quarterly unique visitors, which was almost flattish quarter-on-quarter if we consider the impact of two lesser calendar days in 4Q versus 3Q. Our advertising spend resumed from April 2021 in order to promote our newly launched B2B platform, JD Mart.

Our IPL 2021 campaign has resulted in great branding and awareness among businesses about our JD Mart platform. On JD Mart, we shall be having logistics services enabled in couple of weeks. Businesses would have 10 to 11 logistics providers to choose from. Payment escrow services too shall be rolled out very shortly. Total active database from Just Dial stood at about 30.4 million listings, and paid campaigns at the end of the quarter were about 457,000.

Now as we all know, India is battling second wave of COVID-19 for the past six to eight weeks, and the impact has been quite severe. Like rest of the country, our employees who have been impacted, and the company is taking all measures to support them in these tough times, there has been some impact on traffic and monetization, we are closely monitoring the same and hopefully, as soon as second wave subsides, recovery should be faster this time.

February and March look very optimistic. March month, in fact, we were at almost 90% of the pre-COVID levels. JD Mart's traffic also should start gathering traction in coming months as JD Mart starts featuring in Google search results for B2B search queries. As we speak, 2 million pages of JD Mart have already been indexed. In long-term, I think our both JD and JD Mart platforms are likely to be key platforms for SMEs to get online, to get new customers and also us, which shall enable them to run their business efficiently while use of technology, which is what SMEs require today.

With this update, we shall now open the floor for questions

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Rishit Parikh from Nomura. Please go ahead.

- Rishit Parikh:** Sure. Thanks for the opportunity. Just two questions from my side. First on the quarter and then second on the B2B side; the paid listing addition seems a little weak despite I think the collection recovery has been pretty decent for this quarter. Any reason why I think we are still seeing a lot more hesitation from SMEs? Is this largely because of, let us say, some of the SMEs are out of the business? How should we think about the churn rates in the paid listings now versus what we were at in the pre-COVID levels? So that is first. Second, could you just help us understand an update on the B2B business while you mentioned logistics and payments will get rolled out? Could you just talk a little more in detail about one, sales and marketing initiatives? What are we doing apart from IPL? And second, I think on the hiring front, what are we doing from a senior management perspective and how is that shaping up? And is there a timeline sort of we are putting out when we can call out B2B business separately?
- Abhishek Bansal:** Firstly, on the paid campaigns. So I think the way to look at paid campaigns would be to look at overall annual basis. So by and large, if we see, annually we had about 29% impact in topline. Against this particular 29%, about 14%, 15% drop has been due to paid campaigns. And the rest, about 12%, 13% impact has been due to the realization. So campaign, while this particular COVID first and second wave had a significant impact on SMEs, have been affected to the extent of 15%. As and when things return to normalcy, it should recover. As I mentioned during March month, so March month we were almost at about 90%, 92% of pre-COVID levels. So largely the key number to watch out is in my assessment how is overall revenue, monetization, etc. panning out. Yet we believe partly a factor of campaign versus realization that will automatically fall in place. Coming to your question on churn rate, during this particular year, definitely churn rates would have inched higher because certain SMEs would have decided to possibly pause their campaigns for some period and then probably come back into the paid ecosystem. One example which I keep hearing is that even Just Dial has a corporate, right? So we did advertise only our advertising trends were down 90% for the entire year, but that does not mean that we have churned out that customer for leave Google on the digital side or any mass media platform. So everyone allocates a certain budget to advertising, and those budget allocations can see fluctuations with macro environment.
- Rishit Parikh:** Sir, thank you. But you are saying we can start calling out B2B potentially starting 1Q or 2Q. Is that fair?
- Abhishek Bansal:** So in times of segregated numbers, etc., once next quarter starts, at that point of time we will take a call on this thing.
- Rishit Parikh:** Thank you.
- Abhishek Bansal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vivekanand Subbaraman of Ambit Capital Private Limited. Please go ahead.

- Vivekanand S:** Hi. Thank you very much for the opportunity. Could you help us understand the split between revenue and traffic and campaign in the top 11 cities versus the rest of the markets? That is question one. The second question is with respect to the number of campaigns. So what got impacted more? Was it the number of advertisers itself that came down or was it the case that the number of advertisers who are broadly similar to prior years, but they ran only one campaign during the year versus multiple campaigns in prior periods? If you could explain that would be great. Thank you.
- Abhishek Bansal:** So firstly on Tier 1 versus rest of cities. So Tier 2, Tier 3 cities today contribute, say for last quarter about 33% to topline and to campaigns about 54% or so. As far as traffic contribution is concerned, that is largely 50-50; 50% traffic comes from Tier 1 cities and rest from Tier 2, Tier 3. On the campaigns front, see, this particular quarter also we added around 2500 to 3000 campaigns. In fact, March what happens is that during the last week of March there are bank holidays, etc., a part of the collection tends to get spilled over to the month of April, so about 10 Crores worth of collections got spilled over to April had that particular collections being booked in March itself, that itself would have added probably 5000 to 6000 additional paid campaigns. So from that perspective, these campaigns are trending in the right direction. Yes, there would be certain categories such as your hospitality, retail type of categories, which are still struggling under COVID. They could not even recover post the first wave. So those categories would have seen some impact. So as I mentioned, the campaigns, the way we look at it is that overall campaign impact year-to-year is about 15% odd itself.
- Vivekanand S:** Is it possible to give more color on the number of advertisers that are there now? Say, it is fine if you give the number for us...
- Abhishek Bansal:** So campaigns to advertisers, that ratio largely has been in the range of 1.2, 1.22. That has not materially changed.
- Vivekanand S:** I have more, but I will come back.
- Abhishek Bansal:** Sure. Thank you.
- Moderator:** Thank you. The next question is from the line of Abhilasha Satale from Dalal & Broacha. Please go ahead.
- Abhilasha Satale:** Thanks for taking my question. Sir, this, our overall active customer base is down 15% on year-on-year basis. So how much has been the impact on B2B and B2C side? I just want to understand that how much have we seen the impact on our B2B customer, which is typically around 1 lakh last year.
- Abhishek Bansal:** So Abhilasha, while I have not seen the exact numbers simply because at this point of time it is the same person who go there and sells to a dentist, to a wholesaler, to a real estate agent. There

is no category-wise segregation in monetization at this point of time. But my sense is that B2B drop would have been a relatively lesser compared to overall because it is B2C services such as your restaurants, hotels, wedding-related categories, and education institutes, tutorial which have been severely impacted due to COVID. So that way my sense is that B2B impact could have been lesser.

**Abhilasha Satale:** Okay. And you mentioned in April we have already reached 85% of pre-COVID level, right? So that was in terms of the customer just we are talking or in terms of collection?

**Abhishek Bansal:** So fourth quarter I mentioned that we did about 85% of pre-COVID levels. So fourth quarter we collected say around 200 Crores as per balance sheet numbers or 210 Crores if I were to allocate the April first week, March-related collection. So that was broadly 90% of our pre-COVID run rate of 235 Crores, 240 Crores per quarter.

**Abhilasha Satale:** Yes, yes. And we have seen further improvement in April.

**Abhishek Bansal:** See, April, it is not possible to have improvement simply because the impact of second wave, as all of us know, has been much, much severe. So April, anyway, typically tends to be softer versus March because since we run on an April to March cycle, typically we have high ticket renewals that are lumpy in March month and April this time obviously had impact of second wave also. So we are still monitoring how April and May this particular quarter pans out. So we will have to see the impact as quarter ends.

**Abhilasha Satale:** Thank you.

**Moderator:** Thank you. The next question is from the line of Madhu Babu from Canara HSBC. Please go ahead.

**Madhu Babu:** Yes. Hi, Sir. So how much of the billing is on the monthly packages and how much is annual as a percentage of revenue?

**Abhishek Bansal:** So overall about 30% comes via monthly payments and rest 70% via upfront collections.

**Madhu Babu:** So monthly payments would be hit in this 1Q again because of the second wave in a big way?

**Abhishek Bansal:** In fact, monthly payments are not hit that much because monthly payments anyway are recurring in nature. Those customers do understand that okay whatever they are paying is for a longer duration. Typically what gets impacted is the new customer signing up because that customer obviously has option of saying that, let me not take it right now, I will take it a month later when I have better grip on my own business.

**Madhu Babu:** And second Sir, how is the pricing approach on JD Mart? I mean, are we giving any free trial? And how is the feet-on-street, again because there is a second lockdown. So how are we

approaching the SMEs to even start interacting and helping them on the catalog, etc.? So how is that progressing?

**Abhishek Bansal:** So on the feet-on-street basis, at this point of time, almost entire work force is operating from home. In last one year, we have been able to educate our feet-on-street to connect digitally, connect online to customers so they might be connecting via calls, messaging, these online mediums, which is also good for us in the long run. Pre-COVID customers did have the expectation to see someone physically face-to-face to sign up a campaign, but all of that is changing. For example, now almost about 50% plus payment or 60% payments come via digital mode versus say the remaining coming via checks so that connect with customers is happening online. Coming to your first question on JD Mart pricing so we are working on various packages where we do plan to give 30 day or 60 day free trial to customers. At this point of time, there are two teams that are aggressively working on creating digital catalogs. So there is an in-house team as well as there are certain external vendors also helping us do the same. We already have about 35 million, 40 million products as part of catalogs with JD Mart listing. And we already have about 400,000 to 500,000 rich catalog on JD Mart platform. So today if you go and search anything on JD Mart, even if you search for you want to buy buffaloes anywhere in India, you would be able to find them.

**Madhu Babu:** Sir, the revenue has been mixed on the Play Store. I mean, so how are we working on the app development? So obviously, these are initial days, but you know, so how are we taking that feedback?

**Abhishek Bansal:** So reviews from our assessment have been quite positive. So app was rated, has been rated pretty well. As you launch such as big platform there are tend to be certain teething problems, etc., which keeps getting fixed from time to time. In fact, on the JD app side also you would have seen the latest update that went live couple of the weeks passed both for Android as well as iOS. So both these particular apps overall are getting good rating, good traction overall. Anyone who has used this particular platform will spend five years on the platform, these apps or these mobile sites, websites, they have come out generally impressed.

**Madhu Babu:** Sir, last one. Because the IPL has been stalled, so how the ad spend will go? I mean, because last year we have planned a big ad spend for JD Mart coinciding with IPL. So now how the payments will span out? Thanks.

**Abhishek Bansal:** So IPL, the contractual arrangement was based on that we would be billed for whatever inventory gets played. So IPL ran for 29 out of 60 matches so almost 45%, 48% of overall deal values that will get billed. So that is how it is.

**Madhu Babu:** Thanks, and all the best.

- Moderator:** Thank you. The next question is from the line of Varun Goenka from Nippon India Asset Management. Please go ahead.
- Varun Goenka:** Yes, Abhishek. Good evening, and thanks for the opportunity. Just two quick clarifications. One, would we continue to do our annual buybacks or what is the plan as such?
- Abhishek Bansal:** See last buyback that was concluded in August 2020. So as I mentioned in my opening remarks, the operating cash flows and treasury gains were sufficient to even fund the entire payout for buybacks. The next decision for buyback earlier, for the proposal can be earliest taken up in August 2021. So at that point of time we will have discussion with the board how we want to go about our capital allocation strategy. The board and all the stakeholders obviously are very clear that they would want us to pursue organic growth-related initiatives, but we do have sufficient cash flows to do even both. So at that particular point of time we will take appropriate decision.
- Varun Goenka:** Sure, sure. And secondly, in terms of our product capabilities, I mean, it is an awesome product that you guys have created and the full stack. If you could help us see over the next maybe one or two years, what are the white spaces that we are looking to sell, what capabilities additionally that you are building or how are you completing the loop in terms of customer fulfillment or onboarding? Anything that logistics or financial side relatively help?
- Abhishek Bansal:** Okay. So the way this particular platform is being built is with our basic philosophy that okay five years down the line we wanted to be sort of equivalent of Alibaba in India. What I mean by that is that this particular platform should have two streams of revenue; one is subscription revenues, other should be transaction-linked revenues. Today, SMEs do not look at the platform just as an advertising medium. Yes, advertising is at the core, but they also want tools and other things that the platform can provide to help them run their business efficiently, which is why we are incorporating certain additional features such as logistics services where any SME as soon as they enter their shipment details, we will have 10 to 12 different logistic service providers to choose from. Similarly, there will be payment escrow services as well. In logistics, transit insurance will be bundled for all the shipments that we will take care. At the same time, we are working on integrating financing and insurance-related offerings as well. So any SME wanting to avail fire insurance, any natural calamity insurance or any other insurance for the business or for even individual themselves or their family members, etc., all those features we intend to have, and same on the financing side as well. On financing, many lending players want that particular rich information that we have in terms of how long has this particular SME been in business, is the SME GST registered or not, what is their payment schedule to Just Dial, which they can use as a proxy to gauge how much, whether to lend working capital loan to the concerned person or not so all these features will ideally result in SME being very sticky with this particular platform. There will be some SMEs wanting to go for subscription plans, there will be certain SMEs wanting to pay certain percentage of commissions on the transactions that will happen. So platform will cater to all types of SME.



- Varun Goenka:** Sure, great. Just to reverse the same question, what do you think will be beyond your view? What is probably important for the customer, but it could be beyond your core or beyond your capability?
- Abhishek Bansal:** So they are, I think that in all these additional services, at this point of time, what we are thinking is that we would primarily be enablers. We believe there are specialists out there who know, who have expertise in rendering each of these services. Our expertise should come in terms of aggregating all of them in one place and providing our intelligence via data analytics, etc. There could be cases where we might realize that we need to possibly get into operations of some of these services. I am not saying that we will definitely need to, but that is one area we will need to closely watch out for that the service providers with whom we are integrating should be able to give the upgrade user experience to SMEs booking those shipments on the platform.
- Varun Goenka:** Sure, thanks. I will come back in the queue for more questions Sir.
- Abhishek Bansal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Pranav Kshatriya from Edelweiss. Please go ahead.
- Pranav Kshatriya:** Yes, hi. Thanks for the opportunity. My first question is regarding the traffic. If I look at quarter-on-quarter, there is a slight dip in traffic. Can you talk about how the traffic, I mean, what is the reason for that because we were seeing the overall activity of the people in general increasing on a quarter-on-quarter basis. So what led to dip in traffic? Second question is, how should we look at the advertisement expenditure for Q1 FY 2022 because there will be some IPL-related costs, and you said, that 45%, 50% of that will come in. So how much will be the extent, I mean, that tend to be like that number used to be 35 Crores to 40 Crores a quarter. How that will trend? These are my two questions.
- Abhishek Bansal:** Pranav, firstly on the traffic, see, traffic largely was flattish quarter-on-quarter. We also have to understand that last quarter had two lesser calendar days versus previous quarter. So that 2%, 2.5% sequential drop that you are seeing is primarily due to those particular lesser days itself. So by and large, traffic was flattish. And as I mentioned that there was not much of advertising that happened in this particular quarter. This number, again, the way to see would be that this organic traffic that we are getting is already about 7%, 8% higher versus pre-COVID levels. Whatever impacts on a year-on-year basis that we are seeing is primarily due to paid traffic where we have virtually spent nothing in the entire course of the year. As and when those particular digital spends come back, as and when popularity of the platform increases due to other mass media campaigns, traffic should start moving upwards. From end of March, there was this particular little impact of second wave that had started coming in, though I would say that that did not impact these numbers. Coming to ad spend. So first quarter, yes, IPL-related spend would get expensed. So largely they should be in the range of Rs.48 Crores to Rs.50 Crores or so. This

includes all types of advertising spend, including content creation and other related spend. For the entire year, as we had mentioned earlier, that we are planning to almost have double of spends of FY 2020. FY 2020, we spent about 65 Crores. So 120 Crores, 130 Crores we have allocated, but we would obviously be judicious enough to see how to allocate this. We have done a mass media campaign. The next step would be focusing on paid traffic plus SCO, Google organic traffic-related initiatives, then as we reach third and fourth quarters, the media campaigns could again come back.

**Pranav Kshatriya:** Sir, I just have to get a little more detail. So you spent some money on IPL. I mean, where we can start seeing its impact? Will it be more on the JD Mart app download or traffic for JD Mart app or download traffic? Where do you think it will start showing up?

**Abhishek Bansal:** So this particular campaign was focused on popularizing JD Mart. So this would obviously have impact on JD Mart app downloads itself. So just to give some brief color, pre-campaign we had only about 1500 odd downloads that were happening. During the campaign, it touched as high as 20000, as high as 30000 a day also on certain days. And the way we evaluate it is that my sales person whenever they were interacting with any SME pre-IPL, every SME was saying, okay, what is this JD Mart that you are referring to? Today, whenever my sales person talks, the response in 95% of the cases is, we saw that particular JD Mart campaign with Ranveer on IPL. So that obviously would it is not just about evaluating how much delta is created immediately in terms of app download, traffic, etc. We would be able to leverage this over the next several quarters or even years so to say.

**Pranav Kshatriya:** Okay, great. One more question if I may. How serious is this lockdown? I mean, currently, what are the trends we are seeing in terms of the traffic and the collections? I mean, if you want, you may just benchmark it to what we saw in Q1 FY 2021

**Abhishek Bansal:** So Q1 FY 2021, immediate impact on traffic was twice a year. There was about 50%, 55% immediate drop in April last year. This year, traffic has reasonably held up well. So there has been only about 10% odd impact on traffic. Monetization, again, April was quite severe. This year there has been broadly about say around 35%, 40% impact versus in March quarter in this particular period. Situation is still evolving. Good thing is certain Tier 1 cities are coming out of this second wave impact, though restrictions are yet to be lifted. So I think if these particular cases remain low for few more weeks, then recovery should also be faster. My sense is that first wave had a much serious immediate dent and it took longer for recovery to take place. This year, as far as traffic, etc. is concerned, impact is muted. There is an impact on monetizing, but as and when the second wave subsides, monetization should come back with a bang, which is what we were witnessing in from second half of February, March onwards. March this year seems to be a very sort of normal March for us where we were able to be 90%, 92% of pre-COVID level.

**Pranav Kshatriya:** Hello?

**Abhishek Bansal:** Pranav, does that answer?

**Pranav Kshatriya:** Yes, yes. That answers my questions. Thank you so much, and all the very best.

**Moderator:** Thank you. The next question is from the line of Prateek Agrawal from ASK Investment Managers. Please go ahead.

**Prateek Agrawal:** Yes, hi. You talked about adding, for example, logistics as a part of JD Mart and financing and all of that insurance. Now will those be charged services, you will make something there or it will be add-on services to increase the value proposition? And similarly, there are other things that one can do, book restaurants, book airlines, railways, etc., is that part of the business seeing any significant revenues?

**V.S.S. Mani:** Okay. Can I take this question? I would like to give you picture about JD Mart. I was trying to speak in the earlier, I had to redial again. I am sorry, my name is Mani. I am also part of that team. So JD Mart, the sole purpose is to be B2B marketplace of India. So whatever it takes, we would achieve it. You have seen our product. It has been well appreciated. There is a big thumbs up from both the vendor community and the user community. JD Mart campaign also took off very well. The awareness about the product has reached. Now the second level campaign from the company is inviting every B2B business to download the JD Mart app and they get a free catalog as well as free customer leads. They do not have to pay for the lead. They will get free customer leads. So whatever they may be paying a competition to be part of, they can just by downloading the app and uploading the catalog, they would get freed leads. Till there is a paid ecosystem takes over, obviously the paid people will get preference. So there is going to be an aggressive promotion. As you know, B2B means a business buying from another business, which means in both the cases, we would want both the parties to download the app. Preferably we would want the traffic to come directly through our own app. To make it more attractive, we are launching the scheme of download the app, activate your catalog, get advertising worth probably 20,000 to 30000 for free, okay? This is one. Now to make JD Mart to be even more successful, like the likes of Alibaba and all, you kind of plug-in payment, escrow payment services plus logistics, the best practice logistics into it and give it as a complete solution. So as we move forward, you will see though many businesses may sourcing via JD Mart, they may want to pay through JD Mart because you are dealing with another party who is not known. So basically, you want to secure. So if you pay, you want to be sure that you get your goods and services. Similarly, the selling party may want to dispatch only if they are sure about the payment. So we play as a very active role and we see this as a tremendous scope in the future. Logistics service, without the logistic plug-in, it will be incomplete any marketplace. And interestingly, B2B marketplaces are also going with complete logistics solution, that is the need of the hour. Now I was, one thing to touch about, the general mood of enterprise. It just picked up in Feb last two weeks to March. It really picked up. Things seem to be normal. Everything was going on the right track. And then we were hit with the second wave, which is far more severe. It generally dampened the mood of business community as such. Just to explain a bit about the drop in

revenue, which is 25% year-on-year. Just as revenue largely come from non-B2B services and among non-B2B also majority, 80% of it comes from services actually. We get most of our revenues from B2B businesses, B2C businesses and 80% of those are services. Most of these services are people go to the setups and get avail it or the services come to your doorstep and do it. Both these cases were very badly affected by the lockdown. The severity of these kind of, for example, nobody is going to a dental clinic to get a dental job done in the last 16 months, probably 14 months, but just out of fear of COVID. Similarly, people were dreading to invite a pest control guy or AC repair guy home. So these were the change in scenario. The movement things pick up to normal, you will see Just Dial's revenue should bounce back far more aggressively as compared to what has been in the past, okay? So lockdown definitely plays a very big impact on the type of revenue that we monetize. There it will definitely play an impact. So once we concur over this second COVID wave, and I hope there is no third COVID wave, then things should bounce back to normal. We may even do better than pre-COVID numbers. So it is always like Abhishek said, it is the mood. If the mood is not good, you do not want to spend on promotions and advertising. We wanted to advertise in IPL for JD Mart because that was a one-time launch campaign. That was the awareness creation campaign. So we did it and we got good visibility and the good branding, unfortunately IPL had to be canceled midway and we got our refunds also from the channels where we had spent it. Now your question is regarding JD Mart as a product or any of the new products that Just Dial will launch. Yes, our goal will be to provide the best of the best services and make it the world-class product such that we are there making a meaningful not a me-too kind of service out there.

**Prateek Agrawal:**

Sure, understood. The other question was on the other services that you have, bookings of various things, the airlines, buses, trains, etc. What is the outlook there?

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

In fact, interesting. As we speak, we are launching aggressive download of JD Mart and Just Dial app with two-pronged strategy. For JD Mart, as I said, it will be like download the app, get a free catalog and free customer leads, that is the strategy for JD Mart. So we are hoping millions of Indian businesses would download the app and avail the free ad campaign and free leads, who do not want free customer leads. For the B2C, which is Just Dial, Just Dial app, first time ever we are launching hopefully in the next two to three weeks we would have launched a Just Dial download the app and avail JD Cash. JD Cash is like virtual cash, you can burn it against transacting online on JD, which will include flight tickets, but tickets, train tickets and all those online digital whatever solutions we provide, you can burn it there. And soon when the lockdown gets over, you will be able to burn this JD Cash also on restaurants, spas and various other establishments. Now in order to earn JD Cash, you have to download the JD app. And as you download the app, you get some JD Cash. And if you refer more friends and family to download JD app, for every successful download, you get more JD Cash. And the process, you can accumulate a lot of JD Cash and which you can spend online on Just Dial or offline with Just Dial vendors, and basically it is equivalent to cash. And this is what we are working on, and this should give a lot more, see, important is of course create the awareness and have people to come

and transact online, as you know, that we want to get on to an online transactable engine as much as possible going forward. So this kind of instruments would help us.

**Prateek Agrawal:** Sure. Thanks.

**Moderator:** Thank you. The next question is from the line of Rishit Parikh. Please go ahead.

**Rishit Parikh:** Hi. Thank you for this. Just two questions from my side. One on traffic. I think Abhishek you mentioned about the app downloads, right? But if you could just provide a little more color on how was the traffic in April, May when the IPL was on? That is one. And essentially, I think, Mani, like you mentioned that from a supplier side, I think we have got enough incentive for them to download the app, get a free catalog and leads, etc., right? But how do you attract the buyers to be on the platform, because that is like the network effect that we could potentially create? That is one. And second, just on marketing spend, what is the outlook? Could you just provide a color excluding the IPL spend is one? And what level of cash are we planning to spend with the JD Cash initiative that you just talked about? Thank you.

**Abhishek Bansal:** Yes. On the traffic, April, May, our traffic was just about, as I mentioned, 8%, 10% down versus pre-second wave. Now April, May had multiple factors. On one hand, we had IPL running with an aggressive IPL campaign. On other hand, we had the second wave also. So very difficult to differentiate that had IPL campaign not been running could the drop have been higher or how. On advertising spends as I mentioned that we have allocated say around one 120 to 130 Crores for the full year. Whatever we plan to do for JD Cash, partly it will be funded via our margins that we anyway earn in those particular verticals. And rest would be from the marketing budget, advertising budget that we have carved out for the entire year. So that is how it will reach.

**Rishit Parikh:** What is the level of budget if you can just provide an absolute number?

**Abhishek Bansal:** 120 to 130 Crores for the full year.

**Rishit Parikh:** And that will largely be the IPL expenditure?

**Abhishek Bansal:** No. So okay, IPL expenditure at this point of timing is ballpark in the range of as I mentioned, 48 to 50 Crores. So we do have remaining about 60 Crores to 70 Crores for the year left. We could choose to run another mass media campaign, it could be IPL or any other property as and when IPL resumes say third quarter. Rest of the budget could get diverted towards digital spends, etc. So at the beginning of the year, we had the plan to do primarily spend on IPL for mass media. But now that we have higher budgets for the rest of the year, that can get utilized for various other avenues.

**V.S.S. Mani:** I would say that I think we had also clearly mentioned that one-off launch campaigns will be there for JD Mart. It should not be counted as part of our advertising on a regular basis. So as

soon as things get to normalcy, we may have to get our regular advertising up and running. And this one-off campaign, which has been done for JD Mart that should be not counted as part of the regular ad campaign. And as far as JD Cash is concerned, it is neutral, cash neutral exercise, because it is either you share from what you earn or businesses honor your JD Cash because they are getting the advantage of the new customer.

**Rishit Parikh:** Okay. So the bulk of the hit will be on businesses, right?

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

**Rishit Parikh:** Understood. So we are giving them leads and that is what gives them. Okay, understood and just a clarification on this. So this is ex of IPL that you are talking about, the marketing spends, right? So let us say tomorrow in 3Q if IPL spend come back, about 50 Crores, 60 Crores additional which is left, we will still be spending the regular marketing budgets that we typically talked about?

**V.S.S. Mani:** Yes. Last year we did not spend anything on advertising. So a year before you can take as a benchmark and you could probably add 20% to it, which would, an additional 20% of that in terms of spends.

**Rishit Parikh:** Okay. So another Rs.100 Crores.

**V.S.S. Mani:** Right now the focus is a lot to get app downloads through some kind of incentive mechanism. Let us see how it works. Hopefully, it works well. And this should give us interesting thing is you have to get direct traffic as much as possible. Obviously you have to continue your SCO and SCM and other stuff also, and regular TVC and all that.

**Rishit Parikh:** Okay. Got it. Perfect. Thank you.

**Moderator:** Thank you. The next question is from the line of Keshav Lahoti from Antique Stock Broking. Please go ahead.

**Keshav Lahoti:** Thank you for the opportunity. Sir, can you give some broad color about JD Mart? What would be your monetization plan? What sort of revenue you are planning from this, let us say, in the medium perspective in next three years? And how you are going to price it compared to your competitors?

**V.S.S. Mani:** Okay. So the way you approach this is first to make an impact in terms of product, in terms of comprehensiveness. So hence, you would want to have everybody's catalog out there before even think of an aggressive monetization. There are people who are really wanting leads and the other ones who are coming out there and signing up on their own. As you know that we used to get 20% of our revenues from B2B. But a good platform will probably help us monetize better in the long run. But in the short run, it is better to sacrifice a bit of revenue and go all out aggressive in

building a great content and kind of make a difference in terms of product out there in the marketplace. So that is going to be our sole focus in terms of pushing this product across to B2B businesses and whatever happens should be an outcome of this activity in terms of. So revenue should be an outcome. In the next six months, we should push JD Mart as the go to place for all B2B businesses, including brand manufacturers or whether it is a small time manufacturer or any type of wholesaler, dealers, industrial product guys, all those kind of things do with B2B should be part of this.

**Keshav Lahoti:** Okay. Got it. Just one more question from my side. This quarter, the other income was kind of half compared to year-on-year and quarter-on-quarter. So what was the reason for that?

**Abhishek Bansal:** See, our treasury, the average duration is approximately around three years. So typically what happens is in quarters where your government deals are going up, they are tend to be mark-to-market lesser gains. So this particular quarter from December into March end, bond deals for our treasury profile were up about 40, 50 basis points, whereas in the previous quarter and the March quarter last year the reverse was happening because of impact of COVID rates were actually on a decline. So those quarters were having exceptional gains, and this particular quarter, treasury gain was relatively muted. But that again, as I said, should be looked on an annual basis. So annually this year we had about 149.5 Crores of overall other income compared to 140 Crores previous year.

**Keshav Lahoti:** Okay, understood. Thank you. That is it from me.

**Abhishek Bansal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Sahil Doshi from ITI Asset Management. Please go ahead.

**Sahil Doshi:** Hi. Good evening, Sir. Just one question on JD Mart here. Potentially, we have 30 million listings on the Just Dial app. So what kind of listing do you see as potentially getting migrated to JD Mart? And any timelines or any target you have to have at this point of time for year one, year two?

**Abhishek Bansal:** So firstly on the listing side, out of about 30 million listings, to 7 million to 8 million listings are sort of universe for JD Mart. That does not mean that those particular listings are getting out of Just Dial. So they will definitely be present on Just Dial as well. These particular listings will have their products listed on JD Mart also. So for example, if you are searching for powder coating machine manufacturers, you will see list of manufacturers on Just Dial. If you are searching for powder coating machines on JD Mart, for the same manufacturers, since we would have created their product catalog, you will see their products on JD Mart and some products you will be able to see who the exact seller is. So all your manufacturers, distributors, wholesalers, even retailers for certain type of categories, they would primarily from the universe for JD Mart.

- Sahil Doshi:** Sure. Sir, could you talk a bit more granular detail, share some more of that in terms of, do you have any interim targets for the year, meaning for the first year when you are trying to build a catalog, how much potential listing that you are targeting and at what stage would it then try and monetize?
- V.S.S. Mani:** So the catalog creation is two-pronged strategy. One is businesses, increase the businesses to create their own catalog and maintain it. The other is proactively goes and creates a catalog to a content-enrichment team. So we are doing both. I mean, left to us probably our wish is like we should have 6 million catalogs if there are 6 million listings. So that is how it is. It is about you just keep at it, and at some point you would have achieved significant progress in that. As we speak, Abhishek, what is the latest number of unique businesses with catalogs?
- Abhishek Bansal:** So we have about 400,000 businesses which have rich catalogs. There are another about 600,000 businesses which I would say semi-rich catalogs. Those particular catalogs are getting enriched. Overall on the platform there are about 40 million products in various catalogs of each of these million listings.
- V.S.S. Mani:** And there are also listings which are affiliated to brand manufacturers. So there would be couple of millions who would by default have a great catalog because they are selling those particular brands and we have created the catalog.
- Sahil Doshi:** Sure. That is helpful. Just to follow-up here. In terms of can you quantify the initial few days of IPL, what is the total download that we have today? And how many active listings in terms of unique clients what we have today at this point of time?
- Abhishek Bansal:** Sorry, I did not get the second part of the question?
- Sahil Doshi:** How many unique businesses would you had listed at this point of time?
- Abhishek Bansal:** You mean on Just Dial or JD Mart?
- Sahil Doshi:** JD Mart.
- Abhishek Bansal:** See, JD Mart, as I said, that the universe of businesses is around the overall 7 million to 8 million for JD Mart out of total 30.5 million listings that we have on Just Dial. And out of those 7 million to 8 million, we are right now in the process of creating the digital catalogs. About 85000 to 90000 B2B customers would be actually our paid customers as part of Just Dial.
- Sahil Doshi:** Got it. And in terms of downloads of your apps, that point?
- Abhishek Bansal:** See, download of app, as I mentioned that we did touch about 20,000 a day sort of average during IPL. I think it is too early to look at that particular number in terms of absolute versus the number of downloads etc. Give us a few more months. Once we have these initiatives rolled out of free



digital catalogs, free leads for downloading Just Dial app, that is when these numbers should exponentially accelerate, that is when it would be more prudent to actually look at in terms of number of downloads etc.

**Sahil Doshi:** Sure, Sir. I appreciate that. Thank you so much, and good luck.

**Abhishek Bansal:** Thank you.

**Moderator:** Thank you. That was the last question. Due to time constraints, I would now like to hand the conference over to Mr. Abhishek Bansal for closing comments.

**Abhishek Bansal:** Thank you everyone for joining us. In case you have any further queries, please do reach out to us, we will do our best to address. That is it from our side, and stay safe. Thank you so much.

**Moderator:** Thank you. On behalf of Nomura Financial Advisory and Securities Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.