



“Info Edge (India) Limited’s Q1-FY10-11 Earnings
Conference Call”

July 23, 2010



**MODERATORS: MR. SANJEEV BIKHCHANDANI – MD & CEO, INFO EDGE
MR. HITESH OBEROI - COO, INFO EDGE.
MR. AMBARISH RAGHUVANSHI - CFO, INFO EDGE**

Moderator

Ladies and gentlemen good evening. This is Melissa, the chorus call conference operator. Welcome to the Info Edge India Limited Quarter 1 FY10-11 earnings conference call. Joining us on this call today from Info Edge India Limited is Mr. Sanjeev Bikhchandani – MD and CEO, Mr. Hitesh Oberoi, COO and Mr. Ambarish Raghuvanshi - CFO. As a reminder all participants will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call please signal an operator by pressing * and then 0 on your touch-tone phone. Please note that this conference is being recorded and the transcript would be available in the next three days at the company's website www.infoedge.in. I would now like to hand the conference over to Mr. Hitesh Oberoi, thank you and over to you sir.

Hitesh Oberoi

Good evening and welcome to our first quarter conference call. This year has started with an encouraging note; we are witnessing growth in all our businesses lead by recruitment. IT, a major segment for us has started growing once again, attritions seems to have picked up across sectors, the demand for freshers is also robust. And even real estate is back, so our 99acres business is also growing. The operating and financial numbers have witnessed an appreciable increase this quarter. Operating income is up 24.5% Y-o-Y and 1% Q-o-Q, operating PAT is up 72% Y-o-Y, deferred sales revenue is up 34% year-on-year and 15% Q-on-Q. Other income is lower by 27% year-on-year because of lower interest rate on fixed deposits. On a Q-o-Q basis however it is up 9%. Our financial results, financial statements the data sheet has been uploaded on our website www.infoedge.in.

Moving onto the financial highlights for this quarter. Net sales in Q1 were Rs.66 crores versus Rs.53 crores in the same quarter last year an increase of 24%. Operating EBITDA in Q1 is at 20.4 crores up 58.7% Y-o-Y, Q1 last year was Rs.12.9 crores, operating EBITDA margin is at 31% versus 24.3% in Q1 last year. Operating PAT is up 72% Y-o-Y at 12.6 crores versus 7.3 crores in Q1 last year. Operating PAT margin is up at 19.1% versus 13.8% in the same quarter last year. I must mention though that advertising expenses in this quarter were lower than expected, they will increase significantly in subsequent quarters though. Other income in Q1 has declined in line with lower interest rates.

The recruitment business comprising of Naukri, Naukrigulf, Quadrangle, Resume services and FirstNaukri accounted for about 83% of our operating top lines in Q1 as opposed to 84% in Q1 last year. The other business verticals line Jeevansathi and 99acres and Shiksha account for the remaining 17% versus 16% last year. The recruitment environment continues to improve. The Naukri Jobspeak Index was 947 in June versus 784 in June last year. The Q1 top-line in recruitment grew by 23.7% to 54.8 crores. Naukri top line grew by approximately 22.5%, Candidate Services grew by about 13% and Quadrangle grew at about 70%. EBITDA margins in recruitment were at 41.9% versus 39% in Q1 last year. In Naukri the EBITDA margin were at 44.8% up from 41.8% a year ago.

I must say that though these dignified numbers are management estimates and not audited figures.

The number of resumes as on 30th June, 2010, stood at 21.9 million versus 17.7 million as on 31st March, 2009. During Q1 we added 13,000 new resumes everyday and there were 70,000 modified everyday. We had 20,900 customers paying us in Q1 this year versus 17,700 customers last year, a growth of around 18%. The share of IT moved up by 2 percentage points to 26.6% in Q1 versus 24.8% in Q1 last year. The share of recruitment consultants was 25% versus 24.6% in Q1 last year. Share of infrastructure industries were 21% versus 21.5% in Q1 last year. As per ComScore we managed to maintain our traffic share more than 60% for the last 14 months. Hopefully, these gains in traffic share will help us get better numbers as markets continue to recover.

Moving on, to the other verticals in Q1 net sales grew 28.6% to 11 crores year-on-year. 99acres grew by 80%, Jeevansathi was flat. Shiksha grew 100% on a smaller base. The EBITDA losses in the other businesses reduced at 42% to about 2.5 crores and helped substantially by reduction in losses in 99acres.

In 99acres the top line grew 80% year-on-year, the EBITDA loss also reduced by 90%, we are seeing a lot of traction in real estate now, there are projects being launched at almost all price points in almost all the cities. The products on site revamps and improvements have also delivered significant results. Our traffic share in real estate has been in the mid 40s for several months now. This is very welcome news because before the slow down we were at about 34%. Hopefully, we will be able to capitalize these gains and keep developing this business going forward. Jeevansathi's net sales were flat, the EBITDA loss is down by 45% year-on-year. We are looking to up investment in Jeevansathi going forward, we are preparing for that and therefore hopefully we will see more growth in Jeevansathi going forward, but the losses are also likely to move up. The number of profiles that were added in Jeevansathi increased to 3.8 million versus 3.12 million as on June 30th, 2009. Competition continues to be challenged for cash and capital and we reckon they would be struggling with growth versus profitability.

Work on the site to improve product, algorithms, and analytics continues. Shiksha, we are getting clearer on the product and the proposition. The feedback from the market is encouraging, monetization though small has begun. The product will continue to revamps and modifications. Our traffic in Shiksha is increasing and we are adding newer and newer social elements to the site. Like I mentioned earlier sales in Shiksha grew by about 100% in Q1 this year. In Brijj we have now 3.3 million profiles growing at 3000 a day. However the task continues remains of engaging with people and making them come back to the site and improving the quality based profiles. We have some ideas but do not expect any revenues from there in the short term.

In the Allcheckdeals business we closed over 780 deals in Q1. ACD had been spun off as a subsidiary in Q3 of '08-'09. It accounts are consolidated with Info Edge at end of the every

financial year. Business is growing in line with the growth in real estate market especially in NCR and the Mumbai region.

As far as our investments in external companies goes – Applect was regarded as a subsidiary in FY10 and its accounts have been published in our annual report. From this year onwards eTechAces too would qualify as a subsidiary. In Applect we have invested an additional Rs.50 million in Q1. In Q1 it had better revenue traction versus that of last year. The eTechAces site policybazaar.com is continuing to gain interaction, revenues are primarily from lead generation. We continue to evaluate other investment opportunities on ongoing basis and we have no announcement to make in this regards currently.

We had bought land in Noida in 2007-2008, we are proposing now to start construction of an office building which would cost around Rs.70 crores on this land over the next 24 months. We are also evaluating plans to buy one or more of existing office buildings in Noida. The above two would utilize about 95 crores of cash over the next 24 months excluding any land cost. The seating capacity of both these building would give on 1300 providing us with some stability as far as office space and rentals in Noida concerned.

To summarize growth is back, the economic environment continuous to improve, the margin in Naukri have improved but I must caution that our advertising expenses will lower this quarter and they may go up substantially going forward. 99acres is witnessing significant growth and has lowered its loss considerably; our traffic share in Naukri continues to be around 60% and in the 99acres has been set around 45%. Our deferred sales revenues have gone up significantly this quarter and we are hoping that the growth of the company from here onward will only get better.

Sanjeev Bikhchandani

This is Sanjeev here. So, as you are aware we announced a restructuring of the senior management in the company today. This has been under discussion for a while and basically the reason for this change is that we wanted a sharper focus on external strategic investment and acquisitions we have got 400 crores of cash in the company, the growth is back this cash fund is growing. The market is expanding and there are lots of opportunitites out there and more for early stage than for big acquisitions and we just felt that this should be focusing this more and therefore we have made this change, I would be leading this effort and Hitesh will be looking after internal business of the company as he has been doing substantially independently for the last couple of years. However, the three of us have worked very closely together in all strategic issues will be discussed and the execution may be lead by Hitesh for internal businesses and by me for external investments. We are now open for questions thank you very much for dialing in.

Moderator

Thank you. Ladies and gentlemen we will now begin with a question and answer session. The first question is from the line of Radhika Merwin from IFCI, please go ahead.

Radhika Merwin

Hi good evening Sir just a couple of queries. One on the recruitment business, if I see on the quarter-on-quarter basis, while the volumes have gone up in terms of the number of unique

customers that we look at, the pricing has come down this quarter almost by 4% sequentially I am talking about. So, can you throw some light on that?

Hitesh Oberoi If you see what we report of our revenues and what we collect it gets often deferred over a period of time because you collect the money in advance.

Radhika Merwin That is right, yeah.

Hitesh Oberoi If you see our deferred revenue has move significantly in this quarter and what you are seeing is revenue as the effect of collections of previous quarters as well, so I would not read too much into get into all these at this point in time.

Radhika Merwin But how do you see the trend going forward because sequentially this quarter has been down in the recruitment business. So, it is a cyclical trend right so moving forward for the next couple of quarters, you will see better improvement coming in the recruitment?

Hitesh Oberoi The market for recruitment is improving like I said what this quarter was not low, in fact we grew substantially this quarter in terms of collections its just that the revenues which you see on the balance sheet and the P&L account are, we collect the money in advance and recognize it over the period of the contract. So, there would not be very accurate reflection of how collections are moving so for collection you should look at deferred sales which are up substantially in this quarter.

Ambarish Raghuvanshi If I may just add quarter fourth every year is our strongest quarter. So if you want to compare quarter one sequentially with quarter four is not necessarily a correct reflection of the business because you will find that quarter four because we have more renewals, clients have budgets which are expiring and for various other internal reasons, quarter four is a bumper quarter and that is the way it is planned out, so quarter one will look somewhat muted in comparison. But the overall trend seems to be very positive across sectors, companies are beginning to hire and you will probably be sensing that when you talk to companies across sectors and especially in Tech, because Tech was slowest to take off and Tech has now begun to take off in the last couple of quarters.

Hitesh Oberoi And if I may add what you are looking at probably is the revenue per customers. Now, what happens is when you get new customers they often buy at the low end products to start with and the update over period of time.

Radhika Merwin And then they ramp up slowly.

Hitesh Oberoi Yes, so pricing may have improved for existing customers, but it is always on the lower cycle for new customers.

- Radhika Merwin** On the margin front there has been decline in margins, I mean more or so because of the employees expenses which has shot up this quarter and as you mentioned the advertising cost has been low this quarter, so what is this perk being attributed to on the employee front has it been?
- Sanjeev Bikhchandani** So, every year we give increments in April and therefore there is a kink in salaries in the April. Plus this year what has happened is there is one-time charge in gratuity because there were changes in the Gratuity Act the 3.5 lakhs limit has gone to Rs.10 lakhs and therefore we had to budget a higher allocation of gratuity as one-time charge.
- Radhika Merwin** Okay so this will not happen in the coming quarter right? You have booked. As you said the whole increase in this quarter for the gratuity?
- Sanjeev Bikhchandani** That is correct, however, you must realize that our growth is back and therefore we are back to increasing our headcount, which we had taken down over the last couple of years, so there will be some of our employee cost increases on account of increasing headcount. There will not be increments given next quarter obviously but headcount will go up. Then definitely some movement in employee cost will happen but the gratuity charge will not be there to that extent.
- Ambarish Raghuvanshi** And also on staff cost apart from heads which Sanjeev just mentioned there is also sales incentives, now as growth comes back we are providing the higher figure for sales incentive, so that is linked entirely to growth. So, if growth is at a higher level, we will be paying out higher sales incentive, so that is a big proportion but in this quarter, a large proportion is accounted for by increments, by one-time gratuity charge, and sales incentives and bonus provisions taking into account that we are hoping to do much better during this year.
- Radhika Merwin** Right and on the advertising front what is the expense you foresee for the coming quarters?
- Hitesh Oberoi** So, like I mentioned we are looking to up our investment in Jeevansathi so we expect advertising expenses on Jeevansathi to go up substantially in the coming quarters and this quarter was abnormally low for advertising for us so even on Naukri and on the other brands as the market recovers we are looking to spend more.
- Radhika Merwin** Okay thanks a lot sir. I will come back for follow up question, thank you.
- Moderator** Thank you. The next question is from the line of Nimish Joshi from CLSA, please go ahead.
- Nimish Joshi** Hi Hitesh congratulations firstly on your move and secondly, the advertising expense increase is it also a function of competitors upping the ad spend, are you still not seeing any activity from competitors of Naukri?
- Hitesh Oberoi** Like I said the market is back and there is more competitive activity as well, so the competitors have started advertising, so we do not see really see any impact on sales because of competition in advertising but to maintain traffic here we may also for sort of started advertising a little more going forward. Yes, competition activity also affects advertising expense, which is why I said

because growth is back company would like to spend more money and our advertising spend will also go up going forward.

Nimish Joshi Okay so will it be in 20% 22% range the way it was back in late FY08 something of that sort, do we expect that kind of or percentage term it would be lower. How do we expect the advertising expense to pan out?

Hitesh Oberoi We do not really work on a budget like this, what we look at is what the business needs and what is happening outside and plan accordingly and we normally plan quarter-by-quarter. And unlikely that will be significantly higher than what that has been in the past in percentage terms, but it is very difficult to say today what it would exactly be.

Nimish Joshi And in the hiring environment in terms of your client activity, are you seeing similar to the peak levels in 2007 to early 2008 or do you still have some way to go towards that?

Hitesh Oberoi Certainly hiring activity has picked up across sector, across level, across cities, and across industries. We are seeing buoyancy all across so whether it is Mumbai or Bangalore or Chennai or Hyderabad or Pune or Delhi almost every company is hiring. Now this will be a result of the fact that company has not hired for a while and certainly now the market is opened up and attrition rates have gone up and now there is social hire, therefore it remains to be seen that this will last for long. But right now the mood is bullish, we are seeing this confidence. We are getting a lot of enquiries. We are getting higher prices than we were getting earlier, so we are hoping that it will sustain.

Nimish Joshi And is there a lot of upgradation from existing package as well by the company in terms of trying to hog the space on the front page....

Hitesh Oberoi Definitely.

Nimish Joshi Okay thanks a lot.

Moderator Thank you. The next question is from the line of Kunal Sangoi from Edelweiss Securities please go ahead.

Kunal Sangoi Yeah, thanks and congratulations on good set of numbers. Sanjeev my question is with regards to strategy from a two-year perspective. I understand that Info Edge completely remains Internet classifieds play at this point of time and we are not looking at in terms of expanding into other ad base. But what my question is with regards to as going forward, as the penetration in India increase and there is more digital spending which keeps on increasing. How would Info Edge look to capture that trend?

Sanjeev Bikhchandani Okay, so we have got four verticals inside the company. We would want to consolidate these for the next 12 to 18 months before we actually even think of doing a 5th vertical inside the company but likely because of mainly the management bandwidth considerations not because of any lack

of opportunity or lack of capital. What we do see, however, is that we see external investment opportunities in a variety of areas which we constantly look at. And therefore since now I am moving more full time into these areas, I think we can over next two three years expect more investments, external investments than we have done in the last two years. And so we may do a classified play internally but in external investment we are happy to look at all our areas on the mix whether its eCommerce whether it eLearning whether it is Content creation.

Kunal Sangoi

Yes so if you were put down three main areas that you would look forward in terms of investments for external areas?

Sanjeev Bikhchandani

It is not that we target areas lets go and find a company. When you are investing in early stage you look at the people, the entrepreneurs and you figure out whether they have the ability to do it. So one is there a great team and the second is what the idea they are pursuing and truth is what we invested in Meritnation we had never contemplated to get into eLearning business it is just that we just liked the idea and okay we had not thought of the idea until we saw them. And similarly in PolicyBazaar we like the team and we like the idea and we thought it not a bad idea. So we accept the fact that we have not got all the greatest people, all our people are great but there are a lots of other great people outside that and we accept the fact that we do not have all the ideas and there are lots of idea which are out there. So, we are going into the same with an open mind and rather than saying okay I am looking for an automobile classified and I am looking for a general classified and I am looking for yellow pages, we do not do it that way. We are open to all sectors and we need to look at all ideas with open minds.

Kunal Sangoi

The other question with regards to realizations in Naukri recruitment per se, have there been realization improvement on a like-to-like basis, may be the discounts that we had discussed during last time at the discount offerings had gone down but are the realizations improving, how do you see that particularly with regards to the competitive pressure from say LinkedIn?

Hitesh Oberoi

So, we have not done the detailed analysis with that but where I speak to the sales team the feedback we get is at discounting is going down, we are able to get higher prices and trying to upgrade. As far as LinkedIn is concerned, LinkedIn is a new player. They do not really have a very big presence on the ground. So as of now at least till now they are not impacting our business anyway.

Sanjeev Bikhchandani

So, even when you talk to the client who are using LinkedIn the feedback we get is look LinkedIn is solving a different problem and we are solving a different problem, we have never encountered a situation where our client is saying hey I am using LinkedIn so we do not need you. Okay and the way we see it that is unlikely likely to happen. So, LinkedIn solves the passive candidate problem slightly better than we do, LinkedIn solves the slightly hierarchic problems slightly better than we do, but we are looking at hiring in volumes, hiring large numbers, hiring faster because we give better control over recruitment process then you can look at Naukri. So, we do not see LinkedIn eating into our revenue and in the foreseeable future.

- Kunal Sangoi** May be one of the parameters that if you have some more details on that that about a quarter back we launched 15 lakh plus profile, the recruitment in the 15 lakh plus CTC bucket how has been the response in that particular new area of off-take?
- Hitesh Oberoi** Well, I think it is still very early days. It has only been about a quarter and we are still working on the product. We are getting some feedbacks from customers. We are working on the feedback. I think it is very, very early days and it is not that we were not getting these jobs earlier and we were not getting these candidates earlier onto our sites, we are looking to improve the user experience of this so that we can get more of it going forward, but all these thing takes time and so I would say it is still very early but we have some ideas but it may take about another 2-3 quarters before we see any results.
- Kunal Sangoi** Okay that was really helpful thank you and good luck.
- Moderator** Thank you. The next question is a follow up from the line of Radhika Merwin from ISCI, please go ahead.
- Radhika Merwin** Hi Sir. Okay, Sir I just needed couple of data points one is that probably the break up of losses out of these 2.5 crores which has just come in this quarter. How much would be for Jeevansathi it had broken even last quarter right, so?
- Sanjeev Bikhchandani** I think most of these losses are in the Shiksha and Brij businesses. Jeevansathi has made a slight loss and so has 99acres but I mean these are in 10s of lakhs, I do not have the exact numbers right now but if you can just hang on let me see if I can get them for you.
- Radhika Merwin** Okay sir.
- Ambarish Raghuvanshi** It is about 23 lakhs in Jeevansathi and about 14 lakhs in 99acres. So, it is about 23 in Jeevansathi we lost and the loss in 99acres is about 14 lakhs.
- Radhika Merwin** So, Sir going forward as you mentioned these losses in Jeevansathi would increase because you are making continuous investment in that business right?
- Sanjeev Bikhchandani** Right.
- Radhika Merwin** Okay and in terms of the PolicyBazaar you were mentioning something I could not quite get that towards the end. You are investing close to about 50 million in Applect that is what you had invested in this quarter, is it?
- Sudhir Bhargava** Yes, so in Applect we had put 6.5 earlier and we had further put another 5 crores in Q1.
- Sanjeev Bikhchandani** Those are in the form of convertible loans. That is not equity yet.
- Radhika Merwin** Okay and on the PolicyBazaar what was that you were mentioning?

- Sanjeev Bikhchandani** What we said is PolicyBazaar is continued to gain interaction and revenues in PolicyBazaar is mostly due to lead generation that is all. We are not investing anything in PolicyBazaar. So, we have committed 20 crores and we keep drawing on that but the original 20 crores we are still being drawn upon, we have not committed any more money.
- Radhika Merwin** Alright okay and that is it from my end, thanks a lot sir.
- Moderator** Thank you. The next question is from the line of Ankit Kedia from Centrum Broking, please go ahead.
- Ankit Kedia** Congratulation on excellent numbers. Sir, the advertisement expenditure is the lowest in last 14 quarters and still we have been aiming to show 25% revenue growth, so going forward where do we see this trend continuing. Is it going to be on back stronger revenue growth are we giving any guidances?
- Hitesh Oberoi** I think Sanjeev had said in his last call that we are looking to grow at more than 20% this year so I mean in Q1 growth has been more than 20% we are hoping that this will sustain going forward. As per the advertising goes normally we spend more on advertising in Q2 and Q4 that is been the trend so far and like I said investment in Jeevansathi will continue and therefore ad spend in Jeevansathi will continue to go up and even in Naukri and 99acres as the market comes back we will invest more on advertising.
- Ankit Kedia** Could you give a break up of ad spend between recruiting and non-recruitment business?
- Hitesh Oberoi** We do not reveal these numbers for competitive reason.
- Ankit Kedia** On the deferred revenues how much would Jeevansathi be a part of that or bulk of it is on the recruitment side itself?
- Sudhir Bhargava** Yeah, bulk of it is recruitment, Jeevansathi would be very small number.
- Ankit Kedia** Right third is regarding the new office which you mentioned 95 crores would be up of the 70 crores of land which we purchased that including the land?
- Sudhir Bhargava** No, the land was 20 crore and another 70 crore would get spent in building on it. May be if we purchase a existing functional building an additional 20-25 Crore could be spent on this.
- Ankit Kedia** Right. Okay thank you.
- Moderator** Thank you. The next question is from the line of Vinay Paharia from Religare Mutual Fund, please go ahead.

- Vinay Paharia** Hello, good evening sir. I broadly wanted to understand within the advertisement expenses how much is sort of expenditure for growth and how much is to maintain the current level of operations and to attract traffic to the site to maintain traffic?
- Hitesh Oberoi** It is very difficult to actually say we spend a lot of our advertising spend on online advertising, which is on sites like Google and Yahoo and there is some amount of money which we spend on television for brand building. So, in Q1 we did not spend on television which is why the expense is low. As we start spending on television more going forward expense will go up, it is very difficult to say whether this spend is for maintenance or for growth. At least in the Naukri business and in the 99acres business it is not as I say they are directly proportional to advertising spend. In Jeevansathi they are more likely to be dependent on advertising. These are enterprise businesses, enterprises buy when we are hiring people. It is not as if by spending more in one quarter we can get them to buy more or less. Advertising expenditure is more towards building our database and building our brand equity for the long run.
- Vinay Paharia** Correct so to put it in another way, on how low can be advertisement expense can go or how much would you be ready to cut the advertisement expenditures just for example in times of uncertainty and when there is a decline in business?
- Sanjeev Bikhchandani** So, for last two years, we have cut back by 10% to 15% every year. We have maintained our advertising level to a certain minimum and before that it was growing by 20% over a year. So, really boom time that is why as you said it went up earlier, so I know it is hard to give future forecast on this but if you look at our past behavior that is way we panned out.
- Vinay Paharia** Okay finally can you give me a break up may be for FY10, how much was your online expenditure and how much was offline advertisement expenditure?
- Hitesh Oberoi** We normally do not give the break up but what I can tell you is that Q1 we did not spend on television at all.
- Vinay Paharia** Fine thank you, I am through with my questions.
- Moderator** Thank you. The next question is from the line of Ankit Kedia from Centrum Broking, please go ahead.
- Ankit Kedia** Sir on the Jeevansathi we are emphasizing that we will spend more even though we had broken even so this spend predominantly be more for offline centers or including online and what is the next growth strategy we are looking for Jeevansathi?
- Sanjeev Bikhchandani** The spend will be in two or three areas, we are looking to hire more people, we are looking to invest more in offline processes and we are also looking at more investments in brand and technology. So, I mean I cannot give you a breakup but we will be spending in all these areas.

- Ankit Kedia** Previously you had also mentioned that we can go international which in the matrimonial site and have our regional sites as well, so is that on the cards currently in the sense where do we see the business say two years down the line considering so much investments we would be doing in the property?
- Hitesh Oberoi** Well, international I think what you may be referring to is that NRI traffics, but I do not think we have any plan of setting up an international site for matrimony. So, far we have been focusing mostly on North India and Maharashtra, these are markets where we are strong, regionally strong and that is our strategy to focus on the north and western parts of the country and to grow our market share in these areas. Very difficult to see how this we will pan out in the next two years and it will also depend on what competition does as well but we are committed to investing in this business for a while.
- Ankit Kedia** And my next question is regarding our FirstNaukri and Naukrigulf how are they panning out, are we seeing good traction coming in from Naukrigulf as well?
- Sanjeev Bikhchandani** Yes Naukrigulf is doing well, there was a slowdown in the gulf as well, but I think the market in the gulf has also started recovering, recovery in the gulf is lagging recovery in India by a couple of quarters, but still we have started growing once again and we are happy with the growth in the gulf. As far as FirstNaukri is concerned it is very early, there was no campus hiring, fresher hiring happening since last year but now I think this year will be a good time for us to test out the FirstNaukri product. Like I said fresher hiring has also sort of picked up and the product is getting some traction, but right now we are not getting too much revenue and we are giving a lot of trials to customers and some of them are giving us good feedback, let us see how it goes.
- Ankit Kedia** And could you just throw some light also on 99acres growth plans, what are we looking at considering the losses have been phenomenally low on the positive side, so?
- Hitesh Oberoi** So, we are very happy with the way 99acres has shaped up in the last few quarters. This quarter we grew 80% though on a low base, our expenses have also been controlled and as a result our losses are down to less than 15 lakhs this quarter. If the growth sustains for another two quarters, 99acres could look at breaking even or we may try to invest more for further growth and to get more market share. We are also happy with the gain in traffic shares like I mentioned from the mid 30s or early 30s we have moved to mid 40s, so we are now clear leaders in this space. Hopefully, this will become a big category going forward.
- Ankit Kedia** Sure thank you so much.
- Moderator** Thank you. Ladies and gentlemen this was the last question. I would now like to hand the floor back to the management for closing comments, please go ahead sir.
- Sanjeev Bikhchandani** So, thank you very much. This year has started with the good notes and I hope that it gets even better from here. Thank you very much for being on the call.

Moderator

Thank you gentlemen of the management. Ladies and gentlemen on behalf of Info Edge India Limited that concludes the conference call. Thank you for joining us and you may now disconnect your lines.
