Nomura Financial Advisory & Sec (I) Pvt Ltd.

Just Dial Limited (JUST IN) Q4FY20 Earnings call

May 26th, 2020

SPEAKERS: **Management, Just Dial Limited**

Moderator: Ladies and gentlemen, I am Rudy, your moderator for this session. A very good evening. Thank you for standing by and welcome to Just Dial Limited Q4 FY20 earnings call. For the duration of presentation, all participants' lines will be in listen-only mode. We will have a Q&A session after the presentation. I would like to now hand over the conference to Mr. Rishit Parikh. Sir, over to you.

Rishit Parikh: Thank you, Rudy. On behalf of Nomura, we would now like to welcome you all to Just Dial Fourth Quarter FY20 earnings call. Today, we have with us the Founder, M.D. and CEO of Just Dial 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: Hi everyone! Welcome to Just Dial's earning call for fourth quarter of fiscal 20. Operating revenue for the quarter stood at Rs.234.9 crores, which grew 1.2% year on year. Operating EBITDA stood at Rs.74.4 crores for the quarter witnessing 26.4% year on year growth. Adjusting for ESOP expenses, operating EBITDA margin stood at a very healthy 34% for the quarter. At operating PBT level, margin stood at 25.3%. Now, net profit for the quarter stood at about Rs.76 crores which was up 21.6% year on year. This was aided by Rs.38 crores of other income for the quarter, which was robust due to mark-to-market gains on our investment portfolio due to decline in bond yields. Coming to full year performance, operating revenue stood at Rs.953 crores growing approximately 7% year on year. EBITDA stood at Rs.273 crores growing 19.2% year on year. Adjusting for non cash ESOP expenses EBITDA margin stood at 30.5% for the full year. FY20 full year net profit stood at Rs.272 crores, witnessing a growth of 31.7% year on year. Coming to operational highlights, we had overall about 139 million unique users for the quarter, which was about flat year on year, mobile traffic was almost 80% of overall traffic. Mobile trafficking absolute numbers continues to be a pretty high number for us. Growth was majorly impacted due to two reasons. Firstly, March month was significantly impacted due to COVID-19 shutdown. And secondly, we also spent lesser on advertising. For the quarter, we spent about Rs.12.6 crores on advertising, versus about Rs.18 to Rs.19 crores a quarter, which we were spending during the first half of the year. We added another about 780,000 listings to our database, and we now have about 29.4 million active listings which was 14% year on year increase. Paid campaigns at the end of the quarter stood at about 536,000. Coming to impact of COVID-19 on our business, as you all know that things have started slowing down from mid March, and thereafter lockdown happened from 25th of March. Our utmost priority obviously was safety of our employees and thanks to timely efforts of our technology and other support team. Within a week's time, almost entire organization of approximately 12,000 employees was operational from home. From February and itself, we had started contingency planning to ensure that technologically we were fully equipped for any such scenario. As far as traffic impact is concerned, traffic was significantly impacted once lockdown started. For April month our average daily traffic dropped about 49% from pre-COVID levels say average of December to February. For the month of May, there has been improvement and lately traffic is at around 65% of pre-COVID levels. Coming to monetization, as we have mentioned earlier, SMEs were already facing pressures for last few quarters. Prior to lockdown, we had implemented our strategy of selling more on monthly payment plans to customers versus upfront payment plans. For the month of February, that strategy worked very well for us. We were able to grow our run rate of signing up customers by almost 15% to 20% versus the previous quarter. However, with COVID-19 hitting all of a sudden, obviously, that broad monetization to somewhat of halt. We reworked on our pricing, decided to give better discounts to customer to retain them, decided to let customers opt for a late activation of their contract post lockdown getting over to ensure that we could monetize to the best extent possible. For April just to give a brief idea, new revenue was impacted almost 80% versus pre-COVID levels. Even since, we also have payment coming from our past monthly payment customers. We did see collections of about 35% compared to pre-COVID levels even in the month of April. At the same time, we initiated measures to cut down on our discretionary costs such as advertising. We renegotiated certain other expenses such as rentals, implemented measures to rationalize our employee costs while some of these decisions obviously are challenging, but necessary for business in such uncertain times. We are satisfied to report that for the month of April, as far as operating cash profitability is concerned, we were negative hardly by just Rs.3-4 crore only. Obviously, if treasury income were to be considered, we would have been positive. Coming to cash and equivalent, that stood at about Rs.1591 crores as on 31st March, growing about 19.6% year on year. The board has already approved the buyback of Rs.220 crores on 30th April and required approvals are in process. The buyback shall be via tender offer route and at a price of about Rs.700 per share and at this particular price and quantum almost 4.84% of company's outstanding shares shall be bought back as part of the buyback. Now, on a cash and equivalent, approximately 65% of our treasury is parked in debt mutual funds, another 21% into long-maturity tax free bonds and rest about 14% into FMP - fixed maturity plans. Overall in terms of underlying exposure, 98% plus of treasury paper is AAA rated or equivalent. Within that also, approximately 75% is government securities or PSUs. We obviously keep evaluating our exposure and as of now treasury seems to be now in healthy shape. I thought this update should be useful in these uncertain or volatile times. Lastly, while COVID-19 impacted the business significantly, one good thing that we did was utilize our workforce to create enriched content for our B2B listing. If you visit our platforms, you will see there is now a dedicated section where you can not only see B2B sellers, you get to see their products, detailed catalogue, prices and other attributes. This content would obviously help us draw more traffic, and subsequently help us monetize the strength of the platform better. We also intend to have a dedicated B2B portal, which should get launched shortly. It would be a separate website, separate app focused on B2B vendors and products. With this update, we shall now open the floor for questions. Thank you.

Moderator: Sure sir. Ladies and gentlemen, now I would like to request you if you wish to ask any questions, please press 0 and 1 on your telephone keypad. Repeating and requesting again ladies and gentlemen, if you wish to ask any questions, please press 0 and 1 on your telephone keypad. Thank you so much. With that said, the first question is coming up from Krishnan from Indian Advisory. The line has been unmuted. Please go ahead.

Krishnan: Thank you very much. I just want to get a sense of what has been the key reasons for the drop in unique visitors in the Q4 quarter?

Abhishek Bansal: Sorry, could you please repeat, key reason for drop in.

Krishnan: Yeah, yeah. Yeah so I just want to get a sense of, you know, what are the reasons for the drop in unique visitors in Q4? Have you done any analysis?, I think the fall seems to be quite steep.

Abhishek Bansal: Sorry your voice is echoing. I would have to request you to please repeat and be bit louder.

Krishnan: Okay, no, I just wanted to get an update on the key reasons for the drop in unique visitors in Q4 and have you done any analysis on why the numbers have dropped drastically?

Abhishek Bansal: Okay, see on the unique visitors in quarter four, there are two or three reasons but I mentioned in my opening remarks as well. Firstly, on the advertising itself if you see we spent about Rs.12.6 crores for the quarter. So that particular advertising was significantly reduced and the advertising that we reduced happened more on the digital side where it directly impacts traffic. For last few quarters, we have been seeing that there were pressures on monetization, etc. So we consciously decided to optimize our ad spends for those particular categories which yields better results for our particular customers. And another reason obviously, that for the month of March, first of March itself was quite weak because COVID-19 related impact had already started and then from about third week onwards traffic was significantly impacted. So these two-three items were the ones that impacted traffic. As and when we see things returning back to normalcy, we should be stepping up our particular advertising spend plus our particular optimization and efforts on the B2B side that should help us growing traffic in coming quarters.

Krishnan: Okay, thanks for that. And I just also want to understand, you know, how much of your traffic is organic through a direct search or Just Dial versus, you know, paid or in advertising or a search engine based in as such?

Abhishek Bansal: So, of the overall traffic approximately 20% of the traffic comes directly to us, rest comes indirectly to us. Of the 80% in direct traffic, approximately two-thirds comes completely free of cost to us. We don't pay anything for that. And for the balance, one-third, that is that comes part of our digital advertising spends.

Krishnan: Okay, so you're saying one-third of 80% is the paid search?

Abhishek Bansal: Yes.

Krishnan: Okay, and what about trends looking like. You also did give out some numbers of how April and early part of May is looking like. If you can just give little more details on how the traffic is looking like in this quarter for the first 40-45 days.

Abhishek Bansal: So as I mentioned that as soon as lockdown started, traffic took a hit drastically. So the immediate impact was about 55-60% drop in traffic. For the overall month of April, it dropped about 49-50% or so. In May, we are seeing some particular recovery as we speak say for the last week or so, we are about at about 65-68% of pre-COVID levels. So traffic as and when geographies are opening up, restrictions are getting eased, traffic is inching back up.

Krishnan: Okay, thanks. One last question. Any potential buyback dates that you finalized?

Abhishek Bansal: So the day before yesterday, the postal ballot notice has been sent out for shareholders' approval. At this point of time, we expect the record date to be anywhere in around the first or second week of July and post that maybe in about a month time or so based on how fast you can get all the required statutory approvals, buyback should get concluded.

Krishnan: Thank you very much and good luck to you.

Abhishek Bansal: Thank you.

Moderator: Thank you so much. The next question is coming up from Pranav Kshatriya from Edelweiss. Your line has been unmuted. Please go ahead.

Pranav Kshatriya: Hi, thanks for the opportunity. My first question is on, you know, thank you for the color which you've given on, you know, the COVID impact. But can you tell us how much is the impact in terms of the collections in the month of May, how much you know, you have recovered from almost 80% of the new business lots, which you told? Now, where does it stand in the month of May? And my second question is with regards to your cash flows. If I look at, you know, I mean because of Ind AS, there is some adjustment, but if I adjust Rs.26 crore rent expenses, the free cash flow for this year comes at around Rs.124 crore. Is that number correct or, you know, some clarity there will be helpful? Thank you.

Abhishek Bansal: Sure. So firstly, on your question on collections for the month of May. So, as I mentioned that for the month of April broadly we had about 35% of pre-COVID levels that was around Rs.30-31 crores or so. For the month of May, new business or the new revenue that we generate is picking up. We do expect – however, the pick up obviously is gradually because as of now, all our particular geographies or offices are operating at a limited capacity, we do expect that collections to be somewhere around Rs.34-35 crores for the month of May. And coming to your second question on…

Pranav Kshatriya: I didn't hear that number. How many -- how much percentage?

Abhishek Bansal: I said for the month of May collections could be broadly around Rs.34-35 crores or so.

Pranav Kshatriya: Okay, okay. So broadly in the same level.

Abhishek Bansal: So, collections obviously have two aspects to it. One, which comes from new customers. Second, what comes from existing monthly payment customers who had purchased our listings in the past. So, combination of two is what we are expecting to be in that particular range.

Pranav Kshatriya: Okay.

Abhishek Bansal: Coming to your second question on free operating cash flows, so, yes based on that particular rental adjustment, etc. broadly it was about one Rs.124-125 crores for last year.

Pranav Kshatriya: Okay and lastly, would you want to give any color on you know, what sort of growth, you know, you would be looking for this year or you know, how do you see this year panning out.

Abhishek Bansal: So, Pranav on growth front obviously, situation is very fluid at this point of time, you would agree that most companies are first of all trying to ensure that they survive or pass through this particular case and subsequently focus on growth. So, for the month of April, as I mentioned that against Rs.30-31 crores of cash inflows, our particular swift action ensured that we were able to bring down our particular expenses from say Rs.53 crores a month - cash expenses of Rs.53 crores a month to just about Rs.35 crores a month. For the month of May, most likely on a cash EBITDA level, we should be breaking even. So the idea is that this particular first quarter, we want to ensure that we still stay operating cash flow positive, and thereafter how lockdown gets lifted, that is what will determine the rate of growth going forward. Having said that, the fact that we have created a lot of B2B content, etc., we are quite confident that once lockdown improves, we should be able to monetize that particular fee quite better and we should be able to bounce back quite swiftly.

Pranav Kshatriya: Thank you. I'll come back in the queue. Thank you.

Abhishek Bansal: Sure. Thank you.

Moderator: Thank you so much. The next question is coming up from Rishit Parikh, from Nomura. Mr. Parikh, please go ahead.

Rishit Parikh: Hi, thanks. Thanks for the opportunity. So just want to understand from a monthly payment plan perspective, we would have roughly about 25-30% of the overall plans under the monthly fee side. If you could just help us understand from a 1Q perspective, what will be the follow up in terms of paid listings in 1Q, and then for the full year, how does it look like given that, you know, the SME business environment is likely to be challenged for the full year, right?

Abhishek Bansal: So, you're right that monthly payment plan campaigns form broadly 25-30% of our overall active paid campaigns. But just to give a perspective, for the month of February and say first half of March, this 25-30% had gone as high as 70% wherein we realized that since we were aggressively offering monthly payment plans to customers, there was a decent uptick in number of customers that we were able to sign. Now coming to how do we look at active paid campaigns for fiscal 21. So the feedback that we get from our particular sales team is that whenever they are reaching out to customers, it's not that the customers are saying that they don't want to have their paid listing on the platform, but the discussion is more like not now or maybe once the lockdown gets eased, and that I think is a natural behavior for all of us like our particular first reaction also was to cut down some spend, which we thought that okay, we can live without these particular spends at this point of time. So my sense is that as soon as lockdown gets over, there could be a bit of pent up demand also. So customers who did not renew their particular listings in the month of March and April, those particular customers should also come back. In fact, there is a possibility that customers would realize that this particular spend should be essential for their particular business to get back customers. So we'll have to see how things go going forward.

Rishit Parikh: So just the question was largely to understand from a 1Q perspective, right. I would assume the monthly part of the payment plan contracts would have had a higher risk wherein, you know, customers would call back saying that, you know, I will not want to continued service for let's say April and May, right? So that's under 25-30%. How -- what percentage of that would have dropped off, that's one. And second, from the other part of the business, say, the 70-75% which are more like six monthly to annual contract. Of that one customer would have come back to you saying that, you know, let's try and default the services for the time being and then we can focus at, we can get back to those services, maybe post the lockdown or maybe a month or two down the line.

Abhishek Bansal: Okay, so for the monthly payment customers, we did have customers who came to us and said that we don't want to pay for next one or two months or we don't want to pay for the lockdown period. So we gave them an option where they could skip one particular payment and we told them that once the lockdown gets over, we would again resume that particular billing. So that particular component was about, say, 8% to 10% of our monthly payment customers. So which would in the overall scheme of things would broadly be say 2-2.5% of our overall campaign based. On the second component where customers had already prepaid us, there were certain customers who came back and said that okay, we want to pause our particular services for the lockdown period. Please resume those particular services at a later point of time. So a certain percentage of customers were in that particular bucket and for the new business that we were able to generate for the month of April and May, there were certain customers to whom we ourselves offered that, okay, you pay us now, because we are running great discounts or great offers at this point of time but you could activate your particular listings after the knockdown gets over. See my business is a mandate business as far as sales or monetization is concerned. So it is very important for us to have as much productivity keep coming in on a daily basis. So the blended impact of all these three items, we will have to see. Last broad update that I had was compared to March end, our particular active state campaigns were down about 15-16% as of say third week of May or so, which as I said that captures all of these items. A part of it possibly could get offset once some of those particular campaigns resume their particular services, etc.

Rishit Parikh: Okay, fair enough. That's very helpful color. And given I think in the incremental what we've been selling this quarter, has there been any impact in terms of realization? How are we sort of selling versus what we were in terms of the other realization numbers?

Abhishek Bansal: So definitely in such an environment, one thing that happens is that your big ticket customer they are the ones to defer their particular purchase or renewal decision. However, in many of those cases, the decision could be deferral rather than a decision of not resuming anytime in future. For others who actually sign up, the ticket size could be lower. So for the month of April and May whatever new revenue that we were able to pick up, yes, the ticket size was lower. But I think that over the long run once collection starts coming back to pre-COVID levels, realizations by and large should be similar to what we had so far.

Rishit Parikh: Okay. Fair enough. And just lastly, on the cost structure side. So we've had a fair amount of cuts in terms of the overall cost structure, right? If you would just help us understand what portion of that will be sustainable and what portion of that will come back in the coming quarters? Thank you.

Abhishek Bansal: So, on the cost structure, if you see that about 55-60% comes from primarily the employee expenses. So, broadly if you were to take Q4 operating expense structure, so, on a monthly basis Q4 had about Rs.58.5 crores of operating expenses. If you remove Rs.5.5 crore of ESOP expenses, you are left with Rs.53 crores. Within Rs.53 crores, we had about Rs.31-32 crores of employee expenses, then another about Rs.7-8 crores of incentives, large portion of it is variable directly linked to revenues, then the biggest expense items typically are advertising followed by rental, etc. So, as I mentioned earlier that we were able to cut down our particular things for the month of April and May to about Rs.35 crores. Having said that once things start looking brighter, some of these expenses obviously would come back for example, advertising. We would want to spend on advertising to promote our B2B platform, etc. Similarly, incentive expenses, etc. would start coming in. So, my sense is that those particular expenses which would resume would in any case, have a linkage to how top line is fairing.

Rishit Parikh: Perfect. Thank you.

Abhishek Bansal: Thank you.

Moderator: Thank you so much. The next question is coming up from Keshav Garg from Counter Cyclical Investments. Line has been muted. Please go ahead.

Keshav Garg: Sir, I wanted to understand the logic of the buyback price being decided at Rs.700 when the CMP was around Rs.300. Sir, so ultimately, shareholders will have to pay a higher capital gain tax. And also the number of shares that can be bought back is less than5%. Now if this buyback price would have been Rs.400, then shareholders would have bought the same amount of money, which is Rs.220 crores, returned to them. And as the number of shares bought back would have been over 7% of outstanding share and the taxation on the shareholders, the capital gains, would also have been lesser. Sir, so if you can do something about it, then please do it or next time please keep the buyback price more reasonable.

Abhishek Bansal: Okay. Keshav, just to clarify, this time when the government introduced buyback tax at company's level, my understanding is there is no particular capital gains tax that needs to be paid at shareholders' level, which was not the case earlier. So irrespective of whatever is the price, there will not be any particular taxes at shareholders' level. Second, as far as price is concerned, our particular tender offer buyback is mainly a medium to return cash back to shareholders. In a way, it's a quasi dividend. So it doesn't really matter whether the price is Rs.700, Rs.600, Rs.800. The key thought process behind that particular price was that we looked at whatever was the average price of last one year, what was the maximum price and average of those two is what the board decided to go ahead with. So the thought process is that we want all shareholders to participate and post buyback we ideally want the shareholding pattern to, by and large, remain the same.

Keshav Garg: Okay, sir. Sir, in any case, had the price been lower the number of shares bought back and extinguished would have been higher, so the EPS would have increased more. That was my limited point. And sir, otherwise, I wanted to understand so that after 2015, we had around three-four years of fall in our operating profit. And since the past two years, again, the company is making like all-time high EBITDA. So sir, what exactly happened during the three-year period?

Abhishek Bansal: So post 2015 or taking a step back closer to our particular IPO, the next two years, we were operating at about 25%-30% top line growth with about 25% to 30% EBITDA margin. Next three-four years, we were making certain investments due to which our particular operating profitability took a hit. And in last 2-2.5 years, we have done a lot of optimization in terms of -- firstly, there is a lot of automation that has come in due to which non-sales employees, they have been reduced from a peak of 4,400 non-sales employees to about 3,100 at this point of time. Similarly, on several other expenses as well relating to IT, technology, infra, etc., there again we did optimization by signing up long-term deals, etc. So all those initiatives ensured that our particular operating margins have been improving. And as you would have seen, the recent quarter was one of the highest in the last six-seven years or so.

Keshav Garg: Sure, sir. And sir, also, sir, recently, one of our competitors, IndiaMART, got listed and, sir, their performance is dramatically better than ours. Since we are in the same space, so what exactly are they being able to do that we are not able to do? And how do we hope to address that gap?

Abhishek Bansal: See, while I cannot obviously comment on specific competitor, but as we would know that, for us, 80% of the revenue comes from B2C-oriented categories, and these are the categories which have seen massive disruption over last five to six years. We had done a detailed analysis in last about six years. There is almost about $40 billion plus of capital inflows that have come in. Having said that, in these times, like some unprecedented events such as COVID-19, that obviously will end up exposing weakness in some of these particular business models. So it is great that some of our competitors are opening up the market, which also opens up more avenues for us. So far, we have focused on running the business efficiently, and I think we should be able to get our particular top line growth, traffic growth, again, back to the levels that we had witnessed a few years back.

Keshav Garg: Okay, sir. Thank you very much.

Abhishek Bansal: Thank you.

Moderator: Thank you so much. The next question is coming up from Alankar Garude from Macquarie. The line has been unmuted. Sir please go ahead.

Alankar Garude: Hi, good evening everyone. Abhishek, you mentioned that cash expenses have come down to about Rs.35 crores per month in the months of April and May from Rs.53-odd crores, and you also mentioned that some of these costs could come back once things start looking a bit brighter. So just wanted to understand this particular comment of yours, and you mentioned about advertising possibly looking to come back. But if I also look at some of the other costs, like employee costs, for example, wherein you have seen the absolute number of employees coming down on a sequential basis. So can you also throw some color on the employee side? Could we see some further rationalization happening? Any comments on that would be really helpful.

Abhishek Bansal: Okay. So on the cost side, see, for the month of April-May, we had drastically cut down on our advertising spend. So we curtailed our advertising spend by almost by 90% or so. But once things start looking better, I would want to bring back that particular advertising so that we can reach out to as many end users as possible. So that is one particular expense item which would come back. But as I said that we always would keep an eye on how our particular monetization is panning out. Secondly, on incentives as well. So whatever incentives that we pay to our employees, which are directly linked to revenues, so as and when revenues scale up, those particular incentives also could come back. Having said that, there will be certain set of expenses which would permanently be down. For example, we have taken a decision that in certain departments automation is obviously the way to go. So there will be a strong thrust on automation to try to reduce that particular requirement of workforce in certain departments. Then if that particular requirement is reduced, that obviously reduces my requirement for equivalent office space and with office space going down related expenses such as power, fuel, whatever, those particular expenses go down. By and large, the theme would be that technology-related spend, those would be stepped up to ensure that company remains technologically robust, and other particular spend would be optimized as much as possible. Coming to your second question on employee count. So employee count this particular quarter we intentionally held back on our particular hiring. So that is primarily one of the reasons that there is that particular sequential fall of about 400-500 employees. Having said that, there is a significant skew that we have in our particular sales productivity. So we are looking at ways by which we could sort of have similar monetization by having say 10-15% lesser workforce. So there are works in pipeline on those particular items. The idea is, since the environment is very challenging, we have to be prepared for any worst-case scenario and even in such particular situations, we don't want the company to do that even operating cash flow level. But at the same time, we would not do anything silly to ensure that, that compromises either product development or long-term growth potential.

Alankar Garude: Understood. Abhishek, the second question is I wanted to ask you as well as Mani is how exactly are our sales and marketing teams interacting with the business ones now? What is the medium of interaction? Has the quality as well as the quantity of interactions been significantly impacted? The business owners basically even want to kind of connect with our field sales at this point of time.

Abhishek Bansal: See, to answer this that yes, the quantity of interaction has gone down, which is reflecting in, say, April run rate of new business generation being about 80% down. Having said that, even earlier -- so out of our particular 9,000-odd sales force, about 4,000 are telesales executives. Those telesales executives, in any case, even earlier used to interact with customers via electronic means such as either by calling them or staying in touch via messaging, etc. For other feet on street as well, with their existing customers, they already had running relationship. So we were able to smoothly transition all of them to start getting in touch with customers solely via either calling or sending them messages. So in this particular digital era where customers are used to online payments, etc., I think that if reaching out to customers, yes, there was a challenge, but to some extent, with the use of technology, we could overcome that. The key challenge, obviously, was that since everyone is realizing that we don't know how the situation is going to be, everyone wants to be in a conversation mode, which is where the feedback came from our particular sales executives that the customer is saying, "not now. Let us speak once the lockdown is over." So temporarily, yes, there is a hit. Once things start opening up, a platform such as us should eventually benefit because we do know that our particular customers hardly have any other alternatives on which they could spend. And the amount that they pay to Just Dial, our sense is that, that particular amount is not that high money that they have to shell out. Yes they would want to optimize their particular spend, but with some visibility of their business resuming back to normal, they should be resuming all such spend.

Alankar Garude: Right. And then final question from my side. Do you feel that given that the situation we have currently, the startup ecosystem is likely to face increased pressure, both on their operations as well as on the ability to get funding easily, at least for the next few months? Do you believe that there could be some opportunities which will come up on the M&A side, which we might want to explore?

Abhishek Bansal: So on the start-up side, all of us are hearing day-to-day news flow of drastic steps in terms of reduction of workforce. So my sense is that the well-funded startups, they would want to conserve whatever funds they have in their kitty. So that once this particular period is over, then that is when they would resume those particular investments. But again, this kind of event clearly would demonstrate that a business model which works on solely gathering users by giving discounts, cash backs, those particular business models will face issues going forward. And as far as any M&A opportunities, etc., are concerned, so in case there is anything which has synergies with a business such as ours for which we believe could be an immensely profitable business in future, but today is in a very initial stage, yes, we could be open to looking at it. But at this point of time, internally itself, we have so many things on our plate that we are focusing on that itself.

Alankar Garude: Understood. Thanks Abhishek. All the best.

Abhishek Bansal: Thank you.

Moderator: Thank you so much and Mr. Bansal, since we don't have any further questions at this point of time, turning the program back to you for your closing comments, sir.

Abhishek Bansal: Thank you, everyone, for joining us. While these are uncertain times, our focus continues to ensure that the business is run as efficiently as possible, getting traffic and monetization back to pre-COVID levels and then scaling it up thereafter. Our monthly payment plan strategy pre-COVID gives us confidence that the same should yield great results as and when economies start opening up. In case you have any further queries, please do reach out, and we will do our best to address. That's it from our side. Thank you so much.

Moderator: Thank you so much, Mr. Bansal. Thank you respected panelists, members. Thank you participants for joining the call. Wish you all have a great evening ahead, and requesting to please stay safe. Thank you once again.

Abhishek Bansal: Thank you.