"Just Dial Limited Q4 FY-22 Earnings Conference Call"

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Moderator: Ladies and gentlemen good day and welcome to the Q4 FY22 Earnings Conference Call of Just Dial Limited. We have with this today from the management, Mr. V.S.S Mani – MD & CEO and Mr. Abhishek Bansal – CFO. At this moment, all participants are in the listen only mode. Later we will conduct a question-and-answer session. At that time, you may click on the raise hand icon to ask a live question. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Bansal – CFO. Thank you and over to you sir.

Abhishek Bansal: Hi everyone, welcome to Just Dial's Earnings Call for fourth quarter of fiscal '22. Our operating revenue for the quarter stood at 166.7 crores declining 5.1% year-on-year, but was up 4.9% sequentially. Our adjusted EBITDA excluding ESOP expenses stood at a minor loss on account of increase in employee costs and advertising spends. Our employee expenses increased 22% year-on-year led by approximately 20% year-on-year increase in head count across sales, technology, content and marketing functions. Our advertising expenses stood at about 8 crores for the quarter. Other income stood at 35.2 crores and overall net profit stood at 22.1 crores.

Coming to business update:

FY22 as we all know started with onset of second wave of COVID-19 which had significant impact on SMEs across the board especially in B2C services. However, situation started stabilizing from third quarter and we have embarked on aggressive monthly plan monetization, coupled with ramp up in sales hiring. During 4Q we signed up about 71% customers on monthly plan basis which was just about 25%-27% last year. Our sales headcount has grown 23% on YOY basis and 26% sequentially during the quarter.

We have seen monetization continuously improve significantly on month-on-month basis since November-December. Our paid campaigns grew by about 24,100 campaigns to 4,61,500 total campaigns at the end of the quarter while paid campaigns are still about 14% short of pre-pandemic levels. This quarter-on-quarter edition has been highest over past several quarters and we should be closing this gap soon and growing further. Our 4Q collections stood at about 179 crores and it witnessed 19% quarter-on-quarter growth despite (70% +) deals coming on monthly plans where upfront collections are typically lower.

Consequently, the deferred revenue witnessed 3.8% quarter-on-quarter increased to 338 crores. Now since the mix of upfront versus monthly plans is changing in order to assess how our monthly sales is panning out, we calculate or we measure what is the total annual collections that we expect to get from all the signups that we have done during the quarter, be it upfront plans or monthly plans we call it realizable value which is essentially total money that we have received from upfront plans right now and money that we expect to be received via monthly plans over the next 1 year.

This realizable value of signups that we did in 4Q has witnessed a healthy 24% year-on-year growth and 29% sequential growth. This in a way acts as a leading indicator for us to see where our collections and future revenues are headed. Our monthly ECS collections which is money received via direct bank debits for monthly plans stood at about 29 crores for the recently concluded April month versus it had reached a low of 13 crores back in October '21. Further the recent ramp up in sales hiring too should aid our monetization in coming months as we should see improved productivity of new hires as they get tenured. In a nutshell as far as reported P&L is concerned our top line reflects monetization, performance of last few quarters which were COVID impacted. Whereas most of our costs essentially hit our P&L immediately. As we see our top-line ramp up in coming quarters we should see profitability improving as well. Overall cash and investments stood at about 3,820 crores as on 31st March.

Coming to operational highlights:

Traffic stood at 144.8 million unique users for the quarter, growing 12.2% year-on-year, on strength of database total listings now stands at about 31.9 million. Overall as I see expenses have picked up in FY22 led by resumption in hiring for sales and various new initiatives and the resumption of our advertising. Recent recovery in sales should reflect in FY23 revenue which would aid recovery of profitability too. The core business is clearly on a recovery path and new initiatives are currently under various stages of development and user experience enhancement.

With this update for further discussion, we shall now open the floor for questions. Thank you.

Moderator: Thank you very much sir. We will now begin the question-and-answer session. The first question is from the line of Pranav Kshatriya from Edelweiss.

Pranav Kshatriya: Firstly, you talked about the revenue growth. Should we expect this revenue growth to start flowing in from the Q1 FY23 itself or the for the productivity it will take some time? Secondly for this quarter the operating expenditure was roughly Rs. 170 crores odd which was broadly Rs. 140 to 150 crores previously. Should we expect this operating expenditure to stay at this level or there is some one-off and how should it trend considering you have added fairly large number of employees to your workforce? One last question from my side will be on JdMart can you tell us where do the things stand in terms of the monetization of that platform and at least on various platforms we don't really see traffic for JdMart really picking up, so what is the status there?

Abhishek Bansal: So, Pranav on your first question regarding revenue growth. Yes, revenue growth will start showing improvement from coming quarters as soon as 1Q also assuming we are able to sustain the recent momentum that we are witnessing. This particular quarter also as can be seen, there is a sequential growth in revenue that we are already witnessing. The most recent month run rate is also better than the quarterly run rate. On your question around operating expenses, so operating expenses definitely have picked up because of significant hirings. Our sales head count which had gone to as low as about 6,800 employees two quarters back that is now 10000+. The reason of ramping up this particular salesforce is that we are seeing situation stabilized on the ground. We are also seeing SMEs willing to come back on an advertising spree. While hiring has happened in a chunky manner, this should give us good dividends going forward. On your query around JdMart, JdMart currently draws traffic in two ways. One the dedicated portal itself gets traffic. Secondly, also now we have all the B2B products on Just Dial platform itself. Since Just Dial has a very strong brand affinity, it draws a very good amount of organic traffic. Out of total about whatever 145 million users that we had last quarter, decent 7%-8% of that did come for JdMart related new pages that we have on both platforms combined. Apart from that at this point of time we have over a million rich catalogue with about 15 million unique products. As far as content enrichment is concerned, traffic is concerned; there is a steady improvement on a quarterly basis. On the monetization we currently have our dedicated 400+ member team which focuses on our B2B monetization initiatives, a combination of both steady tele-sales as well as feet on street. As we are seeing overall business come back to normalcy, we should see a good contribution from B2B in coming quarters.

Pranav Kshatriya: If I can just have one follow-up question on my question on cost, can you just tell us that how much of your G&A was spent on that advertisement and how do you plan to spend it? That's why I was looking more from a run rate cost basis that how should we see the cost going from Rs. 170 odd crores in this quarter in upcoming quarters?

Abhishek Bansal: On the cost side, we spent about total around 7.5-8 crores on advertising in last quarter, for coming fiscal we have budgeted about say 60-65 crores as full year advertising. Subject to this particular budget going up depending on how we are faring on monetization, depending on how our newer initiatives are panning out. At any point of time, we would take a calibrated approach in terms of core business will see more of digital spend, new initiatives will see ATL campaigns as an when they're at an optimal stage.

Pranav Kshatriya: So, and the ex of advertisement cost should we expect to stay at the current level given most of the hiring is already done?

Abhishek Bansal: There will be some hiring that we will continue to do. There are certain cost optimization activities also that we are undertaking. At this point of time the thought process is that we want to chase growth, as we saw last year as well even in a COVID impacted year where our top line went down by about 27%-28%, we were still able to have 25% EBITDA margins. We do have cost levers which can be optimized but at this point of time when things are picking up we would want to ensure that our monetization top-line picks up, our newer products get their fair share of investment and at opportune time obviously profitability should return for the core business as well as for newer initiatives.

Pranav Kshatriya: One last question from my side, if you can comment on the partnership with Reliance Retail ventures or the synergies with the parent that is Reliance Retail Ventures Limited, any plans on that which you can talk about?

Abhishek Bansal: So, as we all know RRVL already is on our board. We actively engage with the RRVL and even RIL leadership teams for our various initiatives. For example, JD Shopping is one area where we are very closely working with them. Now, as far as synergies are concerned there are certain newer initiatives such as a reseller plan that we are learning that RRVL and even Jio platforms have successfully implemented. We would want to replicate the same for JD monetization as well. Some of these particular strategies are being closely worked on by us as well as RIL teams.

Moderator: We will move to the next question from the line of Naman Jain, an individual investor.

Naman Jain: First is around the two products that we spoke about in the last call as well. One is JD Shopping and the second is JD Xperts. Wanted to know what's the update on JD Xperts, how has it been picking up and on JD Shopping I noticed that in the Just Dial app there is a specific tab for shopping? Now when I click on that tab you can select or search for an item or a product but then the search results will show you all the nearby shops who are selling that product. The option is to call that shop and place an order. Is this how we plan to move to e-commerce, is this the way our strategy is vis-a-vis other e-commerce players where you directly place the order from the price and the app itself? This is the first question if you can answer this first please.

Abhishek Bansal: Naman firstly on JD Shopping, what you see on a live platform is an existing avatar which is essentially search. It primarily does not have transaction capabilities. However, what we are doing is hyper-local e-commerce. At this point of time onboarding of vendors has started in three cities and shortly over next few weeks we would have the user interface as well. The way it will work is that we will onboard vendors. Those particular vendors will share their inventory pricing etc. and then in a phase wise manner both in terms of categories and geographies we would open it up for users to place orders, get it fulfilled via either third party logistics or by vendors themselves. That is how JD Shopping will be. Coming to JD Xperts, at this point of time there are multiple services pertaining to repairs category and pest control services which are live in multiple cities. At this point of time the focus is on optimizing user experience. Basis recent feedback that we have got about, most of the users have rated the service 4.2-4.3 on a scale of 5. We want to ensure that we have good coverage, good user experience before we are able to scale it further. That's the brief update on both these products.

Naman Jain: And JD Shopping when do you expect it to go live even on a trial basis for the customers?

Abhishek Bansal: Sometime in 1Q or early 2Q is what we are expecting.

Naman Jain: Next year?

Abhishek Bansal: This year 1Q ‘23, the ongoing quarter.

Naman Jain: The second question is, our promoter also has a company called JioMart which provides, not exactly e-commerce facility but you can place orders online and all. Would we be competing in some way with them or how is it going to be or are we mutually exclusive in that sense?

Abhishek Bansal: In a way we would be mutually exclusive because for first of all JioMart operates in different set of categories. The primary set of categories are grocery related. Second, most of the sales that are done on that platform or primarily first party sales. It's not the Mom-and-Pop stores or SMEs that are selling via that platform. Whereas Just Dial will be a pure 3P, third party marketplace where any SME can list their products on the platform and sell through us.

Naman Jain: Just one more clarification or a follow up on JD Shopping. When we plan to do a hyper-local delivery, Reliance has also done acquisition of Dunzo. Would that help us in any way for the logistics in terms of partnering or are we going to have our own?

Abhishek Bansal: We are integrating with multiple logistics partners including Dunzo, Grab, third party hyper-local logistics partner as well such as Shadowfax, Shipyari. At the same time, we would give option for vendor itself to deliver also in case vendor is willing to do so. It will be a blended model where in logistics will be either third party or a vendor himself can do it.

Naman Jain: Any take on the e-commerce policy that is in the works, what is our take on that? Where are we, are we aligned to it or as per whatever discussions held till date?

Abhishek Bansal: Broadly as we understand that the new e-commerce policy wants marketplaces to operate as pure 3P marketplaces and not as a blend of 1P versus 3P. So as Just Dial since we do not intend to hold inventory in the first place. For us it's a simple straight forward thing and we would definitely be comply it as a third-party marketplace.

Moderator: The next question is from the line of Vivekanand Subbaraman from Ambit Capital.

Vivekanand S: One is the unique visitors that we have now 145 million. This has gone up to around 157 million pre-pandemic, is there any change in methodology of the reporting of unique visitors or am I missing something in terms of the recovery? That is question one. Secondly if you could help us understand the split of campaigns by volume, the paid campaigns by volumes across Tier I and II, top 11 cities and the rest of the country and revenue contribution as well?

Abhishek Bansal: Vivek, firstly on unique users, there is no change in methodology. Last particular quarter 145 million that we had; a couple of things to be noted. One our advertising spends especially on digital used to be much higher when were at 157 to 160 million run rate. At that point of time were spending approximately 17-18 crores a quarter. Whereas on digital we have spent broadly about 7 crores in last quarter. Second, fourth quarter specifically January month was indeed impacted due to third wave of COVID while it did not impact our monetization much. But second half of Jan was partly impacted as far as traffic is concerned. As we are getting into first quarter of this year, summer months anyway tend to be strong. We are seeing good recovery in our organic traffic. We should be back to pre-COVID peak levels also shortly. On your second question around campaign split; so top 11 cities they had about 44% contribution to volumes and about 64% contribution to revenue.

Vivekanand S: On this traffic when you say that you have spent 7.5 crores in A&P this quarter, was it for the Just Dial app or was it for above the line spending to support JdMart?

Abhishek Bansal: So, it was primarily digital campaign. If you're searching for packers and movers in Bangalore, the results that you see on third party search engine, if someone clicks on those particular results and lands on our platform, that type of advertising is primarily what we did during the quarter and that would be across categories, would be for B2C as well as B2B categories.

Vivekanand S: What about the A&P that you have envisaged for the next year, you said it's 60-65 crores. Is it fair to assume that most of the A&P will be for the new businesses rather than for the core business?

Abhishek Bansal: The 60-65 crores that I mentioned, a good chunk of it we have planned for core business itself because we believe core business does require 7% to 8% of top line to be spent on advertising spent. As far as newer initiatives is concerned those will be calibrated as and when we think that there should be ATL spend for the same. This particular 60-65 crores can actually go up basis how our initiatives are panning out.

Moderator: The next question is from the line of Vijit Jain from Citi.

Vijit Jain: My first question is just a clarification. You said the 4Q collections were at 179 crores, did I get that right?

Abhishek Bansal: Yes, that's right.

Vijit Jain: I don't have the trend rate on that. If you could give the trend rate on that.

Abhishek Bansal: 4Q collections of 179 crores were up about 19% sequentially and they were down about 10% on a year-on-year basis.

Vijit Jain: My second question is on your relationship and the plans with Reliance Retail. If I think about it in this way that you could do B2B business which, is I guess what you were referring to when you mentioned the reseller opportunity and then the B2C services e-commerce and then the whole shopping thing. How would you prioritize those in terms of what is most important for you guys to do in collaboration with them first? I mean is there a priority order there or the plan is to hit all those three things in line and align them kind of with what Reliance Retail is doing?

Abhishek Bansal: Vijit, the first priority obviously is to get the core business which is our cash cow back on track ASAP. As I mentioned the traction is already very much visible. Now the reseller plan that we propose is mainly to be able to support this particular core business itself in terms of reaching out to as many SMEs as possible across India. While so far, we have been reaching them out via our own employees. We think that we could get a much wider reach if we get freelancers to actually get us customers and our teams shall primarily focus on farming those customers to higher levels. As far as other initiatives are concerned, we have initiated them. Some of these projects are highly promising but they will take time for user experience to get stabilized especially considering there are vertical players out there. Those things will happen simultaneously with dedicated teams in place.

Vijit Jain: One just last clarification from my side I think you mentioned 44% contribution to revenues and 64% to campaigns for Tier II and below cities, right? 44% to revenues and 64% to campaigns.

Abhishek Bansal: No sorry. 44% contribution to campaigns and 64% to revenue by top 11. So top 11, they have a higher share to revenues 64% but they form 44% by volumes.

Vijit Jain: So, you said a 400 member B2B focused salesforce team, I think last quarter this was about 180 to 200. You have added about 2000 employees in this quarter. Can you give a break-up where your tech staff currently stands at, total tech staff I think it used to be 300-350 about a couple of quarters back?

Abhishek Bansal: Yes. The tech team also has been ramped up, total tech team strength is about 450+ employees right now.

Moderator: The next question is a follow-up from the line of Pranav Kshatriya from Edelweiss.

Pranav Kshatriya: I just want to know that you talked about Rs. 60-65 crores; will bulk of that be spent on the digital campaigns or you want to continue some of that because I remember you had not spent the entire amount which was allocated for JdMart during IPL. So, any color on that?

Abhishek Bansal: Pranav, at this point of time we have a full-fledged marketing team which specializes both on digital as well as ATL advertising. The core business while we think that digital gives a decent good ROI but we would not be averse to ATL spends as well. So I'm sure 50%-60% of this will surely go towards digital, could be higher also for core business.

Pranav Kshatriya: My second question is regarding, you talked about this committed revenue which has grown. Can you give a Q-on-Q how it has grown, just to get a sense on what is the traction in that because that is not getting reflected in the unearned revenue anymore?

Abhishek Bansal: On a quarter-on-quarter basis this particular committed revenue or what we call as realizable value grew about 27% quarter-on-quarter.

Pranav Kshatriya: And on a YOY on basis?

Abhishek Bansal: On a YOY basis it had about 19% growth.

Pranav Kshatriya: I mean because there is no history of this, should that be considered as the indicator of what could be potentially the revenue growth?

Abhishek Bansal: Right, so the key reason of discussing this particular metric was that the two metrics that so far get disclosed, one is the P&L revenue. That is obviously a sort of lag indicator that reflects what we sold over past few quarters and second is collections which we can even calculate via deferred revenue and revenue metrics and collections in a monthly plan environment does get affected. My sense is that, we to evaluate the monthly performance of our business actively track this particular realizable value metrics. If this metric continues to sustain with the kind of growth trends that we are seeing, definitely we should see our top line growth also converging to these particular growth rates.

Moderator: The next question is a follow-up from the line of Vivekanand Subbaraman from Ambit Capital.

Vivekanand S: Extending the discussion on the realizable value. Would you have a sense of where you had reached in terms of realizable values prior to COVID and how far are we from that level?

Abhishek Bansal: Prior to COVID on a quarterly basis, our realizable value used to be about 235 crores a quarter and for last quarter we did about 230-232 crores. So, almost a very close in that sense.

Vivekanand S: What you were all saying is that our revenue numbers should also now soon go back to the pre-COVID levels say sometime in the first quarter itself? Is that a fair assessment given this strong trend in improving a realizable value?

Abhishek Bansal: So, let us understand this conceptually. If I sell an upfront payment plan to a particular customer today, I get the entire money upfront and that if it's a typically annual contract, I recognize it as revenue over next four quarters, over next 12 months. If I sell it as a monthly plan, I get say 2 months of down payment and rest 10-11 months, 10 months of payment come via monthly ECS every month. However, accrual of that particular money also happens on a monthly basis. So, whatever trends we are seeing it will not reflect immediately as that particular pre-COVID run-rate over next quarter. It will happen over next three to four quarters. There should be a quarter-on-quarter improvement assuming these particular growth rates sustain for coming months as well.

Vivekanand S: If you talk about, you spoke about what percentage of the subscriptions are monthly? I think you said 71% versus 27%. And is it on an overall paid campaign basis or new paid campaigns that you are added? Just to clarify on that?

Abhishek Bansal: 71% was whatever new sign-ups that we did in last quarter. On overall paid campaign basis obviously it will take time for that percentage to increase; that currently stands at about 30%-33%. Out of 4,61,495 paid campaigns that we have monthly payment based would be 30% to 33% out of that which had gone to say about 20% to 23% two quarters back.

Vivekanand S: Are there any discounts still that the SMEs are getting on Just Dial versus a pre-COVID?

Abhishek Bansal: No, at this point of time we have withdrawn almost all discounts. What we encourage the customer is to sign up on a monthly plan basis and when signups are happening on a monthly plan basis, typically there is hardly any discussion that happens on discounts.

Vivekanand S: When you look at the realization on that you report that number is around 3,600 right and compared to, prior to COVID, it was around 4.7-4.8? So why is it that the average realization is lower now despite there been no discounts? Is it because of next stage only or is there any other factor that we need to consider?

Abhishek Bansal: The quarterly realization that you are calculating is basis reported quarterly P&L revenue divided by number of campaigns. Now we have to understand that the reported revenue is basically coming from customers who signed up over last four quarters because revenue recognition happens over the tenure of the contract. The realization that we see is basis what is the realization of customers that I signed up in last quarter. So, what I signed up in last quarter was about Rs. 18,000 on an annual basis which was similar to pre-COVID levels. As we move into future quarters, when revenue improves at that point of time this particular realization will start improving.

Vivekanand S: The 13,300 head count that we have; would you have a sense of the split across the core business, JdMart, Xperts and Shopping at an aggregate level not just the sales people?

Abhishek Bansal: Primarily we do not segregate it by business because there are certain functions which are common across businesses. So out of the total sales team as I mentioned about 400 are dedicated for JdMart, then in our technology and content teams, there are certain teams which work dedicatedly on newer initiatives. Right now, I wouldn't be in a position to specifically mention number for core versus non-core employees.

Moderator: The next question is from the line of Ameya Karambelkar from Kotak Investment Advisors.

Ameya Karambelkar: This quarter we have seen a strong sequential addition of around 24,000 paid campaigns. So, on a sustainable basis over the next three to four quarters, can we say that you can maintain a 20,000-campaign addition per quarter kind of run rate?

Abhishek Bansal: So, Ameya this particular quarter yes campaign addition was strong considering we aggressively sold our monthly payment plans and that is getting good traction. Assuming we continue to get similar traction; yes, it is very much possible. Our paid campaigns were at about 5,36,000. If we want that we exit the year at that particular level definitely we should be able to have that particular run rate.

Ameya Karambelkar: Secondly of course this quarter because of the strong hiring that we did; margins were impacted but on a more normalized basis what are the kind of margins that you're aspiring for over the next three to four quarters? Any sense or any perspective on that would be helpful?

Abhishek Bansal: See, I wouldn't comment on next three to four quarters. Historically last 3 to 4 years as everyone can see we have the core business has delivered 25% to 30% EBITDA margin. So, 30% adjusted EBITDA margin is very much doable by this particular business. This particular year since we are on our aggressive hiring spree, margins will be relatively subdued also because of newer initiatives that we are undertaking. But as monetization ramps up, I think margins owing to operating leverage that the business has should start to see recovery as well.

Moderator: The next question is from the line of Drisha Poddar from Dhunseri Investment.

Drisha Poddar: I don't know if I missed, I just want you to understand a bit on the strategy and the synergies of the parent that are there any merger prospects or how does Reliance Retail want to take this forward? So, just wanted to understand in more details regarding the synergy benefits and the strategy on that front?

Abhishek Bansal: So, Drisha as I mentioned in my earlier comments at this point of time RRVL's involvement is primarily at board level. Just Dial continues to operate as an independent listed entity. We are in active discussions on what all synergies can be exploited. Now the key focus is to get the core business back on track as soon as possible. In the core business to aid our particular monetization, we are in the process of evaluating and rolling out reseller model. This particular reseller model has been successfully implemented by RRVL and Jio platforms. That should help us reach out to much more number of SMEs PAN India which would help our monetization. Secondly there are certain newer initiatives that are being undertaken such as hyper-local e-commerce. In those particular initiatives also, we could gain from synergies in terms of the SME reach that Reliance Retail platform has.

Moderator: The next question is from the line of Naman Jain, an individual investor.

Naman Jain: I wanted to know how do we plan to utilize the large cash reserves that we have? Where exactly the company plans to utilize it because it's been already clarified that it is not going to be distributed to the shareholders. How is it going to be utilized?

Abhishek Bansal: So, Naman at this point of time the cash balance that we have, the thought process is that whenever this cash is required for initiatives pertaining to product building, content enrichment and marketing of some of our newer initiatives; part of it will get utilized. The good part is the core business is free cash flow generating. So, part of that support can directly come from incremental free cash flows that core business will generate. At this point of time this is what we have in mind in terms of using part of this cash for newer initiatives and as and when in case there is any change in situation in future, we will let you know.

Naman Jain: Does this also mean that suppose when you launch the hyper-local product that we have, you may start offering some discounts to attract customer base or gain market share?

Abhishek Bansal: At that point of time, we will evaluate whether say some bit of discounting versus advertising, what is advisable. From day one as a company, we are clear, we don't want to give incentives solely to buy consumers such that today the consumer is coming, seeing those discounts and incentives and tomorrow as soon as discounts disappear those users disappear. A blend of good ATL advertising and a mix of discounting to get users to user platform would be a prudent strategy.

Moderator: The next question is from the line of Mohit Motwani from Edelweiss Securities.

Mohit Motwani: Abhishek, my question is on JdMart. We have had the setup for JdMart where you have invested in technology, you have invested in sales and ad spends and everything but just wanted to understand where is the strategy lying, what is the strategy for taking this forward? Is it that we are finding it difficult to penetrate the B2B services market because clearly some of our competitors are making good traction with many SME is coming on board? Where is the difficulty lying currently for you? Is it like on the pricing or on the penetration or having difficulty in penetrating this market? I understand that in some of the previous calls you said that the idea is to bring them as customers of either Just Dial or JdMart? But having a separate set up, a company set up, company website for this; is there any strategy for JdMart in particular?

Abhishek Bansal: There is no specific difficulty in monetizing etc. for JdMart. We need to understand that B2B category contributed about say 20% of Just Dial's revenue and while we were implementing JdMart, at the same time we were impacted by these two waves of COVID; most importantly the second wave which impacted the rest 75%-80% business as well. So, at this point of time endeavor is to get that particular B2C segment, B2C services segment back on track as soon as possible; at the same time keep enriching JdMart content. That enriched content is driving traffic and also keep gradually building a monetization team which is now a 400–450-member team. It's not that we want to just go after B2B monetization sacrificing B2C. Overall we want the entire whatever 650 crores of top line that we had for last year to reach pre-COVID levels as soon as possible.

Mohit Motwani: Do you envisage like a contribution from B2B increasing with over a period of time like is that your focus like to have increased contribution while at the same time also having traction in B2C?

Abhishek Bansal: So, definitely so even for recent quarters that 20%-22% contribution wise went to 25%-26% but that was primarily because the B2C side was more impacted versus the B2B. Once the overall business comes to pre-COVID levels, thereafter it will be interesting to see that the incremental growth will possibly be driven more from B2B categories versus B2C.

Moderator: The next question is from the line of Abhishek Rathi from Millennium Partners.

Abhishek Rathi: Abhishek, my first question is on the synergies with the parent again. I understand from your previous answer that there will be synergies in the vendor side. Are there going to be synergies over traffic side also given that your platform attracts a certain amount of traffic and the parent has **(Inaudible)**? How would the traffic synergies work?

Abhishek Bansal: Traffic synergies in my assessment obviously Just Dial platforms are standalone platforms in itself. Traffic synergies could be if we could leverage some of their platforms to get more app downloads, that in turn could increase usage of our particular platform. So, those could be certain areas where we could get their particular users to have Just Dial platforms as well.

Abhishek Rathi: You mean like an app-in-app in JioMart by Jio. Something of that sort?

Abhishek Bansal: Yes, there could be multiple things. There could be for example we have the Jio Ecosystem, MyJio app where there are multiple Reliance apps there. There could be a JD app there as well. Even on the retail side wherever possible JD app could be put in places which could aid the download of JD app. Those are some of the things that could be worked upon.

Abhishek Rathi: My second and last question was on so in terms of the capital that you are allocating in terms of investment in JD Shopping, we would have a certain road map, right in terms of what your monetization plan is? If you could share something along the lines of the potential, your TAM, the kind of GMV that you could be looking at or anything along those lines that would be very helpful to understand the size and scale of your ambition?

Abhishek Bansal: Abhishek, size and scale of this particular venture, I would say that we all are aware that the kind of GMV players like Amazon, Flipkart etc. are doing and even at that scale India is still in very nascent stages of people doing online shopping. As far as scale is concerned, I mean I think e-commerce shopping is probably the largest e-commerce vertical that is out there in India. At this point of time, we are focusing on onboarding vendors, getting our flow right, getting our process right. So, once we see that particular traction, I think it is bit too early to be able to comment what kind of GMVs we are targeting. Definitely as a sector there is a huge potential for this particular vertical.

Abhishek Rathi: If I understood right the launch for JD Shopping will happen at some point in this quarter or the next quarter, right?

Abhishek Bansal: Currently as I said that we are onboarding vendors and as a pilot we would open it for users as well as to place orders. That particular pilot should take place sometime in this or next quarter.

Moderator: The next question is from the line of Naman Jain, an individual investor.

Naman Jain: Just one small clarification. The JD Shopping pilot launch that you mentioned, I assume this is for three cities that you are targeting. Which are these three cities, can you please help with that as well?

Abhishek Bansal: Mumbai, Bangalore, Hyderabad.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Abhishek Bansal for closing comments. Over to you sir.

Abhishek Bansal: Thank you everyone for joining us. In case you have any further queries, please do reach out. We will do our best to address. That's it from our side. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Just Dial Limited that concludes today's session. Thank you for your participation.