

Transcript

Conference Call of LYCOS

Event Date / Time : 12th August 2015, 02:00 PM IST

Event Duration : 40 min 27 sec

Presentation Session

Moderator: Good afternoon ladies and gentlemen. My name is Moumita and I will be the moderator for this conference. Welcome to the LYCOS investor conference call. The duration for this call will be for 45 Mins. For the duration of the presentation, all participants will be in the listen only mode. After the presentation, a question and answer session will be conducted for the participants. I would now like to handover the floor to Mr. Rajesh, who handles the investor relations. Thank you and over to you sir.

Rajesh: Thank you Moumita. Hello everyone. Sorry for the delayed call. We had some technical issues. However, we are on right now. I welcome you all to the earnings call to discuss Q1 FY16 financial results. Today joining us, we have our Chairman and Managing Director, Mr. Suresh Reddy, along with our CFO, Mr. Y. Srinivasa Rao. We will start the call first with financial performance of the company with Mr. Srinivasa and then Mr. Suresh will give us the company's operations and business performance.

Before I handover to Mr. Srinivasa Rao, I would like to mention that during the conference call, the statements made can constitute forward looking statements. These statements include description regarding the intent, belief or the current expectations of the company, with respect to the results of the operations and the financial conditions of the company. Such forward looking statements are not guarantees of the future performance and involve risk; uncertainties and actual results may differ from those in such forward looking statements as a result of various factors and assuming which the company believes to be reasonable in light of the operating experience in recent years. The risk and uncertainties relating to these statements include, but not limited to the fluctuations in earnings, the company's ability to manage growth, competition, Government policies and regulations. The company does not undertake to revise any forward looking statements that may be made from time to time on behalf of the company. Now, I would like to forward the call to Mr. Srinivasa Rao, who is our CFO, who will give us the update about our financials. Thank you.

Srinivasa Rao: Hi, good afternoon to all. We are kicking off our new fiscal year on a very strong note. Revenues for the quarter one FY2015-16 was Rs. 498.64 crores, an increase of 12.08% on quarter on quarter and 9.29% on year on year. The EBITDA for the quarter one FY 2015-16 was Rs. 154.15 crores, an increase of 5.8% on quarter on quarter and

13.17% on year on year. PAT for the quarter one FY 2015-16 was Rs. 90.69 crores, an increase of 17.27% on quarter on quarter and 8.56% on year on year.

Particularly, we are happy with our performance in digital marketing segment, the revenue for the quarter one FY 2015 - 2016 was Rs. 388.71 crores, an increase of 23.33% on quarter on quarter and an increase of 13.95% on year on year. Profit before tax from digital marketing segment, for the quarter one FY2015 - 2016 was Rs. 145.7 crores a decrease of 1.47% on quarter on quarter and an increase of 21.6% on year on year. The revenues from the software division for the quarter one was Rs. 109.92 crores. There is a slight decrease of 4.5% on year on year.

Now, I come to the other areas. I believe there have been queries regarding the accounts receivables. Now, I will explain in more detail in this regard. We are happy to inform you, during this quarter, our receivables in digital segment have reduced from 106 days to 100 days and on consolidation basis also, our receivables have decreased from 158 days to 140 days. When we observe the receivables for more than six months in digital, it is almost negligible, only Rs. 20 crores is outstanding and all other receivables are collected and the recovery is very good. If you have any queries, you are always welcome to ask at the end of this session. Now, I am handing over the floor to Mr. Suresh, our CMD.

Suresh Reddy: First of all, thank you very much for being on the call. And I want to give you a quick update on where the business is, what is going on and what the successes we have had in this quarter are. Before I go there, I want to apologize about little bit of a delay in the starting of the call. And I am responsible for it, because I am not in the office today, I have been travelling. So, I am taking the call from the travel and hence there has been some technical snag in trying to connect with me. So, I just want to bring that to your notice. And we will ensure that this doesn't happen going forward. We won't keep you waiting.

So, that aside, to give you a quick sense, we have had a fantastic quarter. The total revenue for the quarter is just about to kiss 500 crores, which is good. And we were looking to start picking this year up in a very positive note. And digital revenue is about 388 odd crores, which actually is about 14% increase. Our goal still remains about 29% growth for the year. And I think we can easily achieve that, if not, top that. And then, so I think that is the update you got from Mr. YSR.

Now, coming to the actual business, some of the key successes this year is, we have added a lot of new publishers. These publishers basically are in the space of entertainment, travel, life style. Some of the very large global publishers have come on board, so which would actually start to increase the size of the network, which is number of impressions, which

translates directly into larger revenue flow through the business. So, that is number one. Number two is, we have done a few technical updates on our software. We have added real time bidding capability to our video.

Just to give you an update on the industry itself, there is lot of spending on the video advertising this year and specifically the advertising through mobile. This is an area which is, we have been watching closely, we have been redoing ourselves. So, we were able to take advantage of that particular space in the market. And we feel that this quarter, already in July we are seeing a larger benefit. That transition took a little bit away from last quarter. But, going forward we see much more benefit due to that transition. We also want to update that we sponsored the BrightRoll Summit in April, in New York, which actually puts us in front of a lot more of these players in this space.

And a few more points in terms of the business update itself. This combination also starts giving us relationships with (not clear) platforms, which will bring in additional traffic into the network, which will also add to the top line as well. So, these are some of the big changes on the digital side of things.

Now, coming to some of the other things that we have been very happy with. One is, Yahoo is conducting a developer conference in New York. We are already a big partner with Yahoo on various aspects. So, we are going to be part of that later this month. And some of our revenues with Yahoo have been continuously growing. So, we are quite pleased with that. And we are hoping to try doing larger work; larger business deal with this going forward and that is something I wanted to update you on. Then in terms of our new products, I am sure lots of questions have come up in terms of how the new product is, what is the strategy, how is it all working together. We did talk about the strategy bit last quarter. Now, we launched a product, it was a soft launch and I just want to clarify that. And we were working through the manufacturing detailing. So, making sure all the production is up to speed. We have not launched our advertising campaign as of now. And we see that it is going to be a big push and we are expecting that to happen in the next month, month and a half, where we start running our ads in the market. And that is when you will start to see the big revenues flowing through that. Irrespective we have fantastic reviews on the product. We have seen that all the major reviewers have given thumbs up on this. In fact there is a Wearable conference in Vegas, where we have been asked to be one of the main speakers there and this is going to be happening on the 18th. So, I am going to be going for that conference later this week. Those are the key things I wanted to talk and for rest I will open up for questions. And do understand that I am kind of short changed in terms of not being in my office, so we may have to keep this short than usual. So, we will stop, there is a hard stop on this call. Post that, if you have any further questions, you can ask that. Rajesh, please go ahead and start taking the questions.

Question and Answer Session

Moderator: Ladies and gentlemen, we will now begin the question and answer session. If you have any questions, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing * and 1 again.

Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad.

Sir, our first question comes from Mr. Patrick Mathias. He is an Individual Investor. Please go ahead sir.

Patrick Mathias: My question is that, I would like to understand what specific steps are being taken to increase the valuation of the company in the market? What are the steps that are being taken to connect with the key analysts, market makers and financial institutions?

Suresh Reddy: Thank you Patrick. We have been, I mean yes, we have not been as proactive as we should be. We have been talking about it. But, while we have had a, we have attended a few analysts call post the results declaration, got good feedback. We still are putting together a team that can potentially sit in mumbai and actually start meeting with the analyst's community. And at this point, I understand the concern that it is going to indirectly impact the stock price and this is very important for us to be doing more and more of that. Yeah, Patrick, please go ahead. You have any further questions on that?

Patrick Mathias: The question, the follow up question was that, most of your interviews on TV during the results, you have kept mentioning about not getting the right valuation. So, at the same time, if we are not taking enough action to get the right valuation, it becomes a chicken and egg story?

Suresh Reddy: Yes, I agree with you.

Patrick Mathias: So, any timeline what you have in mind to....?

Suresh Reddy: This quarter you will start seeing significant steps in that direction for sure.

Patrick Mathias: Thank you.

Moderator: Thank you sir. Sir, our next question comes from Mr. Ankur Munjal. He is also an Individual Investor. Please go ahead sir.

Ankur Munjal: Good afternoon sir and congratulations once again on nice sort of numbers.

Suresh Reddy: Thank you.

Ankur Munjal: The question is, last time you discussed about a deal and by which the top line was supposed to increase by 20% to 25%. What happened to that deal? Can you throw some light on that?

Suresh Reddy: We are pretty much done with that deal. We are getting close that deal more and more. It is at the ramp up stage that is the reason I told you that we are confident of meeting the 25%, because we know that deal is in the works. We are going to see the first benefit from that even in July. So, we just have to, it took a little longer than we expected, but we expect that to bring in through the year, in this financial year for sure.

Ankur Munjal: Is the deal been done or the talks have been there?

Suresh Reddy: It is done.

Ankur Munjal: Congrats for that.

Suresh Reddy: Unfortunately we are not in a position to reveal who the deal is with.

Ankur Munjal: I clearly understand, yeah.

Suresh Reddy: That deal is done.

Ankur Munjal: Alright sir. Thank you very much. .

Suresh Reddy: Thank you Ankur. .

Moderator: Thank you sir. Our next question comes from Mr. Vinayak Angadi from Christ University. Please go ahead.

Vinayak Angadi: Good afternoon sir.

Suresh Reddy: Good afternoon Vinayak.

Vinayak Angadi: My question to you is that, I am not an investor in your company. But, I do attend some of these call conferences. I have two questions. The first question is, I would like to know the corporate social responsibility initiatives in your company, that is the first question.

Suresh Reddy: I am just waiting; complete both your questions and then I will respond to both of them.

Vinayak Angadi: Yeah, alright. And the second question is, right now I am browsing the [lycos.in](https://www.lycos.in). Is that your official page for your Indian business? Is that correct?

Suresh Reddy: No, [lycos.com](https://www.lycos.com). Please check at [lycos.com](https://www.lycos.com).

Vinayak Angadi: Yeah, [lycos.com](https://www.lycos.com). Alright. I was just trying to understand that in terms of your, the content specific for the Indian market, I feel that there is a lot of gap in that. I just wanted to know why, is there a reason why [lycos.com](https://www.lycos.com) website is pretty much, you are not really engaging with the users, which is I am speaking more from the user point of view.

Suresh Reddy: First of all I want to clarify that this is the call for the investors. So, this is related primarily towards where the business is going and how it is going to impact financially. Not that I am not going to answer your question, so that is the key thing. I don't want to take time away from that.

Vinayak Angadi: No problem, you can just clarify....

Suresh Reddy: I will clarify that question. The first one is social responsibility, yes; it is part of the overall agenda. We have not made any announcements yet. We will. That will come out during the quarter. So, at this point I want to have all that hashed out, before we announce that. That is number one. Number two, on the India globe strategy, yes, we have, this is primarily US [lycos.com](https://www.lycos.com). It is an US centric site. We do have people visiting from all over the world. And we are working on, first of all, fixing things, the flow of things in a way that it should be. So, there are lots of things that have to be fixed right. Then post that we will apply that and we will start signing up with local content providers in different countries. You have to see this not as an Indian company, but as a company which is looking at providing services across the world. So with that, I think we will have to move forward. I apologize. We can always talk later on.

Moderator: Thank you sir. Sir, our next question comes from Mr. Kuberan Marimuthu. He is an Individual Investor. Please go ahead sir.

Kuberan Marimuthu: Hi Suresh.

Suresh Reddy: Hi Kuberan. How are you?

Kuberan Marimuthu: Yeah, I am good. Good afternoon. I am assuming you are in the Indian time zone right now.

Suresh Reddy: Yeah, yeah, I am in Mumbai. You can say that I am in the Indian time zone.

Kuberan Marimuthu: Okay, great. So, my question, I have two questions. Let me go with the first question. So, you have, nice to see that your digital marketing business is contributing, going really well. So, strategically where do you see the software development going from here? Like, that seems to be declining and not growing at all. But, do you think that is an essential component of LYCOS at this point and going forward?

Suresh Reddy: This is a very loaded question, so I will have to take a bit of time on this one. So, the core focus of the business is digital and internet. And going forward you will start to see more and more growth in the digital and internet. In the scheme of things, what has happened is, there was a merger between two companies and there is a lot of business that came along with it. And we are not in a position to say no to that business. So, we have continued to grow that. Also it is a division where it comes with a lot of pre-existing debt. So, when you look at the scheme of things, there is that debt which is, we are paying off from an overall earnings of the business. We have paid off 70 crores last year and we are on track to pay off a big chunk of debt in the next quarter. So, the idea is to get the debt off. So, hence it looks like it is losing money. So, otherwise it is profitable, because of all the interests and all those, it doesn't look profitable. So, that is number two. The core focus will remain and continue to grow with the digital marketing. The digital is very broadly talked about, in a way I can club all that as digital also. Any automation can be called digital, but that is not what we are. When we digital, we mean digital marketing and internet, internet related growth, where you are just coming to the internet, doing things or using things, using internet. So, that is the way we want to position ourselves at. Hence, the new product line and the new product line falls under the Internet of Things, which we feel is a logical growth area for us. Now, what do we do with the existing software business? We will decide on that post repaying the debt. First of all we have to repay the debt and make it debt free. Next see how we can, what we need to do with

that...whether we need to spin it out, whether we need to give it some life, whether we will sell it. What we need to do is a subsequent thought. So, at this point we are in the process of it from 50-50, we have gone from 50-50 to 80-20 now, in terms of 80% of the business is today digital. So, that is where it stands. As it grows, obviously that has remained static of status and at some point we will decide what to do with that.

Kuberan Marimuthu: Okay, thanks a lot. My second question is on digital marketing in specific. You just told us that you have signed up lots of new publishers this quarter. So, can you throw us some numbers on how many impressions you are serving a month and how much it is going to grow, because of the new publishers? Can you throw us some light on that aspect?

Suresh Reddy: Roughly we are at, now it is getting close to about 40 billion impressions a month. What is the contribution from each of these publishers, how many ads are we serving to these publishers, those numbers I don't have it top of my head. We can get back to you that should not be a problem.

Kuberan Marimuthu: Okay. Great. Thanks Suresh. Thank you.

Moderator: Thank you sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad.

Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad.

Moderator: Sir, we have got one question sir It comes from Mr. Sankar Rao. He is an Individual Investor.

Sankar Rao: Good afternoon sir.

Suresh Reddy: Good afternoon, please go ahead.

Sankar Rao: Yeah, actually I have two to three questions sir.

Suresh Reddy: Let us go with two questions for now.

Sankar Rao: Yeah. Actually since August 2013, we all know that you have given a good growth in the turnover and profit increasing also. Since that time, we were trading at Rs.65, our stock price, because I am not talking about our product and others. I am just an investor, I am just asking regarding the stock question. So, since August 2013, we were trading at Rs.65, now every quarter we were increasing the profit, we are increasing in the turnover also, but our stock is trading at half of this price, what is the reason? There was launch in the NSE. There was launch in the new products and what happened? And yesterday also we got good results, instead of buying; there are lot of sellers in our stock. More than sellers, buyers are 50,000 and sellers are 10 lakhs, what happened? Nobody is interested in buying stocks in our company?

Suresh Reddy: Okay, let us answer that directly. I agree with all the facts you have said. You have to understand we are the management of the company and we focus on building the business. And then it is also our responsibility to build awareness of what we are doing and continuously talk to the market, to get more investors into the play, which is exactly what we are trying to do. I cannot comment on that or I don't want to get into that question, if you don't mind. I have no control the market. I have no control over the market.

Sankar Rao: Okay, okay. You have told that we are not paying the dividend, because we want to reduce the debt?

Suresh Reddy: Correct.

Sankar Rao: But, in this quarter, again we are increasing the financial cost regarding, why it has been increased?

Suresh Reddy: Which finance cost?

Sankar Rao: In the consolidation, finance cost has been increased.

Suresh Reddy: We will have to get back to you. YSR can you please address that? It is finance cost, additional finance cost in this quarter?

Sankar Rao: Yeah, there is an increase.

Srinivasa Rao: The finance cost has not increased. It has decreased.

Sankar Rao: Why could it you tell me it has increased, because every quarter we are reducing our debt, since we are not paying any dividend to the investor?

Srinivasa Rao: No, no, as per the published results, the finance cost is reduced compared to the previous year. Where from you got those figures....can you tell me, so that I can explain?

Sankar Rao: Yes, I am telling you that in the consolidation you will find, from March 2014 from Rs.2.95, 2.95 to 3.95 crores.

Srinivasa Rao: No, no, you have to see for the Full year ending 31st March 2015, the annual cost was Rs 22.5 crores. For this quarter, it is only Rs 3.95 crores.

Sankar Rao: Okay. And in June 2015?

Srinivasa Rao: June 2015 was Rs 3.95 crores.

Sankar Rao: It is increased no sir?

Srinivasa Rao: No, if you see the figure full year, it was Rs 22.5 crores. The average cost per quarter comes to Rs 5.5 crores.

Sankar Rao: Yeah sir, 2.95 to 3.94 crores.

Srinivasa Rao: No, no, you see the annual cost, the last 31st March 2015 figure. For the full year it was Rs 22.5 crores, for the quarter it was 5½ crores, but this quarter it came down to 3.95 crores.

Sankar Rao: Yeah, actually we have huge reserves, why don't the company issue bonus share to the investor, because the reserves are only used for bonus only?

Suresh Reddy: Decisions have to be taken by the board. We will take it up with the board definitely.

Sankar Rao: Okay because the reserves have to be used only for bonus only. Okay, thank you sir.

Moderator: Thank you sir. Sir, our next question comes from Mr. Rounak Jain. He is an Individual Investor. Please go ahead sir.

Rounak Jain: Good afternoon sir.

Suresh Reddy: Good afternoon.

Rounak Jain: Sir, my question is about the raising of 100 million dollars that you had talked about. What is it we are raising for?

Suresh Reddy: We have not announced anywhere that we are raising 100 million dollars. There has been a market news item, based on what conversations they have had. We have had lot of people meet us and offer us because that seems to be the trend today in the market. So, beyond that I have nothing more to comment. Obviously when we are ready to take additional money into the company, and right valuations and we should have a proper use for that money. So, all fund raise we have done so far are usually tied up to some sort of an acquisition, so that is....

Rounak Jain: Let me put it this way, in your CNBC interview that came around last quarter, there was a question to you about the raising of money and you said yes you were....?

Suresh Reddy: Sorry?

Rounak Jain: I just checked your interview on CNBC, I was just watching on the video, in that channel that there was a question put to you about the raising of money and you said, yes, we were.

Suresh Reddy: No, no, first of all we will try to ensure all the debt is cleared and we get the right value that is most important right now. Like Mr. Patrick talked about early in the call, the key agenda now in this quarter is to ensure we put right systems that we get the right value for what we stand for.

Rounak Jain: Okay. Sir, my next question is about LYCOS Life.

Suresh Reddy: Yeah, yeah, go ahead. Go ahead.

Rounak Jain: Sir, my question is that advertisement campaign that you will run, will it be, will the cost be somewhat less, because we do have our own network of advertisement, like we have a division for advertisement currently....?

Suresh Reddy: Correct, correct. We are in advertising and we will leverage that for sure.

Rounak Jain: And when will we start showing that as a separate division? I understand that it is less than 10% of your overall revenue this time? Can we expect that next quarter we can have it like a separate division in the results ?

Suresh Reddy: You are saying, next quarter we will have revenue from this division, is it what you are asking?

Rounak Jain: No, no, I am actually asking, in this quarter, we haven't shown this as a separate division in the segmental revenue, we haven't shown LYCOS Lite as a different division? Will we show it in the future?

Suresh Reddy: Hopefully two quarters from now, we will show that as a separate division. We need to ramp up and make it significant, otherwise there is no point. Then you will start to track that. So, let us start reporting and then start seeing the results. And then once it picks up to the right amount and then it makes sense to categorize it as a separate category or separate division in terms of reporting.

Rounak Jain: Sir, my third and last question is, what about all the patent valued. You are selling the patent, right?

Suresh Reddy: Yes

Rounak Jain: What is the value?

Suresh Reddy: Basically we are not, we have never said we are selling the patents; we put that out in the market. So, we are open to working with other people, where it is a business development or potentially assets. Both

these are options. We have at least four different enquiries have come. The process is on. It is not going to be a quick turnaround in terms of here is the price it's not like that. Obviously it will be taking more time. The important thing for us is to announce that, we are open to discussions on how we can work with these things.

Rounak Jain: We don't want to keep those patents, right? We basically want to like pick it off your balance sheet, right, the patents that you have.

Suresh Reddy: The patents we have not actually valued it and added it to the balance sheet to be honest. The patents are very valuable. But, they are not part of the balance sheet. We are not showing any of that intellectual property value (not clear) that will be very large.

Rounak Jain: But it is the asset of the company; so, why is it not being shown in the balance sheet? These are the assets of the company and these are the intangible assets.

Suresh Reddy: Yes, we have not done that, because it was never part of the balance sheet and we have not gone and done that. So, this exercise will also give us a sense of where the value is what would be the right valuation and it is a good suggestion. I think we should look at bringing that back into the balance sheet.

Rounak Jain: Best of luck sir. Thank you very much.

Suresh Reddy: Thank you very much. Thanks a lot.

Moderator: Thank you sir. Sir, we have our next question from Mr. Harsh Jain from Markets. Please go ahead sir.

Harsh Jain: Hi Mr. Reddy. First of all a big congratulations on posting a very good results.

Suresh Reddy: Thank you very much.

Harsh Jain: Actually I have few questions. First of all regarding the valuations, like in Q3 of last year, you have said that you have been talking to lot of financial institutions like mutual funds and other foreign institutions.

And you told that they were interested in investing in a company. And it is still like two more quarters and still there is no fund participation. So, could you please throw some light on that?

Suresh Reddy: I think we have talked about it during various calls. We are planning to put lot more attention to that in this quarter. We have not gotten it. Your point is well taken. We will put additional emphasis towards that.

Harsh Jain: Okay. And my last question would be, like every time you mentioned about low valuation, you are getting in the Indian market, I know that if you compare our company to some US peers or even the European peers, our valuations are like peanuts. We are sitting like peanuts. So, I am just saying that if you really interested in increasing the valuation, couldn't the management be proactive and go ahead with like a buy back or preferential allotment to you and have a significant premium or like a creep up acquisition of 5% every year?

Suresh Reddy: We have evaluated that. It also depends upon how much liquidity the promoters have. We are not Birla's and Tata's to go and just start buying up.....

Harsh Jain: I know.

Suresh Reddy: We are a first generation company and I come from a middle class family. We are very hard working. And we work towards building the business. So, this is the only asset I have. And as much as you are interested, I am also interested in making sure that this grows. So, this has been my.....

Harsh Jain: I have been investing in this company from last one and a half years. I have invested in this like.....

Suresh Reddy: If I could, I would have done it by now. I wouldn't have waited for you to asking that question. But, that being said, what we should do, I think, as businesses start to grow, artificially create value, we need to create awareness, which is good for us in the long term. We need to get bigger equity institutional investors to come on board. That is the most important thing right now. Once we are able to achieve that, then I think then all these issues will blow away. My deep sense is that if the business is right, there will be doubts in the market. People don't understand lot of things, they don't understand our business. So, we are working hard to make sure it is articulated.

Harsh Jain: I have been working in Chicago and I see lot of US peers, they are demanding very high premium valuations and compared to LYCOS, like our valuation is nothing. So, we still have lot of potential in it.

Suresh Reddy: Correct. Potential is huge. So, that is a good point for investors to look at us more seriously. And we will do it. You can be assured, that it will happen.

Harsh Jain: Sure, thanks for that. Thanks a lot.

Suresh Reddy: Thank you. Thank you very much.

Moderator: Thank you sir. Sir, the next question comes from Mr. Ramesh MV. He is an Individual Investor. Please go ahead sir.

Ramesh MV: Good afternoon sir.

Suresh Reddy: Hi, how are you?

Ramesh MV: I am good. I had a couple of questions. The first was the fact that LYCOS is not paying the dividend, because we want to reduce the debt levels. So, at the end of 31st March, I believe we had a total debt of 96 crores. Can you tell us what is the number at the end of the June quarter?

Suresh Reddy: I don't have it at the top of my head. But, you will see next quarter when we announce there will be significant reduction in that as well. It is visibly going down in that.

Ramesh MV: Okay. And the second question on the digital marketing segment, if you compare the January to March quarter with the current quarter, the revenue has grown. So, it has gone up from, if I got it right, from 315 crores to 388 crores. However, if you look at the PPP levels, they have gone down slightly, almost flat, but from 147 crores to 145 crores. So, what is the reason for this?

Suresh Reddy: I mentioned that in the beginning of the call, market changes. Sometimes, we have to redo a few things and spend money on that. So, again you may see a slight, what the big change in the market was, there was a big explosion in the pricing through video format. That was across all the user platforms selling this. But, that is shifting more towards video advertising on mobile, for which the way we deliver products, the way we position everything

changes. And hence sometimes the margins get adjusted back and forth and hence you are seeing the difference in that margin. And I think once that is set, we would start going back to the old margins, starting this quarter. So, it is just one of those touch points, I particularly made at the beginning of the call.

Ramesh MV: Okay, alright. Thanks a lot Suresh.

Suresh Reddy: Thank you very much.

Moderator: Thank you sir. Sir, with this we will conclude the conference call sir.

Rajesh: Thank you very much for being on the call. And any further questions, please email it and we will respond back. Thanks.

Moderator: Thank you sir. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you and have a good day everyone.

Note:

- 1.This document has been edited to improve readability.
2. Blanks in this transcript represent inaudible or incomprehensible words.