

August 31, 2021

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Mumbai – 400 051

Corporate Relationship Department
BSE Ltd.,
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Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

**Sub: Call transcript of Investor/Analyst conference call under regulation 30(6) of SEBI
(Listing Obligations & Disclosure Requirements) Regulations, 2015.**

Ref: BSE Scrip code: 540704 / NSE Symbol: MATRIMONY

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the call transcript of Investor/Analyst Conference call with the Company held on 12th August 2021 is attached herewith.

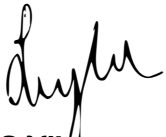
The aforesaid information is also being hosted on the website of the Company viz., www.matrimony.com.

Submitted for your information and records.

Thanking you

Yours faithfully,

For Matrimony.com Limited



S.Vijayanand
Company Secretary & Compliance Officer
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Matrimony.com

Q1 FY-22 Earnings Conference Call”

August 12, 2021

Deep: Good evening everyone. On behalf of B&K Securities, I would like to welcome you all to the Matrimony.com first quarter FY22 earnings call. We have with us today Mr. Murugavel Janakiraman, Promoter and Managing Director of Matrimony.com and Mr. Sushanth Pai, CFO. Without further delay, I would like to hand over the call to Mr. Murugavel to provide a brief overview of the quarter gone by and then we can move on to the Q & A session. Thank you and over to you sir.

Murugavel Janakiraman: Thank you very much Deep. Good evening everyone. I hope everyone is able to hear me. I hope all of you are continue to stay safe and healthy.

India witnessed a severe second wave of the pandemic. Many of our associates and their family members were affected. We as a company put health and well being of our people at the forefront. Some of the initiatives we rolled out for the people were special leave, financial assistance, reimbursements of test costs and vaccination costs, on-line free doctor consultation in tie-up with 1 Mg, enhanced insurance cover, help desks related to COVID, webinar by doctor etc. We also accelerated the CSR initiative to help the society by contributing Rs 50 Lakhs to the Tamil Nadu CM's Public Relief Fund and about Rs 20 lakhs towards various other initiatives in this area.

Given this background, I am happy to state that we overcame many challenges and we have reported a strong Start to FY22 with a good y/y growth on billing and profitability. As indicated earlier our strategic initiatives continue to yield results and our focus in product enhancements and customer experience will help us enhance this growth momentum.

In Q1, on a consolidated basis, we have achieved Rs 105.2 crores of billing indicating a decline of 1.4% q/q and growth of 29% y/y. There was a slight decline on a q/q/ basis as the lockdowns did have some business impact in April and May but momentum enhanced in June. For matchmaking, the key highlights are as follows:

- In Q1, Billing was at Rs 104.7 crores, decline of 1.3% q/q and growth of 29% y/y. Revenue at Rs 104.9 crores, growth of 4.2% q/q and 21.8% y/y.
- Added 2.2 lakhs paid subscriptions during the quarter (growth of 31.6% y/y). We continue to see good double-digit growth in volume and billings in North and West markets which have high competition intensity
- ATV for the matchmaking business increased 1.6% q/q but declined 1.9% y/y.

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- We continue to track the impact we create for our customers. We are happy to state we have created about 26,485 success stories in Q1.

Other highlights for the quarter:

During July 2021, the Company has signed definitive agreements to acquire a 100% stake in Boatman Tech Private Limited, promoters of ShaadiSaga.com, as approved by its Board of Directors. The acquisition will be by way of share purchase from the existing shareholders for an aggregate consideration of Rs 11 crores (subject to adjustments at the time of closing). The transaction is subject to customary closing conditions and regulatory approvals. We expect to close the transaction this month.

Founded in 2015, ShaadiSaga is a leading player in the Wedding Services industry, with over 40,000 vendors across multiple services and catering to customers across 15 major cities in the country. Through a robust digital presence built with strong social media and content marketing capabilities, ShaadiSaga has garnered consistent demand (over 1 million MAU) and with its technology-focused approach, ShaadiSaga offers a differentiated product experience. Following this acquisition, ShaadiSaga's founders will join Matrimony.com in senior leadership roles. With this strategic acquisition, we will accelerate our growth through supply enhancement and superior product capabilities. We intend to integrate ShaadiSaga's product, technology and social media assets with our offerings i.e., WeddingBazaar.com and Mandap.com. With this approach, we believe that this deal will significantly strengthen the positioning of Wedding Bazaar.com and Mandap.com in the industry and will enable both brands to become the #1 wedding services brands pan India

Now coming to the marriage services business results. Revenue was Rs 0.6 cr, growth of 19.1% q/q. Losses in the quarter was Rs 2.1 cr, as compared to Rs 1.9 cr in Q4.

On the billing and revenue outlook for Q2

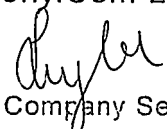
- We have now delivered 4 consecutive quarters of y/y double-digit billing growth in matchmaking and we expect this momentum to continue, along with growth in profitability
- We expect the Q2 matchmaking billings and revenue to show a double-digit growth on a Y/Y basis and a single digit growth on a q/q basis
- Wedding services is expected to grow slightly from Q1 levels. ShaadiSaga will be consolidated post closing of the transaction which is expected by this month. So contribution from Shaadi Saga will be insignificant.

Let me now pass on to Sushanth to comment on the key profitability highlights.

Sushanth Pai:

Thanks Muruga. Our EBITDA margin for the match making business in Q1 has improved strongly to 27.7% as compared to 23.4% in Q4 and 25.1% a year ago. We are progressing well in our journey to achieve 30% EBITDA margins in due course. Marketing expenses are at Rs 37.3 cr as compared to Rs 38.6 cr in Q4. The EBITDA margins have improved strongly despite salary increments, mainly due to reduced infra expenses due to lockdown and revenue increase. Excluding marketing expenses, our margins in matchmaking are at 63% in Q1 as compared to 62% in Q4 and 56% a year ago.

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Company Secretary

On a consolidated basis, our EBITDA margins in Q1 are at 21.6% compared to 17.7% in Q4 and 18.6%, a year ago. We have now crossed 20% mark even on a consolidated basis and expect this momentum to continue. On an absolute basis EBITDA has grown by 27.9% q/q and 40.9% y/y. Tax rate is at 25.3% for the quarter. PAT (excluding Astro) is at Rs 14.1 Cr, a growth of 39.2% q/q and 46.9% y/y. Share of loss from Astro is Rs 27 lakhs. Our free cash generation for the quarter has been robust at Rs 16 cr indicating 0.84 times to EBITDA and our cash balance is at Rs 302 cr. ROE is at 21%.

On the outlook for Q2 margins, we expect EBITDA and PAT to show a good double-digit growth both on q/q and y/y basis and we expect this trend to continue for the remainder of the year.

I would like to end with the customary safe harbour statement:

Certain statements during this call could be forward-looking statements on our business. These involve a number of risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. We do not undertake to update any such forward-looking statements that may be made from time to time by or on behalf of the company unless it is required by law.

Over to you Deep four Q&A.

Deep:

Thank you sir. Participants who wanted to ask questions kindly raise your hand from the bottom right corner of the screen. We shall then unmute your lines participants who have joined via the call they could ask their questions in the Q&A and we'll take them up. We shall wait for a moment till the question queue assembles. As we wait for the question queue to build up. Sir I have a couple of questions from my end. Firstly, could you please elaborate a more on ShaadiSaga acquisition? You have explained that you have changed your strategy now in the marriage services business but how would you like to look at this acquisition especially that it is largely for the Northern market?

Murugavel Janakiraman:

Thank you Deep. ShaadiSaga Acquisition in a way is significant for multiple reasons. One is that we have moved to a subscription-based business model on wedding services in the beginning of the last financial year. And also, for the wedding services marketplace model there are a couple of things are important. One is that the good number of listings on the supply side and ShaadiSaga has a good presence in the North and Western market. In a way this helps us to become a strong leader in terms of listing across India because also ShaadiSaga has built a good social media presence. They have close to 1 million visitors on a monthly basis. So, it will help us to enhance our offerings in terms of product side, listing side. These are the benefits. Plus, also in terms of product, they definitely build a differentiated and the product experience. We see the benefit in terms of product and also the founder's certain credibility and their initial years in this venture. The founders joining at a senior position, wedding services, listing and the social media presence and the product and all this will help wedding services business to scale up. The weddings is a large business, somehow so far no one made big in this category. Hope that with the acquisition of ShaadiSaga we expect the wedding services business to grow on a strong basis. Our base is very small but post this integration from Q3 onwards, we expect

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the wedding services to a strong uptake and the growth. To sum it up, the benefits on the product, social media presence and on the listing side, plus the founder's years of experience in this wedding services operation will all be beneficial. Plus, we are adding a leadership capability in this space.

Deep: The next question is from the line of Archit Singhal.

Archit Singhal: Congrats team on good set of numbers. It's good to see the margin improvement. Couple of questions. Firstly, Sushanth if you can answer this one, so marketing spends have come down sequentially and I think that is one of the reasons why the margins have gone up. So, are you seeing a reduction in competitive intensity because of which the marketing spends have come down?

Sushanth Pai: So, in terms of EBITDA margins, marketing spends have come down by 1 crore. That is also the reason why EBITDA margins have improved but having said that the competition intensity has not relented in the sense there is still high competition intensity but like we told you earlier we see how much we want to spend for the quarter depending on our trajectory of the business as well as competition intensity. We do a balance of both. Given that we had a little slower April month than what we had expected because of the intense lockdown and severe second wave that happened. That's why we sort of tweaked our marketing expenses a bit. Having said this, I think in next quarter the marketing expenses will increase slightly from the current levels because we did tweak it in Quarter 1. We may bring it slightly on the upper side in Quarter 2 but that is not going to affect our trajectory on profitability. Like we said in the call that the profitability will continue to increase in spite of the marketing expenses increase. The other reason why the EBITDA margin increased is also obviously revenue increased, from a quarter-on-quarter basis also the revenue increased. The second thing that also happened was we also got some benefit because of the lockdown in terms of the offices not running, in terms of power, in terms of rental certain things we got some leeway and that sort of also contributed to the EBITDA margin.

Mrugavel Janakiraman: Archit, just to add to what Sushanth said. It's mainly on account of the revenue, the benefits all etc. The small benefit as Sushanth said, in spite of increasing marketing spend in Quarter 2 we expect a double-digit growth on the revenue side and the profit continued to grow very strongly.

Archit Singhal: On the growth, if you can, so growth has come back. If you can highlight what are the key reasons which is driving this growth? Is it the product innovation and the new categories where you are entering which is driving this growth?

Murugavel Janakiraman: It's basically a leadership team has been able to execute very well because we have continued looking at a way to increase the conversions. We see that year-on-year, the conversion has been growing very well. So that we expect momentum to continue mainly on account of our

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ability to convert free members into paid members on account of multiple things, the continuous product improvements and our execution capabilities. All these factors have been contributing to the increase in growth. Plus, also investing in some of the product areas, some of the newer businesses. Combination of multiple factors have been driving our growth.

Archit Singhal: Two more things from my side. Firstly, I mean if you can highlight on the pricing per se and in the annual report you have mentioned about NRI markets and all so do you see going forward pricing also to improve? I mean we are seeing the improvement in paid subscribers but anything on pricing if you can comment?

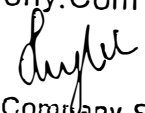
Murugavel Janakiraman: Archit you see that our ARPU has increased by close to Rs. 100 with compared to Q4. We continue to tweak and continue to drive wherever possible, try to get the better pricing possible and wherever required we also discount so that the customer can convert better so basically, we look at both the things. So that one hand we try to drive the ARPU and one hand we are also look at the increase the number of paid subscriptions. So, we drive on both the fronts.

Archit Singhal: Last thing from my side, like Murugavel you mentioned growth should be double-digit going forward also and earlier there were comments that marketing spends would be calibrated in the same range. So, fair to assume that with growth coming back in double digits because of operating leverage your margin should increase from these levels and should continue to increase?

Murugavel Janakiraman: Yeah, as Sushanth mentioned we expect the margin to increase because you look at a matchmaking, the margin at now almost the 27% +we expect with due course touching a 30% on the matchmaking side and enterprise EBITDA margin will cross 20%, we expect that to further to move up. While the marketing spends continue to increase to drive the growth and also to take out that increased competitive activities. However, we expect the revenue growth and billing growth to continue and margin also to continue. So Archit to conclude yes, we expect the margin to further move up from here on both on the matchmaking level as well as on the enterprise level.

Deep: We have a next question in the chat from line of Mr. Khush Gosrani. He wants to ask whether the ShaadiSaga is more of an interest model where you can see the listings and contact the vendors directly. What is the model, he wants to understand it better?

Murugavel Janakiraman: The business model is a subscription business model. Basically, our revenue coming from vendors paying money to get a better visibility and increased leads from us. So, and as far as the customers who are looking for these wedding services, they come to the hotels and reach out to the vendors who are on the wedding services platform. However, the paid vendors would get a better visibility and better leads. Business model is subscription which is coming from the vendors in the wedding services case.

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Deep: We have another question in the chat box. That question is more they want to understand more about your marketing spends. The question is that how long do you think this will continue and whether these are the peak marketing levels?

Murugavel Janakiraman: Difficult to comment because one hand because there's a definitely the competition intensity is continuing and so we need to invest in some other areas. Obviously, we are not investing it appropriately, we need to invest and also as a company we are looking at expanding to newer geographies, we are also looking at launching a new product offering. It's a combination of all these things. Our geography of expansion, new product offering and the competitive intensity. With all these factors pushing us to invest on the marketing side, we expect that the marketing spends to continue. However, as Sushanth said which definitely is going to help us in the double-digit growth, as even with the increased marketing spend, we know we expect the margin to improve at both at the enterprise level, the matchmaking level. So that's the current outlook.

Deep: Another question was on your international expansion. There was a time when we had planned to go outside India. Now how is that plan? Do we still see a lot of scope there or we will first focus only on the Northern markets before going out of India?

Murugavel Janakiraman: No definitely, for us international expansion pretty much on the cards. We expect Bangladeshi operations to commence before the end of this quarter. We are also working towards launch of Sri Lankan matrimony or the operations in Sri Lanka, hopefully before the end of Quarter 3. We also have a Muslim Match.com, that's a global matchmaking service for the global Muslims and it's completely currently online. As far as the physical operation is concerned, is going to be in Bangladesh for Bangladeshi Matrimony and for Sri Lanka for Sri Lankan Matrimony. While the country looks at growing the matchmaking business in India, wedding services business in India, we are also looking at global opportunities also as part of our growth strategies.

Deep: The next question is from Mr. Devang Bhatt.

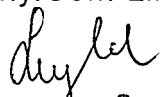
Devang Bhatt: In your paid subscriber has declined by 2.9%. Your ATV is up by 1.6% but the matchmaking revenue is up by 4.3%. Can you explain us the difference? I also have a follow-up question but first you can explain?

Sushanth Pai: When you look at the paid subscription 2.9 and ATV 1.6, right? You need to look at actually the billing not the revenue because the paid subscription is based on the billing number. So that's how it matches. If you look at 2.9 and 1.6, the net impact will be about 1.3% and which is what is shown in the quarter-on-quarter basis.

Devang Bhatt: What is I mean what would be the breakup of matchmaking services in this quarter?

Sushanth Pai: So that is given right. You are talking about billing?

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Devang Bhatt: The paid subscriber and ATV growth. If you could give us the growth of both of them.

Sushanth Pai: I have given so 2.9 is the decline in paid subscription, right. ATV is increased by 1.6. So therefore, the net.

Devang Bhatt: That's for billing, right?

Sushanth Pai: That's on billing.

Devang Bhatt: I am talking about the revenue.

Sushanth Pai: No, revenue, we don't track it like that because the ATV is based on the subscription amount that is received and we amortize it over the period of the package. You will have to see from the billing side only.

Devang Bhatt: Billing is down QOQ but what gives you the confidence of getting a higher revenue growth on a QOQ basis?

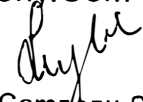
Sushanth Pai: . So, it's like this, revenue accounting is based on how the billing shapes up from a month-to-month. For example, if in a particular month it is lower, in the beginning of the quarter then it affects more in the same quarter. Suppose the billing is high towards the third month of the quarter, then it impacts or rather you get higher revenue in the next quarter. It's like that because predominantly our packages are in the 3-month category. Therefore, that's how the revenue shapes up.

Murugavel Janakiraman: Just to add to what Sushanth said, as far as the Q1, the billing was impacted on April and May and it's bounce in the month of June. So, whatever increased billing in June will have the bearing on the Q2. Because April-May it was impacted and it also had an impact in the billing on the Quarter 1. Q2, we expect that revenue to continue because of the billing increase is on June and two-third of the benefits coming in this quarter. In Q2 we expect year-on-year the double-digit growth to continue.

Devang Bhatt: This growth will be high single digit QOQ or a low single digit QOQ and will it continue for next quarters?

Sushanth Pai: So basically, what we had said is that our Q2 matchmaking and billing will grow double-digit on a Y-on-Y basis and a single digit on a quarter-quarter basis. We are not saying whether it is high or low because we need to see how, for example how August shapes up, September shapes up and all of that. Right now, we are just leaving it at a single-digit basis. So, if we do very well in August then that can improve a little more, right? So, we will have to see that.

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Murugavel Janakiraman: At this point of time, we are saying that year-on-year double digit growth and profit trajectory will continue. We had a close to 50%. It can even get better on the profit side. We expect profit to improve better and the billing and revenue to our double-digit growth.

Devang Bhatt: Your profit trajectory will be similar to this Q1 quarter, is it?

Murugavel Janakiraman: We may expect better profit also, year-on-year basis.

Devang Bhatt: Where's your pricing stabilize? The mix that you were changing in terms of subscribers, has it stabilized now?

Murugavel Janakiraman: Price is the combination of different packages so we continue to figure out as I said there is a personalized services which has sold higher packages. That kind of similar level or may slightly more depends on how we are able to convert users into various packages. We expected the similar range or may slightly get better. Depends on how the quarter ends. It's very difficult to kind of put a number to it. But as our strategy has been that continue to do what it takes to convert and also that's possible to get better subscription at a right ARPU which will try to do that.

Deep: We have one question from a toll-in user. We have unmuted your line. If you could just introduce yourself first and then ask the question?

Viru: This is Viru here. You have alluded in the past that we want to grow double-digit but when do we see a run rate of 500 crores? Can we see 500 crores on an exit this year in matchmaking?

Murugavel Janakiraman: We hope we get to that number grow.

Viru: Yeah, but if you say a quarter-on-quarter single digit kind of growth; we can exit on a run rate of 500 crores? Is it possible?

Murugavel Janakiraman: It's possible, hope we are able to get to the number.

Participant: And Sushanth, to reach that number do we have to spend a lot on marketing because I guess two quarters back you said that 40 crores is the max you want to go and today you were saying that you might have to increase that. So, what on the marketing expenses?

Sushanth Pai: What we are saying is yes, see if you remember we had said that marketing expenses are a function of our growth trajectory and also competition intensity, will balance both. We had also said you are right that even though competition is going to spend more we will be in a particular range sort of a thing. But you will have to keep revisiting this. Right now, our thing is that yes, we are now in the 37-38 that will increase further in Quarter 2 within our range that what we had said. Now what we will spend in Q3 and Q4 we will again look at it at that time but right now it looks like that it will increase from this level onwards but whether we want to

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go much beyond what we had indicated earlier; we will take a call as we go along. But broadly that call is also going to be taken depending on a growth trajectory. If the growth trajectory is good even if we increase marketing a bit, we can still keep our momentum in terms of increasing EBITDA and PAT on a quarter-on-quarter basis. So probably our plan is that we want to increase billing on a double-digit Y-on-Y basis quarter on quarter and also improve profitability on a double-digit Y-on-Y basis even quarter on quarter basis. I think as long as we keep track of it the marketing will be like a number that we keep tweaking depending on both factors.

Murugavel Janakiraman: I want to add to what Sushanth said there are multiple things. One is that definitely the increase competitor activities and we also have the growth plans we are to expanding into international operations and other countries, we also have the product offering, so there are multiple things. We also now looking at wedding services also but what he said is that the loss will be in a similar range. So, there are multiple teams so we expect that as Sushanth said marketing the function of our growth trajectory and plus competition. What we are looking at broadly, good double-digit growth and the profit moving up on strongly. These are the two things we are looking at, so top-line growth and profit growing strongly. A couple of things will be very dependent on that as Sushanth said our growth trajectory or growth initiatives plus what we see in the market.

Dhruv: I have two more questions. I guess we ended June on a very good note is it because during Q4 numbers you said that our billings would grow much more than what you've shown so. Was June really good quarter for us?

Murugavel Janakiraman: Really June I guess at the moment we picked up from somewhere in the May because when we had the analyst call the outlook was not so good because it was a lockdown and the moment we picked up after that in June we delivered well.

Dhruv: So, June would be better than Feb or March?

Murugavel Janakiraman: Yes.

Dhruv: My last question will be after the acquisition; do we expect EBITDA loss in our wedding services business to go above the range of say about 1.5 to 2 crores on a quarterly basis?

Murugavel Janakiraman: No, we are at around 2 crores it would be in a similar range for this quarter as well and we don't see any significant increase losses. Again, probably one quarter down the line post integration we also expect the billing momentum to move up in wedding services from Quarter 3 onwards, so the outlook at this point of time the last year we were on 2 crores.

Moderator: The next question is from the line of Manivanan Kanan, Mr. Kannan has sent his question in the chat so I just ask from his behalf. The question is in spite of three player's aggressively

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investing money the industry growth is tepid. Unlike other new age industries which solved much lower needs. I feel it is because there is no repeat business opportunity from users. A satisfied user on other platforms will do business more where the satisfied user on matrimony will get married and churn out. So, the industry can grow at a great speed what is your view on this small opportunity?

Murugavel Janakiraman: Yes, when compared to other internet businesses, we don't have repeat users. Once you become a customer and a satisfied customer, they can be possibly become a lifelong customer. Yes, so in the case of matchmaking once you satisfy the customers you end up in losing them that's the fact and that's the nature of the business. Further, India definitely has the number of users looking at getting married and the level of online penetration definitely is improving. One is that it's because the point what you already said that the people get married and the live outside. The number of new people coming yes there's been growth as it is growing at a double-digit basis.

We expect that moment to continue whether we are going to grow at a higher percentage. It may not be the case reason is that what other industry why you see the multiplier effect much stronger because existing user transact again and again. But in this case the user base is growing but not growing at a 30%-40%. It cannot grow at that pace but it can grow at a double-digit pace. I think industry growing at a reasonable pace. I think that's what we can expect in overall user base growing at probably a double-digit basis that this is growing at double digit basis. I think that is a reasonable expectation, you cannot do business unlike other e-commerce businesses where you have existing users, keep coming and buying it plus also buy more services that may not happen in this category.

Yes, There is an opportunity to grow because there are number of people looking for life partners vis a vis the number of people who are getting married. But the growth will be initial profile growth. It will grow at double digit unless otherwise if we come up with new innovative ways to increase growth or what else can be done to increase the user base. Otherwise, it's the one thing about driving the number of users coming on the platform that's one thing, again the revenue is function of what percentage of those going to become paid member. So, while today certain customer users going for a paid membership and we continue to do a product improvements and various strategies to get more people go for paid subscription.

So, we continue to work on both areas and a while the thing is that there's a positive outlook. There's a good momentum, we expect the momentum will continue. We expect only to further move up. Yes, there's increased competition. It's in a way that it's a challenge but as a leader in this space we're executing very well. We are widening the gap between us and the other players. In fact, we were widening the revenue gap between the other players in the industry, We continue to execute very well; we'll continue to work on the ways to get more people to go for the paid membership and also try to get more people would sign-in for the matchmaking platform. Yes, the nature of this business it's not like other thing but however this business in

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a way that which has strongly entrenched in terms of when it comes to matchmaking obviously matrimony is definitely the one of the most preferred brands. So as long as humanity exists the matchmaking will continue that way this business will be eternal or that the longevity of this business is very high. There are some challenges like we don't have repeat business but there are lot of positives about it. In fact, among all the internet business we're paying for subscription matchmaking is where people pay for highest amount of subscription because today people pay almost 5000 rupees for digital subscription no other digital subscription businesses gets this kind of output. This talks about the people belief in this category and matrimony.com. So that way there are a lot of positives around it and so we continue to work on the base to drive the growth. So and again more importantly, it satisfies us as a company that because we consider matchmaking one of the noble service, like how healthcare, how education we truly believe that matchmaking is a very noble profession so yes human satisfaction in getting a million of people married.

Moderator: We have a call in user box, if you could please introduce yourself and ask the question?

Mohit: Hello, this is Mohit from HDFC Securities. So, I basically had one question, with respect to we have spoken about this in the previous calls as well regarding the increased popularity of the dating app right? So now in the South being a major market so we have these regional dating apps also which have come up and have become popular. Like one is I think by the name of Anbe, one is by the name of Arike which targets the Malayalam community and Anbe I think target the Tamil community. So, there's a regional specific dating app which has come up. Do you feel that this could be one more layers of competition for your business and it could impact the growth in paid profiles?

Murugavel Janakiraman: As I said in the past, we don't see the dating sites are any real competition to matrimony business. Look at all the dating sites no one even crossed a couple of million dollars of business in spite of some of the players are being in the market for more than a decade also. But that's where the dating is something which is has a low penetration and the user base is completely different, their challenge is to get female audience. Even the larger dating site in India is not even close to a million-dollar revenue, so you don't see dating as a significant competition to matrimony business and we also don't see that this kind of overlapping with the people looking for the matrimony. We don't see definitely any significant competition for the wedding services and so we don't see that as a challenge.

Mohit: My one more next question is with respect to pricing, right? So, it's a combination of various packages with right from the basic package to the premium packages. If I understand correctly so because the ARPU has a short off because of the decline in subscriber base from Q4 to Q1 and there's no major change in the pricing so is that understanding correct on that part?

Murugavel J: The number of paid transaction dropped on account of the challenges what we face in April-May on account of COVID lockdown. Otherwise, that the billing volume would have grown

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compared to the earlier quarter. So ARPU has nothing to do with the drop in the paid transaction. ARPU was a function of as you rightly said it's the mix of various packages. It depends on which package they are able to sell in a particular quarter that slightly increases or decreases.

Moderator: We have one more question in the chat is regarding your employee cost. The question here is would we see an increase in hiring now as things open up? How should we look at the employee towards plan item?

Murugavel J: So, employee cost is around at the enterprise level around 32% and we expect it to be at a similar level and as the revenue grows the employee costs as the percentage level may even come down because we don't invest in the corresponding employee costs. That's a nature of business at economies of scale when the revenue increases, the cost be it infrastructure cost, be it employee cost, even the marketing cost, where it should come down. We don't see that while it is affecting in certain areas but however, we don't see that employee cost moving up it will come down.

Moderator: We have one more question from a caller, yes you have been un-muted if you could please introduce yourself and ask a question.

Rajesh Kothari: Hello this is Rajesh Kothari from AlfAccurate Advisors, I just have one question that in terms of the consumer behavior in last 3-4-5-6 months are you seeing any trends over there and this strong growth of 29% on YOY basis is it just due to the low base? Because if I look at first quarter FY20 you had 92 crores of billings compared to first quarter FY21 it was 82 crores, of course this was very low and therefore it is 30% growth. But as we move forward immediately more like a low double-digit kind of a growth. That's what you are guiding for?

Murugavel Janakiraman: Yes, Rajesh because the last year Q1 we were severely impacted because the base was low. This quarter we had a strong double-digit growth in terms of the billing. So yes, but definitely we'd be looking at going forward here on basis of double-digit growth but won't be likes of 29% or 30% year on year. We'll definitely have double-digit growth.

Rajesh Kothari: So, when you say basically you are saying that 110-125 crores that basically over a period of time Q on Q basis by fourth quarter exit rate you can reach to what 120 crores kind of thing, that's what you are looking for?

Murugavel Janakiraman: We'll continue to conduct our double-digit growth quarter-on-quarter. Yes. We work to get to that the number and before the end of the year .

Rajesh Kothari: To my first question that in terms of the behavior of the consumers in last 3-4-5 months any trends to understand any major difference?

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Murugavel Janakiraman: No, we don't see anything; there nothing has changed significantly in the last couple of quarters or anything like that. One thing that definitely during the COVID definitely accelerate the digital adoption in India and so more and more people are now open to online for various services. There is a generally good digital adoption taking place in India.

Moderator: We have one more question from Mr. Sunil Kumar. He's asking are you looking at some big matrimony player-acquisition in the Northern Hindi markets.

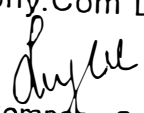
Murugavel Janakiraman: At this point of time, we're focusing on our growth and we continue to focus on a premier product and the conversions if at all any opportunities arises in the future, we'd evaluate that.

Moderator: Given there are no more questions over to you Mr. Murugavel for any closing remarks.

Murugavel Janakiraman: So, thank you Deep and thank you everyone for participating in the conference call and hope everyone continues to stay safe and stay healthy and look forward to connect in the next quarter. Sushanth is there anything you want to add.

Sushanth Pai: Nothing much I think we have discussed everything. In case you have any questions or any specific queries to feel free to write to me or to our IR consultants as well Valorem Advisors. So, look forward to keeping in touch. Thank you.

Moderator: Thank you all for joining this call on behalf of B&K Securities. Have a good evening and thank you so much.

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