

HT Media's net arm buys social networking site Desimartini.com

Parent firm says move a step towards other online businesses such as gaming, e-commerce and classifieds

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NEW DELHI

In an attempt to enter one of the fastest growing segments in the Indian Internet space, Firefly eVentures Ltd, the new, wholly owned Internet subsidiary of HT Media Ltd, has acquired social networking site Desimartini.com.

Terms were not being disclosed, though HT Media said it was for less than \$10 million (Rs39.3 crore).

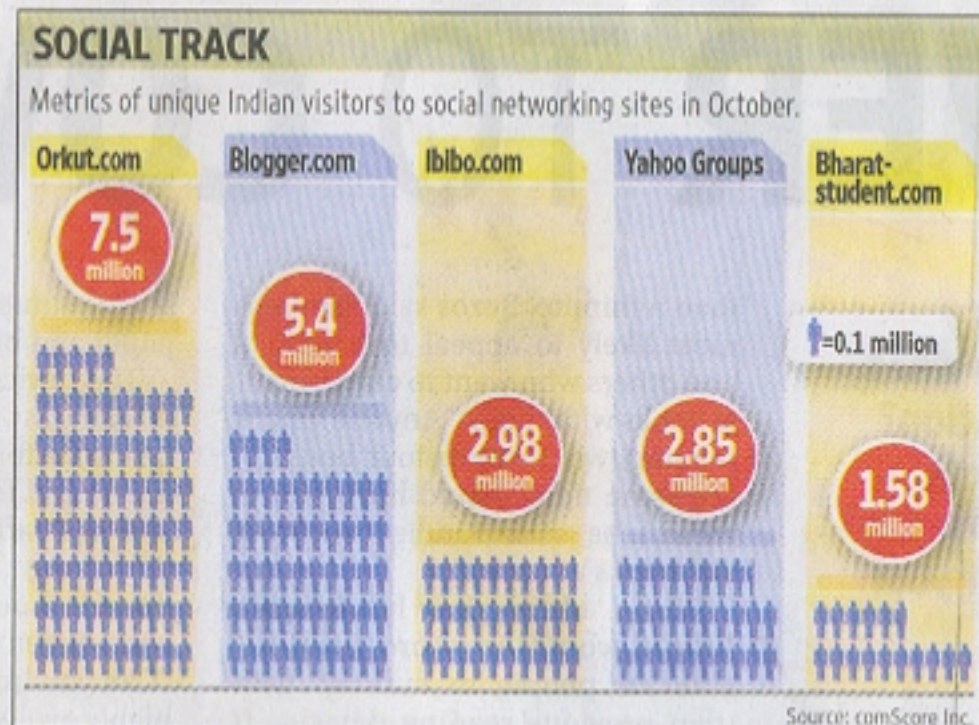
HT Media publishes Mint, Hindustan Times and Hindustan and also runs FM radio

station Fever 104.

"Everything is becoming localized and as broadband penetration improves, we see phenomenal opportunity and growth in the Internet in India. This acquisition in the social networking space is the first step towards expanding our Internet base. We are exploring other new online businesses such as gaming, e-commerce and classifieds," said Amit Garg, business head, internet, HT Media.

According to Garg, HT Media plans to launch online portals in the jobs, matrimonial, real estate and auto verticals—areas where the classifieds pages of newspapers currently dominate and where Hindustan Times has a strong presence in some markets.

"In the next three-six months, we will announce the jobs and matrimonial portals



through which we plan to drive fresh traffic to our Internet business, which will contribute 10-15% of total revenues in the next three-five years," Garg said.

Desimartini.com, launched by Pahwa Knowledge Based

Services late last year, is funded by the Pahwa group of companies and has a membership base of 250,000. It attracts around 2.5 million page views a month.

Apart from global social networking sites such as Google

Inc.'s Orkut and Facebook (in which Microsoft Corp. has recently acquired a stake), Desimartini.com competes with homegrown players such as the Bangalore-based Minglebox.com which connects students across school and university campuses, Ibibocom, Indyarocks.com, and Bigadda.com, a site launched by Reliance Entertainment, part of the Reliance Anil Dhirubhai Ambani Group.

Users will experiment with multiple sites till they find one that suits them best, said Parijat Chakraborty, vice-president at TNS Global, a business information and research firm. "The key is to carve a distinct niche and provide a good value proposition to the user," Chakraborty added.

Indyarocks, launched last June, claims 10 million page views and 500,000 SMS messages (it doubles up as a mobile social networking site).

"With so many local social networking engines coming up, players like us will need to address two needs for the users. Different ways of providing interactivity to the user and giving him a freedom of expression and privacy are the areas that we need to be strong on," said Kalyan Manyam, chief executive offi-

cer, Indyarocks.

Ibibocom Web Pvt. Ltd's Ibibocom, a social networking site that was launched seven months ago, claims a user base of 2.98 million.

"While global companies will continue in the social networking and online space, one will also see a lot of dominance from local players. Indian sites provide local utilities that are pertinent to the Indian community," said Ashish Kashyap, chief executive officer of the Ibibocom group.

Compared with some of the existing players, Desimartini has fewer users.

"It may look like we are late in getting into the local social networking business, but the Internet business is still in infancy and not mature in India," said Garg. "It will be the second bite of the apple as we learn from others' mistakes."

Indeed "...there is enough scope for competition to exist," says Pranesh Anthapur, chief operating officer of Yahoo India.

"Indians are accessing the Internet for everything from movie reviews to information gathering, giving companies that are getting into this space...a reason or niche for themselves to exist."

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