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BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

Scrip Code: **540602**

Trading Symbol: **GTPL**

Dear Sirs,

Sub: Transcript of the Post Results Conference Call on audited financial results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2024.

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transcript of the Post Results Conference Call on audited financial results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2024, held on April 16, 2024, is available on the Company's website at https://www.gtpl.net/investorrelations/financial_result/2023. The said transcript is also enclosed herewith.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For GTPL Hathway Limited

Saurav Banerjee
Chief Financial Officer

Encl: As above



“GTPL Hathway Limited Q4 & FY24 Results Conference Call”

April 16, 2024



MANAGEMENT: **MR. ANIRUDHSINH JADEJA – PROMOTER &
MANAGING DIRECTOR, GTPL HATHWAY LIMITED
MR. PIYUSH PANKAJ – BUSINESS HEAD (CATV) &
CHIEF STRATEGY OFFICER, GTPL HATHWAY
LIMITED
MR. SAURAV BANERJEE – CHIEF FINANCIAL OFFICER,
GTPL HATHWAY LIMITED**

MODERATOR: **MR. PULKIT CHAWLA – EMKAY GLOBAL FINANCIAL
SERVICES**

Moderator: Ladies and Gentlemen, welcome to the Q4 and FY24 Results Conference Call of GTPL Hathway Limited hosted by Emkay Global Financial Services.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pulkit Chawla from Emkay Global Financial Services. Thank you and over to you, sir.

Pulkit Chawla: Thank you Sagar. Good evening everyone and welcome to the Q4 FY24 Earnings Call for GTPL Hathway.

We have with us today Mr. Anirudhsinh Jadeja – Promoter and Managing Director, Mr. Piyush Pankaj – Business Head CATV and Chief Strategy Officer and Mr. Saurav Banerjee – Chief Financial Officer.

Without any further delay, I shall now hand over the call to the management for their opening remarks. Over to you, sir.

Anirudhsinh Jadeja: Thank you, Pulkit. Good evening, everyone. A warm welcome to everybody to Earnings Call of GTPL Hathway to discuss the Financial Performance of Quarter 4 and FY24.

The Company made progress in its subscriber base across both segments. Achieving the 1 million subscriber milestone in Broadband business and closing CATV at 9.5 million subscriber this financial year. As the largest MSO, we look forward for consolidation of industry and retaining customers based on economy of scale and quality offering.

In the broadband side, the growing trend of digitalization, connectivity and larger data consumption will help drive wire broadband growth as India still underpenetrated as compared to the global players.

We are a Company with consistent dividend paying history for the shareholders. For current Financial Year FY24 Board of Directors have recommended dividend of 40% - Rs. 4 per share.

I will now hand it over to Mr. Piyush Pankaj, who will take you through the segmental KPI and Overall Business Strategies.

Piyush Pankaj: Thank you, Mr. Jadeja. Good evening everyone.

First, let me share the usual KPIs for our Cable TV and Broadband business before dwelling into our strategy for both these segments:

Our Digital Cable TV subscriber base as on 31st March 2024 stands at 9.5 million, paying subscribers stand at 8.8 million. On a YoY basis, the increase in active and paying subscriber is 550K and 600K respectively.

In the Broadband business, as you are aware we had crossed 1 million subscribers in Quarter 3 FY24 and ending the Quarter and Financial Year 24 at 1.02 million. We thus have added 100K new subscribers, an increase of 11% on a YoY basis.

Home pass stood at 5.80 million as on 31st March, 2024 of which 75% are available for FTTH conversion. Home pass grew by 500K on a YoY basis.

The broadband ARPU for Quarter 4 and FY24 remained stable at Rs. 460. The average data consumption per customer per month stood at 355 GB a 10% increase YoY.

Our strategy for growth in Cable TV remains clear and as previously shared with you all we will continue to pursue both organic and inorganic opportunities for growth through penetration in existing markets, exploring new geographies and acquiring smaller players respectively.

In Broadband segment, India has one of the lowest fixed broadband penetration. January 2024 wired broadband subscribers stood at 38.9 million with 325 million households in India, the current subscriber represents 12% penetration which is far lower than penetration in developed nations of the world. The overarching strategy involves convergence of both Cable TV and broadband services to provide holistic bundles to our subscribers to fulfill their entertainment and connectivity need.

Other services integration such as gaming, OTT apps, TV everywhere, etc., will help make it a complete package deal for our consumers. This will not only help improve customer stickiness thereby reducing the churn but will also help us increase our ARPU and thus improve our margins.

I will now hand over the call to Mr. Saurav Banerjee who will take you through the Financial Performance of the Company.

Saurav Banerjee:

Thank you, Mr. Piyush. Good evening to all participants. Let me take you through the Quarterly Results first:

On a consolidated basis revenue grew by 16% YoY to Rs. 8,148 million. Subscription revenue saw an increase of 14% YoY to Rs. 3,148 million. The broadband revenues stood at Rs. 1,308 million and registered a growth of 5% on a yearly basis. Operating EBITDA saw an increase of

12% YoY to Rs. 1,080 million primarily led by higher growth in subscription income and ISP revenue.

Consolidated EBITDA stood at Rs. 1,198 million increasing by 8% YoY with an EBITDA margin of 14.7%. Net profit excluding other comprehensive income for Q4 FY24 stood at Rs. 160 million.

Now on to the consolidated Full Year Financial Results:

We reported revenue in excess of Rs. 3,000 crores for the first time in the Company's history. Revenue grew by 20% YoY to Rs. 32,460 million. Subscription revenue saw an increase of 15% YoY to Rs. 12,604 million. The broadband revenue stood at Rs. 5,268 million and registered a growth of 9% on a yearly basis.

Operating EBITDA saw an increase of 6% YoY to Rs. 4,599 million. Consolidated EBITDA stood at Rs. 5,111 million with an EBITDA margin of 15.7%. The decrease in EBITDA and margin was primarily due to reduction in deferred activation revenue and decrease in non-operating income. Net profit excluding other comprehensive income for FY24 stood at Rs. 1,118 million.

I would now request the moderator to open the floor for the Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh: So, I would like to understand our revenues were in the range of 2,400 crores to 2,600 crores for the past couple of years, but right now we have seen quite a good growth in the revenues. So, what is the main driver for this growth first I would like to understand that.

And secondly, even though our revenues have grown quite significantly, the operating margins have shrunk to all time low levels. So, I mean what is the reason for this fall in the operating margins and what kind of steady state margins should we expect going forward and would we be able to regain the margins that we enjoyed previously?

Piyush Pankaj: Gunit this year if you see that the CATV revenue has grown by around 15% which is more than 100 crores which is coming to the coffer and ISP revenue has grown by around 9% in the overall. And because of this two good growth you would see that there is a jump in the revenue side.

Yes on the margin side if you say as I always say that look at the operating margin which I have given in my presentation you will see that we are doing at 24% of operating margin which is given in the presentation - which is net of what we pay to the broadcasters and net of one time revenue and expenses.

So, we are maintaining that operating margin, it is in the range of 24% to 26% which is going up from the last 5 years if you see and we are at the same rate which we are maintaining. So, I would say that it will improve from here for the betterment.

Gunit Singh:

And what kind of threat do we see from direct internet I mean non-wired broadband for example Jio, or I mean Airtel they're coming up with direct internet without the need for any wired connections. So, don't we feel that even Cable TV and the wired broadband they are threatened by such players wherein people can directly view I mean the channels or TV through internet rather than getting these wired connections.

So, I mean what kind of threat do you proceed from this and like you mentioned that India has very low penetration and wired broadband and even direct Cable TV. So, probably don't you think that this can be I mean this phase of just moving instead of in the direction of wired. This can be just replaced by going wireless through platforms like Jio, Airtel don't you think that is a possibility or what kind of threats do you perceive from this?

Piyush Pankaj:

Gunit you mentioned it right; that as I mentioned in my opening speech only 12% penetration is there in India wherein if you talk about U.S. market it is already more than 70%, the Euro zone is already more than 65%. The China is at 55%, Korea and other countries are at 80% penetration of wired.

One thing we have to understand that wire consistency if you required then you have to go for the wire because in the wireless you will not get the consistent broadband you can say it is going up and down, the speed are going up and down depending upon the number of people under the tower, but still I will say still in the wired broadband side India is at the start up mode, every player is doing their best.

The telcos are also there, the independent players are also there where you can talk about the GTPPL Hathway all are there into this market and everyone has the open market. It's a very big market right now. We are considering that somewhere the wire broadband from 38 million, 39 million will go to around 150 million in next 5 years to 7 years. So, it's a big, big market for capturing. So, that's why we are we are not worried about the competition as there are a lot of subscribers who have taken.

Moderator:

Thank you. The next question comes from the line of Ravi Patel, who's an individual investor. Please go ahead.

Ravi Patel:

So, my first question is that there seems to be a change in reporting of the fiber infra our leased fibers have more than doubled from around 6,500 kilometers to somewhere 16,000 kilometers and no mention of underground fiber either. So, is there some reconstitution in reporting or some strategic change where you want to focus more on leased recruitment?

Piyush Pankaj: No, it's more of if you see from 97,000 we have gone to 1,00,000 plus on the owned one and the lease one as it was since we are reporting error where we are showing the 15,000 plus which we have corrected this year as in the last 2 years we have gone for the lot of connections from Airtel and Jio on that telcos. So, there we did that correction in the reporting side. So, these are the correct figures right now.

Ravi Patel: So, like is my understanding correct that the rise in lease liabilities for the year is largely due to the rise in leased cables and like how much of increase in interest cost is split between debt repayments and interest on lease liabilities?

Piyush Pankaj: Come again can you repeat the question please your voice was cracking?

Ravi Patel: So, like I just wanted an understanding like is my understanding correct when it comes to lease liabilities for the year like for the year the rise is due to the rise in leased cables or like how much of the increase in interest cost is split between debt repayments and interest on lease liabilities?

Saurav Banerjee: So, the interest cost primarily two components are there. One is of course as you said the debt cost which is about on an average our debt cost is over 8.5%. So, based on utilization of our limits the debt cost may vary from quarter-to-quarter or from a reporting date to another reporting date.

And there is an operating lease. So, there's an accounting related entry which also is a part of the finance cost. So, these are the two components. One is the real finance cost, and one is the operating lease related accounting entry which is included in the finance cost. So, these are the two components.

Moderator: The next question is from the line of Anjali Mishra, who's an Individual Investor. Please go ahead.

Anjali Mishra: So, my question is regarding project income and cost so on the net basis between project income and cost they are seeing barely any profit. So, could you please guide me on the accounting of the same and also are we booking expenses we are yet to monetize and also because the previous guidance has shown 12% to 13% margin in the project. So, I am currently only getting 2 million net on a 410 million cost?

Piyush Pankaj: So, this project I think we have taken that in the Quarter 3. So, this project is granted by Gujarat ISP Private Limited GISL after tendering of Rs. 46 crores wherein the Gram Panchayat of 8000 Gujarat villages under phase one and phase two of BharatNet project has to be made Wi-Fi enabled by supplying the materials and installation of the same at the Gram Panchayat premises.

So, this project is almost over, and we have taken the revenues in the last quarter and cost also we have taken in the last quarter. Some of the revenues is fully pending which we will take in

the next quarter as this quarter we have not taken and yes the margin is going to be around 12% margin in this project. Expenses have already been taken some of the revenue has still to be taken.

Anjali Mishra: And the new question is regarding the growth in active subscribers in your TV division has stayed at the same level pretty much post Q2 FY24. So, why has that been the case?

Piyush Pankaj: You're talking about whose subscriber cable or broadband?

Anjali Mishra: TV division active subscribers in your TV division.

Piyush Pankaj: CATV division.

Anjali Mishra: Yes CATV division.

Piyush Pankaj: CATV division if you see active subscriber year-to-year Y2Y has increased by around 550K and payee has increased by around 600K. There is an increase in the subscriber base more than half a million in the year.

Anjali Mishra: So, did we see a lot of churn in H2 FY24 and there was less net addition to the subscriber base?

Piyush Pankaj: Yes churn is going to be there as I explained in earlier calls also, but yes I think we are doing the acquisitions and all which is the churn is between 15% to 17% varying here and there with the market between 15% to 17% is the churn which is going on, but yes we are doing the organic and inorganic growth and we are adding the numbers.

Moderator: Thank you. The next question is from the line of Ketan Athavale from RoboCapital. Please go ahead.

Ketan Athavale: I have two questions. Firstly, can you give guidance for the next 2 years regarding revenue and margins? And secondly when do we expect to reach the 19% to 20% kind of margin on full revenue basis?

Piyush Pankaj: See if you talk about the CAGR we have given that we are growing up at the 17% of CAGR in the revenue side and EBITDA growth is a bit down because earlier we were growing at 12% to 13% now it is at 7% to 8% CAGR this year, but yes as we go forward there are plans to increase the revenue and reduce the cost that's already we have doing that in FY25.

So, we are hopeful that in FY25 the operating margin we are talking about it will again jump back to 26%, 27% and there you will start seeing that there is a jump in the net profit also. So, that's what we are doing right now; I'm planning to do. That's the plan which we are taking care of in this April 25.

Moderator: Thank you. The next question is from the line of Sanika Khemani from Sapphire Capital. Please go ahead.

Sanika Khemani: So, for Quarter 4 we had given a guidance of 17% EBITDA margin. So, I just want to understand why we have not been able to achieve this?

Piyush Pankaj: So, we did around 15% margin instead of 17% that is because of two revenue which has gone down which is one time revenue which is activation revenue and one is other income if you see both have gone down around 33 crores to 35 crores has gone down because of that. If we add that back we will be at around 17.5 crores.

In the presentation I have given the operational margin or operational EBITDA also just after the financials. If you see there we are at a 24% EBITDA margin right now which is 1% down from the last year. It was in the range of 24% to 26% only and we are confident that we will be back to 25% to 26% next year.

Sanika Khemani: So, can we say that in the next year which is FY25 for this year which is FY25 we will be able to do 20% to 21% kind of margin for the full year and can we say quarter 1 we can get around 17% to 18% margin which was like for Quarter 4?

Piyush Pankaj: One thing which I'm always saying in the call that because we have to see the margins after netting the payment to broadcasters and revenue from the broadcasters that's where you will get the proper EBITDA margin operational EBITDA margin which we did at the operating margin.

So, that's why we have started giving the operational margin which is if you calculate it for the years and they will give you that it is between the range of 24% to 26% throughout. So, we are as a business we are maintaining that operating margin throughout. This is because the Pay channel or you can say the payment to broadcaster and the revenue from broadcaster there is a mismatch and because of that we are seeing that on the overall you're seeing that the margin is going down because the contribution of marketing and placement revenue is lower than the main revenue of subscription and ISP revenue. And because of that it is pulling down the margin, but you have to see it by netting this what you are paying to the broadcaster and what you are getting from the broadcasters. If you net that you will come to the real business margins and that's what we are giving in the operation margin.

Sanika Khemani: And next is like we have guided before a 20% growth so in FY25 is where we can expect 20% growth in our top line?

Piyush Pankaj: Yes. If we talk about the operational margin as I said that it is going to be between 24% to 26%. We are trying to maintain that or increase that on operational side. In real margin if you talk about because it depends on that what we are getting it from the broadcaster and what we are paying to the broadcasters based on that what contribution of pay channel or marketing and

marketing and incentive revenues, placement revenue is going to be in the EBITDA based on that your margin will go up and down.

So, we are not sure about that because we do the business in the net basis to all this thing on the net basis. So, I'll say that if you follow the operational margin that will be great for us as an analyst.

Sanika Khemani: And just one more question which is on the depreciation side we've done 337 crores of depreciation we had in this year. So, next year again can we expect our 25 crores, 26 crores increase based on the CAPEX guidance that you've given last year?

Piyush Pankaj: Yes, this year is a bit exceptional but next year also because I have already told that we have to do some of the CAPEX for maintaining the business as the churn has gone up from earlier 7% to 8% to now 15%.

So, that's why before COVID it was 7% to 8% and after COVID it has gone up to 15%. So, there you have to do some CAPEX for maintaining the business and those are adding into your depreciation which is not contributing into the value number. So, that's if we increase, but yes it will not increase at that level, but it will increase.

Sanika Khemani: And CAPEX number is around 400 crores right which is the annual maintenance CAPEX?

Piyush Pankaj: Yes, we are going to do between 350 to 400 crores this year.

Sanika Khemani: Sorry can you repeat the number?

Piyush Pankaj: We are going to do CAPEX of between 350 crores to 400 crores in FY25.

Moderator: Thank you. The next question is from the line of Jaykant Kasturi from Way2Wealth. Please go ahead.

Jaykant Kasturi: Sir, I was just going through a balance sheet in terms of your borrowings it has increased, could you tell me the reason probably is it because of the project which you are doing right now or it's due to any other reasons too?

Piyush Pankaj: Yes. So, you will see that there is an increase in borrowing. This is mainly due to the project we have to give some margin money and we have to utilize our limits, the OD limits fully and because of that you will see there is an increase in the borrowing right now.

Jaykant Kasturi: Sir, do you see it coming down by first half this year?

Piyush Pankaj: Yes , by FY25 which will be at the same level as it was in FY23. In FY24 it has been increased because of the projects and because of that we have to utilize our all ODs and maximum rate we are expecting that it will come down by the FY25 at that time.

Jaykant Kasturi: And sir with regards to your trade receivables primarily from the broadcasters receivables how do you see it?

Piyush Pankaj: Yes it's trade receivable is both the trade receivables and payable is almost both side around 80% is the increase that is 80% is from the pay channel from the broadcasts.

Jaykant Kasturi: It's not particularly one broadcaster?

Piyush Pankaj: No, it's not particularly from the broadcaster we have to receive money also from them you have to pay them money.

Jaykant Kasturi: Sir in terms of looking about the activation costs it has come down very significantly. Do you see it further coming down for this financial year also?

Piyush Pankaj: Yes it will come down because see activation is the deferred one which is like you get that activation and you have to defer it for 5 years. So, all you are saying is that which is going down is the deferred revenue which is going down.

Now we are doing the activation as we are taking activation and straightaway charging into that year only and that's why I was saying that as noncash one-time which we have accrued and it has come down by around 16 crores this year. Next year also it will come down by around 7 crores to 8 crores to 9 crores which we have to see.

Moderator: Thank you. The next question is from the line of Siddhant Shah from Corporate Database. Please go ahead.

Siddhant Shah: Sir I had a couple of questions. One, I think we completed the acquisition of Metro Cast in this quarter, right? Did we consolidate that entity before its share or after this consolidation has that added subscriber and the subscription income to our P&L?

Piyush Pankaj: No, we have started consolidating it from Quarter 2 when we have taken it up 34% and the control on the Company. This quarter we have as per the agreement and all we have increased our stake to 50.1% now in the Company.

Siddhant Shah: In this quarter it was 50.1% right after this quarter like in March?

Piyush Pankaj: That's right this quarter it is 50.1%. So, these are deals that happened somewhere around 13th of March.

- Siddhant Shah:** We have consolidated that entity from Q2 itself?
- Piyush Pankaj:** That's right in Q2 we have given that we have started consolidating Metro Cast numbers.
- Siddhant Shah:** And now since we have acquired the majority stake like how many more subscribers has Metro Cast added to our active subscribers or that has made no change there?
- Piyush Pankaj:** Yes, it's like 4.4 to 4.5 lakhs which is there in 9.5 million which we have given. So, 4.5 lakh subscriber has come from the Metro Cast.
- Siddhant Shah:** This are on the quarter-on-quarter thing, I noticed that there has been a slight degrowth in both subscription and broadband revenues on the quarter-on-quarter basis, but we've actually seen our number of subscribers increase while ARPU is stable. So, just wanted to understand is that just an accounting entry that is why it has decreased?
- Piyush Pankaj:** Yes it is that. We have to see that there is a one day which is lesser in this quarter than the Quarter 3. So, there is an effect of one day revenue which is there in both ISP and cable size plus as you know this quarter there is a Ramadan and in the Ramadan time always the subscriber goes down and again come back.
- So, they are coming back in April, but yes in March we got affected due to Ramadan and there you see in this quarter we have lost in around 1 crore of revenue in that. So, it's one day plus one crore.
- Siddhant Shah:** And sir in terms of just CAPEX and did we include Metro Cast acquisition in our CAPEX figures for FY24 and are we going to keep the status 51% or is FY25 CAPEX numbers accounting for the remaining acquisition of Metro Cast?
- Piyush Pankaj:** No, whatever we did that is coming under the investment in our books right now and from next year onwards we are going to go for the CAPEX and all because the deal as you can see there that was to give him the cheque or cash for 25 crore plus the boxes of 2.30 lakh that's why. So, those all have gone into the investment right now.
- So, no CAPEX has happened. The CAPEX this year is 396 crore which will happen out of that 200 crore is cable and 196 crore is broadband.
- Siddhant Shah:** So, this acquisition is not counted in that CAPEX figure is it?
- Piyush Pankaj:** No, it is in the investment.
- Siddhant Shah:** So, just in terms of now I understand that challan has increased, and I was just looking at the operating EBITDA which you emphasized on. We spent almost around 400 crores of CAPEX

this year in FY24 and while our EBITDA has barely increased by 6% which is an increment of around just 30 crores to 40 odd crores.

So, we spent almost 400 crores increasing our operating EBITDA by just 40 crores. So, the incremental return on our CAPEX has been barely 10%. So, going forward do you think that this metric of our incremental growth will increase with our main CAPEX that you're doing?

Piyush Pankaj:

So, this time at least as I said that the cost side if you see the NTO 3 has come into the effect and already the whole market is under pressure from the pay channel - that's why you are seeing the muted growth of 6% in the operating margin if you see in the EBITDA side, but from FY25 it should become stable. Again, we should start moving somewhere between 10% to 12% growth in the EBITDA.

Siddhant Shah:

Since you mentioned that we are very under penetrated in our broadband as a category India is very under penetrated what is the market growth of broadband that is happening and what is the growth that we would be looking at within our geographies and our penetration.

So, what would be our broad estimate because we are so under penetrated, but however we have a lot of competition as well. So, what will be our growth expectations and what will be the market growth expectations according to you?

Piyush Pankaj:

The market if you see last few years has grown from 22 million to 38 million right now. So, somewhere market has grown at around you can say 50% on that way in last 2 years from 20 to 23 million to somewhere around 38 million right now and if that growth rate of bit of that growth is not 50% at least 30%, 25% is maintained then we are looking forward that we cross the whole industry may cross 100 million within next 4 to 5 years' time.

So, that's what we are looking forward that if the CAGR will be maintained in this market and also then the opportunity is very big and as you know BharatNet projects are coming. So, growth will come from the Tier 2 cities and the rural in the broadband right now and where the infrastructure is getting made.

So, we are looking forward that as the infrastructure improvement will happen this industry will go and improve from the time from there. So, BharatNet project is already on the 16 states that BharatNet project is starting now wherever the BharatNet projects is completed on those states you will see the penetration is more. The states which is still lacking is where the BharatNet project is not there.

So, all those things are there in the bandwidth. So, we'll see how it will improve, but yes we are very open that the penetrations are very high in the other countries. India will witness that also with that time.

- Moderator:** Thank you. The next question is from the line of Tanya Gupta from Green portfolio. Please go ahead.
- Tanya Gupta:** So, my first question is what is the update on GTPL Genie if you can guide us?
- Piyush Pankaj:** So, we are relaunching the Genie app. It will be launched by the end of April or first week of May somewhere. So, already app has gone into the UAT with the user testing, and we are hopeful that it will be launched by end of April or first week of May.
- Tanya Gupta:** Sir in Quarter 2 you had indicated that there were 100K subscribers on board. So, if you can elaborate on what's the status currently?
- Piyush Pankaj:** You're talking about GTPL Genie?
- Tanya Gupta:** Not sir.
- Piyush Pankaj:** Your voice was a bit cracking. Can you repeat the question please?
- Tanya Gupta:** Sir in Quarter 2 you had indicated that there were 100K subscribers on board. So, what's the status currently?
- Piyush Pankaj:** 100K on Genie? I have given somewhere around 40K at that time Quarter 2. 40K on that 25K is from the 25K, 26K is from the broadband & rest of the cable at that time. Now it has reached around 75K out of that around 45K to 50K; 45K, 46K is from the broadband subscribers the rest is from the cable subscriber.
- Tanya Gupta:** Can you guide on the timeline then we can see the definite impact of it on the performance?
- Piyush Pankaj:** Yes, we are hopeful that we are launching the new app with TV everywhere and all those things, all those facilities with all the OTT's and all. We are hopeful that that will keep the impetus in the market. Yes, as you know, OTT market has a big slump down in last one year which we are seeing that big OTT players also have a slowdown in the subscriber base, but still, we are hopeful that we will start gaining the more OTT subscribers in our own universe.
- Moderator:** Thank you. The next question comes from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.
- Madhur Rathi:** Sir I wanted to understand our EBITDA margin. Sir considering this broadcasting whatever we pay to the broadcaster as well as whatever we get is a part of our business and you need to take it as a bundle for your EBITDA margins.

So, what kind of margins can we maintain considering those charges or whatever we get and what will it take for us to get more than we pay to broadcasters?

Piyush Pankaj: As I said earlier also that generally you have to see that business by netting of what you are paying to the broadcaster and what you are taking it from the broadcasters because there the margin of marketing and placement income has a very low margin and that is the contribution in the EBITDA is low and that's why it is pulling out the lower margins in that way.

But you have to see by netting it off and see that whether what you are paying and what you are gaining from the broadcasters both are on that way and what margin we are maintaining that's we have given in the slides, but we are at around 24% 25% and we are going to improve from there.

Madhur Rathi: But sir as I understand this is a part of our business because we need to pay those charges as well as we get some of those charges. So, this is inbuilt in our margin. So, that's what I'm trying to understand that even considering those charges what kind of margins are sustainable on our business?

Piyush Pankaj: This is going to be between 17% to 18% that is going to be there if you look into that way. But I will say margin if you look into that way which I say by netting it out so that you can know that what you are doing in the business whether we're improving or whether you're going down because here the margin changes with the time.

Somewhere some marketing incentive and all we are getting 9% somewhere we are getting 15% somewhere we are getting 2% somewhere we are getting 3% it depends on a different parties. That's why the margin varies.

Madhur Rathi: And sir my next question would be so the broadband ARPU growth that we have seen. So, what kind of growth price hike can we expect from the broadband side, or this is being dictated by the bigger players and we just take whatever we can?

Piyush Pankaj: No, we are growing if you see last 3 years we have improved from somewhere 650 to 1 million. Three years back we are seeing that we're going to somewhere in the future 50% to 60%. That's what we did right now. We are looking forward that we will maintain that growth from 1 million plus subscriber base from here. We are going to add between 100K to 150 K every year and we will reach somewhere around in the next 3 years somewhere between 1.2 to 1.5 million between that subscriber base. So, that's what we are going to maintain.

Madhur Rathi: Sir my question was regarding the ARPU growth that is 460 for FY24. So, where do we see those going forward? So, do we take price hikes based on our own internal guidelines or is it dictated by the bigger players that was my question?

Piyush Pankaj: No, the broadband is the volume game right now not the value game. We are maintaining our ARPU in this competitive market and we will try to do that to maintain our ARPU throughout. Yes through volume we are going to increase.

As I say that this market is very big and starting up right now the 38 million subscriber base in India. We're looking forward that it will go up to 150 million in the next 5 to 7 years as an industry. So, yes we have to maintain our ARPU which we are doing in this competitive market, and we have to play the volume game.

Madhur Rathi: And just my final question sir what would be the average ARPU that we are expecting from the GTPL Genie?

Piyush Pankaj: GTPL Genie is more for the stickiness rather than making the revenue. If you see the lowest price there is Rs. 119 for an app which is there monthly and which is going up to somewhere around Rs. 300 for 15 apps in the monthly side if you talk about.

So, there it is more for my customer for the stickiness making the revenue out of that. Yes, we are making the margin of around 18% to 20% on that business also. So, that's the range which we are looking forward to somewhere ARPU will fall between that 119 to 300 and the margin will be somewhere between 18% to 20% in that.

Moderator: We will take the next question that will be from the line of Raj from Arjav Partners. Please go ahead.

Raj: Just a point on the app part which you are planning to launch at end of April, end of May. Can you elaborate on the app what exactly it is and what incremental revenues that we expect from it?

Anirudhsinh Jadeja : So, that it's a completely B2C application for the consumer where the consumer can see the TV everywhere can watch OTT application, any OTT application where consumer can use directly any OTT, the OTT or free OTT or you can watch any linear TV's once you use this app.

So, we are completely launching it's completely my GTPL B2C applications were complete whosoever GTPL customers are there whether it is on a Cable TV or broadband will get free application service and a linear TV site also and yes you'll get OTT also.

Raj: The app which is there in that app how much cost you have incurred for app development?

Anirudhsinh Jadeja : We'll let you know when we talk to you personally and separately. Basically, it's completed the last 1 to 1.5 years efforts was already there, but we are launching completely in a friendly user. So, it's completely ease of operation purpose, so we are launching completely in a new version.

- Raj:** And whosoever subscribes to the internet will get the app for free?
- Anirudhsinh Jadeja:** Yes, if that customer is for GTPL ISP customers or GTPL customers will get free.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments.
- Piyush Pankaj:** Thank you. I would like to express my thanks to every participant who took their time out to attend the call. For any queries, please feel free to connect with Orient Capital who are our Investor Relations Advisors. Thank you once again. Have a good day.
- Moderator:** Thank you. On behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us. You may now disconnect your lines.