

GTPL Hathway Limited

(Former Name: GTPL Hathway Private Limited)

CIN : L64204GJ2006PLC048908

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Date: February 23, 2018

To:

The Manager, Listing Compliance Department, National Stock Exchange of India Limited, Exchange Plaza, BandraKurla Complex Bandra (East), Mumbai - 400051 NSE Trading Symbol: GTPL	Department of Corporate Services, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Scrip Code: 540602
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Subject: Transcript of the conference call with the investors and analysts to discuss the financial results for the quarter ended December 31, 2017 of GTPL Hathway Limited ("Company") held on Thursday, 15th day of February, 2018.

Dear Sir/Madam,

In furtherance to our letter, dated February 12, 2018, intimated about the schedule of conference call with the investors and analysts to discuss the financial results for the quarter ended December 31, 2017, please find enclosed herewith the transcript of said conference call held on Thursday, 15th day of February, 2018.

This is for your information and record.

FOR, GTPL HATHWAY LIMITED


TARUN KUMAR
COMPANY SECRETARY
MEMBERSHIP NUMBER: F9256

ENCLOSED: AFORESAID



“GTPL Hathway Q3 FY18 Earning Conference Call”

February 15, 2018



MANAGEMENT: MR. RAJAN GUPTA-CHAIRMAN AND NON-EXECUTIVE DIRECTOR

MR. ANIRUDDHASINH JADEJA -- MANAGING DIRECTOR

MR. PIYUSH PANKAJ – HEAD (INVESTOR RELATIONS)

MODERATOR: MR. ROMIL BHANDARI - RESEARCH ANALYST, INVESTEC CAPITAL SERVICES

Moderator: Ladies and Gentlemen, good day and welcome to the GTPL Hathway Q3 FY18 Earnings Conference Call hosted by Investec Capital 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 after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing “*” then “0” on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Romil Bhandari from Investec Capital Services. Thank you and over to you sir.

Romil Bhandari: Welcome everyone to the third quarter FY 2018 post Results Conference Call of GTPL Hathway Limited. The management on the call today is represented by Mr. Anirudhsinh Jadeja – the Managing Director of the company. Mr. Rajan Gupta – Chairman and Non-Executive Director of the company, Mr. Piyush Pankaj – Head (Investor Relations). I now hand over the call to Mr. Aniruddhasinh Jadeja.

Aniruddhasinh Jadeja: On behalf of the board of the Director and the Management of the company we extended a very warm welcome to all of you to Earnings Call of GTPL Hathway Limited to discuss the Third Quarter and Nine-month Results FY 2017-2018.

Cable TV industry in India are now connected over 100 million household. It has tremendous reach deep into the urban and rural area with last mile access. Majority of homes are reached by MSO via a fixed line with the last phase of digitalization in India is in process.

During nine-month FY18, we seeded around 1.6 million STBs and we increases around 2 million digital paying subscribers. Increase in phase III and phase IV ARPU and reduction of finance cost have helped us to improve our profitability significantly. Our Kolkata operations have firmly turnaround and for the nine-months, it has posted a profit of 17 million against a loss of 56 million last year. We have also entered into a new state and launched cable TV services in Goa, this quarter.

On broadband side, wired internet in India is still at an early stage with small penetration having approximately 18 million homes over 300 million plus homes.

I am most excited about what we are doing in broadband business. We have been consistently investing in the latest technology to provide best possible internet service to our customers. Recently, In Ahmedabad we launched high speed, unlimited data broadband services on GPON Fiber To The Home technology. We have started offering 100 mbps and 40 mbps unlimited data plan options at a most reasonable price. With this launch, for the first-time, customer in Ahmedabad will get “Sach Mein Unlimited”. We are receiving lot of inquiries and we will gradually make this plans available throughout Gujarat.

Now I hand over to Mr. Piyush Pankaj who will take you through financial highlights.

Piyush Pankaj: I will be taking you through financial and business-related highlights.

First on business performance highlights, on cable TV as told by Mr. Jadeja also that GTPPL seeded 180,000 STBs during the quarter taking total seeded STBs as on December 31 2017 to 8.46 million. We added 140,000 active digital subscribers during the quarter and total active digital subscribers stand at 7.2 million as on December 31st. We added 110k digital paying subscribers during the quarter and total digital paying subscribers stands at 6.75 million. During quarter three, phase 3 and phase 4 ARPU increased by 5.2% and 4.1% respectively and we have launched our services in a new state Goa. On broadband during quarter three we added 12,000 subscribers and created 90,000 new broadband enabled homes. Total home pass as on December stood at 1.24 million. On February 3, 2018 GTPPL launched GPON FTTH high speed broadband services of 100 mbps and 40 mbps unlimited data plans in Ahmadabad with price range of INR 635 to 763 per month excluding taxes and progressively there is a plan to launch this service to other cities in Gujarat. The consolidated debt as on 31st December stands at 3,422 million as in comparison to 3,439 million on September 2017 and INR 5490 million as on March 2017. The net debts stand at 2,581 million as on 31st 2017 in comparison to 2441 million as on 30th September 2017 and 4,426 million as on 31st March 2017.

Now I will take you through the financial performance:

Just like the previous quarter we have given results for the three companies namely GTPPL Hathway Limited the listed company standalone financials, second GTPPL Broadband Private Limited which is 100% subsidiary of GTPPL Hathway Limited and third GTPPL Kolkata Cable and Broadband Pariseva Limited, KCBPL which is 51% subsidiary of GTPPL Hathway Limited, the listed company. Please note that the three above companies contributed around 90% of revenue in consolidated accounts of financial last year 2016-2017. The standalone financials quarter three revenue stood at INR 1,955 million and was up by 23% YOY and nine-month revenue stands at 5,572 million up by 24% YOY which was mainly driven by growth in CATV subscription revenue. In quarter three CATV revenue stands at 1,063 million which is up 29% YOY and nine-month subscription revenue was at INR 2,966 million up by 27%.

The EBITDA stands at 34 million which is 46% up YOY and EBITDA margin stood at 34.4% increase of 530 basis points on YOY. On nine-months EBITDA margin stands at 32.1% which is an increase of 180 basis points. In quarter three our finance cost has reduced by 75% YOY and 55% QOQ and nine-month finance cost reduced by 48% which enables us to give a good profit this year. The profit after tax stands at 238 million which is 478% up YOY and nine-month profit after tax stands at 505 million which is 156% up from last year corresponding nine-months.

On GTPPL Broadband Private Limited which is 100% subsidiary of GTPPL Hathway, the revenues in quarter three stands at 344 million which is up by 7% YOY. The nine-months revenue stands at 993 million up by 15%. The quarter three EBITDA stands at 101 million up 31% YOY EBITDA margin is at 29.3% which is 520 basis point up YOY. Nine-month EBITDA is standing at 277 million which is 33% up YOY. The profit of broadband private limited stands at INR 39 million which is 9% up YOY and nine-months profits stands at 115 million which is 23% up from last year.

On KCBPL which is 51% subsidiary of GTPL Hathway, the quarter three revenues stands at 447 million which is up 66% YOY and nine-month revenue stands at 1,171 million which is up 39%. The quarter three EBITDA stands at 160 million which was up 617% YOY and EBITDA margin is at 35.7%. Nine-month EBITDA stands at 342 million up by 143%. I am pleased to announce turnaround in quarter three PAT which stood at INR 28 million as against the loss of INR 41 million in quarter three FY17 and nine-month profit after tax stood at INR 17 million against a loss of INR 56 million for the corresponding nine-month of FY17.

We are open for questions now.

Moderator: Ladies and Gentlemen we will now begin the question and answer session. We will take the first question from the line of Kunal Vora from BNP Paribas. Please go ahead.

Kunal Vora: Couple of questions. First, can you share the status of GPON deployment why was there a slight delay, how many home pass you expect by end of Fiscal 2018-2019, how many customers you expect for the broadband business especially in the GPON area? if you can answer that I will go to the next one.

Piyush Pankaj: The current launch which we had in Ahmadabad that is our existing home pass was 100 K in the beginning after the up-gradation the home pass has increased to 130 K in this area and we are subsequently launching all over Ahmadabad. The delay that happened for two weeks for the GPON launch which we have planned for around 15th of January earlier was because we wanted to come with the unlimited plans so that there should not be any competition on data side and we have come with unlimited plans so whatever the technology we have to deploy in the back for caching, pairing and all we were completing that and that took us more two weeks to launch.

Kunal Vora: And what is your home pass target for GPON Fiscal 18, Fiscal 19?

Piyush Pankaj/ Aniruddhasinh Jadeja : We have already deployed around 200 OLTs. In the launch area we have deployed around 60 OLTs right now and the total deployment is 200 which we are going to grow to take it to somewhere around 500 OLTs all over Gujarat in next 3-4 months mainly the four cities so that home pass will increase by another close to around 350 k home pass for this up-gradation related to FTTB and FTTH.

Kunal Vora: And how is the response being so far are you getting more customers, or it is mostly the customers who already had the service upgrading how is the response so far?

Piyush Pankaj: The response is very good. We are getting new inquiries from the new customers. The existing customers we have given some of the promotional services and whoever is coming for the renewal, the demand is very high in this area for 40 mbps and 100 mbps on renewal. So we are very happy with the response right now. It is early days we have just launched two weeks back so still its early days on that.

Kunal Vora: Second question any thoughts on Jio upcoming FTTH launch, what is the activity which you are seeing on the ground and is there any possibility for Jio to tie up with MSO including you?

Aniruddhasinh Jadeja: See we are aware about competition side all other telcos also but right now we are focusing on our customers and service side whatever we are offering to our customer it is in FTTB or FTTH, it is a very reasonable and at competitive price. So yes, competition is there, but right now there is no threat because as competition are not rolled out their services. I am saying for all over Ahmadabad, any other player is not going very aggressively in FTTH side, yes they are approaching two, three new green field area, but right now there is no issue particularly in this five square kilometer launch area.

Kunal Vora: So no near term threat is what you are saying we are to see what happens going forward.

Piyush Pankaj: Yes, no near term threat.

Kunal Vora: Last question any thoughts on any possible impact because of Jio price cuts and on the wireless side they have increased the daily allowance from 1 GB to 1.5 GB, 1.5 to 2 GB also lowered price, do you think some customers might get tempted to move to wireless or considering that your customer uses more than 50 GB of data they are not going to move at all and also any threat on the TV business because with 1.5 GB data on a daily basis or 2 GB of daily data maybe the customer can watch 4, 5 hours of contents on television also and Jio TV is free so any possible impact on both broadband and cable TV business?

Piyush Pankaj: See on the data consumption we have seen the surge in the data consumption. Right now it has increased up to 58 GB per customer in our case from 45 GB in the last quarter and we are not seeing any threat on those because one of the things which we observed that Gujarat is more of a unlimited data market and that is why we have come with the unlimited data where there should be not be any competition on the data side if someone is providing 1 GB, 2 GB, 3 GB per day and because that trend is different in usages of wire broadband it is more surges on the weekend when people are at home we will find that 5 GB to 10 GB is getting used in within the weekends and on the week days you will find that the GB consumptions is going down. So you can say the consumer expectation to the wired is a bit different than with the wireless. So that is why we are very sure that we can retain our customers and we will add more customers on this side. On the cable side, we have not seen any threat on that. Linear TV is increasing and we are seeing that our HD subscription is also increasing. So there is no threat we have seen or observed anything on the cable side.

Moderator: The next question is from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy: You are planning to enter into Goa and I wanted to understand the opportunity size there who are the key players and what is the kind of market share that you are expecting. Why I am asking this is any new geography for most cable companies has been very difficult and very tough from a longer term perspective initially you might get market share, but from a profitability

prospective and market share prospective it has proved to be very elusive so wanted to understand that?

Aniruddhasinh Jadeja: If you see the Goa there is no such big MSO there, small ISO are available. If you see Goa universe is close to around half a million C&S digital home customers so we are seeing lot of opportunities in Goa as there is no bigger MSO present there. So right now we are not facing competition even though going forward also we are not seeing any competition or any price war that are related to ARPU.

Abneesh Roy: Any particular reason why point 0.5 million kind of subscriber base has been neglected by any of the large MSOs?

Anirudhsinh Jadeja: I think because Goa is a scattered market what I understand that majorly Goa has commercial side also and because of that maybe the other MSO not factored on this market.

Abneesh Roy: Sir coming to broadband I see last few quarter your revenue being in that 32, 34 crore range and ARPU also being in that 486 or 487 Rupee so in spite of investing into the latest technology etcetera why that not translating into number is that because of the competition from the telcos and going ahead because the GPON do you expect ARPU to go up and any plan for GPON in your non Gujarat market?

Piyush Pankaj: First coming to the number of subscribers we have added 10 k in last two quarter in this quarter we have added 12 k. The last month of December we have added the net subscriber addition of 5,000. If you see the IPO happened and we got listed in 4th of July and after that we received the money somewhere around end of July and first week of August and then we started deploying for the GPON and FTTH on the up-gradation side. The up gradation took time because giving the order for the vendor and it takes around 60 days for the equipment's to come, that's the cycle. So till date yes we will on the same technology the old technology which is MEN and we are able to provide speed of upto 10 mbps. Already we said that the market is moving towards high speed broadband and it has to be very consistent as we go forward because the data consumption is increasing as the quality of data is increasing and lot of applications are coming into the broadband side. So till date we are just providing 10 mbps if I say till quarter three. We have launched the GPON in this quarter, the quarter four, so going forward we are looking forward that this will reap us and it will give us benefits. On the subscriber or on the revenue side we are increasing on the healthy rate like 15% per annum we are increasing our EBITDA at 23% and our PAT is increasing at around 60% on the overall.

Abneesh Roy: But still there is a big ARPU gap between you and the players in the larger market, so is your market inherently going to be at a lower ARPU even longer term even with a better technology?

Aniruddhasinh Jadeja: You see that actually our technical up-gradation started October, November onwards and to complete the entire up gradation in Gujarat it will take by the end of fourth quarter or first quarter of 2018-19. Till that time we are providing the data to our customer that capacity is maximum up to 10 mbps and if you will offer them 10 mbps then you will not get ARPU, but

going forward the way we are upgrading our network priority first like Ahmadabad, Baroda, Rajkot, Surat our major towns at Gujarat where there is an urban market and where the ARPU will go up I am sure end of this financial March end and 1st quarter next year, we will complete all the up-gradation.

Piyush Pankaj: See that is one aspect and second aspect is in the cable TV if you see we are present at around 215 cities in Gujarat and in the broadband we are just present in 63 cities so what we are doing that we are increasing the number of cities and penetration especially in Phase-3 and Phase-4 side and then you will start getting some good numbers from those markets and on the ARPU side, in the smaller market you do not get that much ARPU. From these four markets we are expecting that our ARPU will increase and from the new Phase-3 and Phase-4 market our ARPU will be a bit down so average ARPU you will find that it will be at this range. The market of Gujarat is at this range.

Moderator: We will take the next question from the line of Yogesh Kirve from B&K Securities. Please go ahead.

Yogesh Kirve: So now that Ahmadabad GPON live so what will be indicative timelines for the GPON launch in the other cities in Gujarat, so did you say by 1 Q of FY19 we would be ready to offer GPON in other cities?

Piyush Pankaj: Yeah you will see that before March 31st the entire Ahmadabad will definitely get completed. Now what we had just started is within 5 kilometer area of Ahmadabad and end of this March we will complete Ahmadabad and yes first quarter FY 2018-2019 we will complete all four cities Ahmadabad, Baroda, Rajkot Surat. On the launch side if you see commercial launch, we are looking that we will do the commercial launch in all over the Ahmadabad by April somewhere and the launch on other cities will happen during quarter one and quarter two as we complete whole roll out for the up gradation.

Yogesh Kirve: Secondly on the television side the ARPU in Phase-1 and Phase-2 have been stable so is there any plan to take any sort of a price hike over the coming months or quarter.

Aniruddhasinh Jadeja: In the last call also, I have already said, in quarter two we increase ARPU in Phase-3 or Phase-4 market and in last quarter we increase ARPU in Phase-1 and Phase-2. So yes this last quarter in Phase-1 and Phase-2 ARPU will increase.

Yogesh Kirve: In this digital market so how are the debtor days and debtors have shaped up in this quarter, so has there been any decline compared to second quarter.

Piyush Pankaj: In the second quarter we have given the standalone financial debtors, it was Rs. 387 crores, the total debtors, which has come down to Rs. 358 crore right now. So the trend is same like last year and the four quarter also it will come down. We are maintaining the subscription debtors between 90 to 95 days excluding taxes and we are working towards to bring it down below 90 days on this, so it is under control.

- Yogesh Kirve:** So eventually we would be moving to prepaid model?
- Piyush Pankaj:** Yes we are.
- Moderator:** Thank you. The next question is from the line of Sanjay Chawla from JM Financial. Please go ahead.
- Sanjay Chawla:** My first question is on your activation fees, can you share you have seeded 1.80,000 boxes in third quarter at the consolidated level, what is the activation fee revenue generated as per Indian GAAP?
- Piyush Pankaj:** I will just first give you the CAPEX which has happened Sanjay this quarter. CAPEX is on the cable side we did the CAPEX of around Rs. 30 crores and on the broadband side we did the CAPEX of Rs. 26.3 crores so total 56.3 crore CAPEX happened. On this Rs. 30 crore, the STB CAPEX on the CAPEX which has gone in STB is around Rs. 24 crores and the collections against that on the activation is Rs. 23.16 crore.
- Sanjay Chawla:** What is the inventory level of boxes that you have right now and what was it at the end of September I mean right now as in December end versus September end?
- Piyush Pankaj:** On the September end it was 186,000 and in December end is 219,000 right now.
- Sanjay Chawla:** My second question is on the potential of ARPU upgrade in a broadband business now that you have launched GPON, so how does the ARPU upgrade happen I mean are you offering these high-speed plans to existing customers and are they paying you more revenues on day one or if this is going to take effect with some lag?
- Piyush Pankaj:** Sanjay as you know we are giving the packages the whole packages of 3 months, 6 months and 12 months. So, every month in the liner some customers are coming if we have 250,000 subscribers or 270,000 subscribers every month 20,000 customers, to 30,000 customers comes for the renewal. So, what we are doing right now for the liner of existing customer of February, March and April we have given the promotional 40 mbps free for them and whenever they are coming for the renew at that time we are upgrading them into 40 mbps or 100 mbps speed that is from the existing side. So that conversion we are already seeing from last 15 days that whatever the new customers are coming they are upgrading towards that and we are taking the feedback with them also there is a feedback mechanism.
- Sanjay Chawla:** They are enjoying better speed on unlimited data allowance, but did the ARPU going up immediately or are based on the same ARPU level as in the previous plan?
- Piyush Pankaj:** Right now, they have already paid us for the previous plan. On the previous plan, we are giving them the test of the higher speed. They are at 5 mbps, 6 mbps, 8 mbps, 10 mbps we have increased them to straight away to 40 mbps where if you remember in the 40 mbps we do not have to put any CAPEX extra. For 100 mbps we have to put ONU or the customer premises

equipment, so we have already upgraded them on the 40 mbps giving them the test of service. Whenever their renewal is due it is like 28th of February is the due. So already the call starts 7 days before so how was the test and all, and ask them to upgrade to the 40 mbps and we are getting very good response on that from the existing customers. The enquires are more coming from the new customers and where we are increasing our sub base in this area.

Sanjay Chawla: So when does the ARPU start going up for early adopters or people who were upgrading to this 40 mbps plan from which month or date they start paying you more?

Piyush Pankaj: It depends on the liner like February month liner on this area we have around 3,000 customers which has just coming into that and now we are seeing that from 3000 how many gets converted into 40 mbps or 100 mbps where you will straightaway get between Rs. 50 to 100 more ARPU on those, but this is early days so right now the analysis is not there in our hand, but we are getting very good response on those on the last 15 days.

Sanjay Chawla: If I look at this upgradation of existing network and the existing catchment area you said in the four cities you will be having substantially existing catchment area by second quarter of Fiscal 19 let say by September this year, so how many existing customers are going to be in this catchment area which will get upgraded by September to GPON?

Piyush Pankaj: On the home pass side if you talk about it is going to be somewhere around 650 K home pass which is getting upgraded and on the customer side it is going to be around 160 K to 170 K. between that.

Sanjay Chawla: So you are saying that these many customers are can potentially can come up on the higher ARPU plan once the upgrade has happened by September you expect this could happen?

Piyush Pankaj: We are expecting that not by September all the customers will get converted because it depends on the liner, but we are expecting that as the liner will come for the existing customers. We are adding new customers also which is at higher ARPU straight way, but on existing customers we depends on the liner because they have already paid for the earlier services and we will see that we will give them one month or two months of testing or some benefits out of this because they are our existing customers.

Moderator: We will take the next question from the line of Kunal Vora from BNP Paribas. Please go ahead.

Kunal Vora: On the subsidy part, did I hear you right? You mentioned 24 crore of set top box CAPEX in 23 crore collection which means almost no subsidy for boxes, are you collecting like more than Rs. 1250 per set top box that seems very high.

Piyush Pankaj: Close to 1200 we are collecting. So right now, we decided that we are not going to give any discount and the discount is very less only applicable in some of the markets so that 1 crore is what it is going into the net CAPEX.

- Kunal Vora:** So going forward we should not be assuming any subsidy, at all like it will be more or less it will be zero subsidy models going forward set top box.
- Piyush Pankaj:** We are trying for that some of the markets we are successful in other markets we are trying for that.
- Kunal Vora:** Second thing on the carriage income if I look at the first nine-months its look like your carriage income has increased by 13% year-on-year. That is a fairly strong number what we should expect going forward?
- Piyush Pankaj:** We will expect that the numbers which we have given in quarter three or quarter two the quarter four number is going to be almost same on that side. So, based on that the total numbers we have to see so it is going to be in the quarter four also almost the same.
- Kunal Vora:** So, number have sustained for the time being. What are the status of the municipality and police broadband contract which you had won and any more such contracts in pipeline?
- Aniruddhasinh Jadeja:** The home project will complete on 15th of March and this hotspot wifi project we already completed and I think by this end of February we will hand over to the government.
- Kunal Vora:** And the revenues pertaining to these projects also is booked in the broadband business?
- Aniruddhasinh Jadeja:** It will come in fourth quarter.
- Kunal Vora:** And the customer base of 8.5 million set top box seeded, where do you see stabilizing like few quarters is there any opportunity to add more customers in Phase-3 or Phase-4 market especially considering you are going to new markets.
- Piyush Pankaj:** Earlier we have given that this year we are going to seed between 1.8 million to 1.9 million boxes, we have already seeded 1.56 million boxes and the pipeline there is 250 K boxes more there which we are going to seed in quarter four and for the next two years we have given that the seeded will go on and some where you will half a million more. So that plan is still intact, and we are working towards that.
- Kunal Vora:** So this will be again without subsidy so effectively you will be recovering the entire cost of set top box?
- Piyush Pankaj:** As I told you that some of the markets we are successful in not giving the subsidy, some of the markets we are still trying so there will be some subsidies. You will find like 1 crore is there in this quarter on 180 k boxes so there will be some subsidies but yeah it is not to be very high subsidies which used to be earlier.
- Kunal Vora:** And my last question how is the competition in the broadband space like you have increased your speed from 5 mbps to 40 mbps how is competition doing I believe Airtel also is very

aggressive they also have increased speed, they also have lowered prices, so how is the competition from Airtel and other players right now?

Piyush Pankaj: Airtel has started giving 40 mbps in some of the areas, but this is more of new area of Ahmedabad like Bopal and all where they have started, but they have not started in the main city and all the places where we want to be or we are going to launch or where we have our mass home passes and mass subscribers.

Aniruddhasinh Jadeja: The Gujarat mindset is like unlimited data. So nobody is offering today in Gujarat unlimited data for this price.

Moderator: The next question is from the line of Amit Kumar from Investec. Please go ahead.

Amit Kumar: I know Rs. 640 to Rs. 730 odd pricing that you have you for the GPON offering I assume this is a retail pricing if you can just give us little bit of clarity in terms of 6 or 12 months package pricing, what kind of discounts are you offering and where is the consumer preference sort of lie? I know it is early days only 15 odd days between 20 odd days that you have seen, but on average what is the preference of the consumer is it like monthly or 3 month, 6 month 12 month which one of these plans is getting picked up more?

Piyush Pankaj: The pricing which we have kept is for the two levels we have kept if you see. We have seen that one level the ticket size is up to Rs. 5000 and the second is the ticket size of Rs. 10,000 so if you see our plans which is out in the market the ticket size is we have kept that if customer wants to test 100 mbps they can test by giving Rs. 4500 or Rs. 5,000 in that ticket size also and the serious customer who wants to go for a year of around 10,000 ticket size they can go for 10,000 also. Same on 40 mbps, but the 40 mbps also we have kept in such way because we have seen that the ticket size varies from 5,000 to 10,000 in Gujarat market. This is early days Amit that we know the preferences are, we are getting equal inquiries for 100 mbps and 40 mbps both and we are expecting that both will fly for us as we understand that 100 mbps as explained that there is going to be a CAPEX for us as we have to put new CPE in the customers households for 40 mbps we do not have to give any CPE so the ROI is better in 40 mbps speed rather than 100 mbps for us as a company.

Amit Kumar: Then very quickly if you can just explain so when I sort of calculate the ARPU for the quarter from the revenue number that you have given divided by the average subscriber which is around 2.6 lakhs, I am actually getting in ARPU closer to 430 if you can just explain the difference between 487 and 430 after we look at this?

Piyush Pankaj: We have given the closing subscriber base at 272k which is our consolidated subscriber base because always we maintain that we are aiming whatever KPIs number we are giving is for the consolidated, this revenue is for standalone which is coming under the GTPL Broadband if we take out those number of subscriber which is not in the standalone which our in other companies, KCBPL, DLGTPL and others then it is coming to around 245 K which is there so you can

average out between 237 to 245 and then if you calculate you will find that ARPU is close to 487.

Amit Kumar: Thanks so much for the clarification. Two quick questions on the cable business side actually we have not really seen the ARPU level increase in this particular quarter and the reason why I am little bit surprise is that you sort of seeded those HD boxes and your sister company sort of in planning stage in terms of doing that, but you have already sort of seeded those HD boxes in a reasonably big way in a few places in Gujarat and we would have sort of expected the little bit of I know those incremental revenues sort of starting to flow through so when do you sort of expect to monetize and first of all how many HD set top boxes do you have in your subscriber base right now and when do you sort of expect to start monetizing that I mean not Rs. 5, Rs. 10 for incremental ARPU at least Rs. 40, Rs. 50 kind of incremental ARPU when can we expect that sort of happen and what sort of timeframe really?

Piyush Pankaj: Right now we have around 650 K HD if I talk about till March 2017 we have at around 150 k HD subscribers now we have around 650 k HD subscribers on that the new seeded which is the happening on the HD we are running in the promotional basis right now as we have increased our HD channel from 37 to now 83 channels with the new headend. So till date we are running it in the promotional level. We have not increased price as the seeding was happening in the different markets and we are taking the price increase in Phase-3 and Phase-4 and now we are taking the price increase in Phase-1 and Phase-2 also. So the plan is that we will at the appropriate time we will start monetizing the HD billing for this 400k customers.

Aniruddhasinh Jadeja: For any quarter we have given the promotional offer. We already completed close to around 300 to 400k we seeded HD in September, so we offer to our consumer at least one quarter for promotions especially in our subsidiary company, but yes we are collecting close to around 150k customers subscription.

Amit Kumar: So this difference between 150 and 650 this 500 k subscriber on which this promotional scheme is running will it continue to run in Q4?

Aniruddhasinh Jadeja: Some will convert in the subscription, but some will continue up to 31st March.

Amit Kumar: Final question on the cable side just give sort of quick overview of the state of your content, contracts and the negotiations out there?

Aniruddhasinh Jadeja: You are talking about the current year or you are talking about going forward?

Amit Kumar: Going forward when will the negotiation sort of happen I remember our discussion we, Zee and Star are going to come under consideration in the running quarter in Q4 essentially so have you sort of sorted out those two contracts or is still something pending?

- Aniruddhasinh Jadeja:** All four, five broadcaster we negotiated it was already completed I think before 31st March we will close next year 2018-2019 commercial agreements. Already the commercial discuss is closed but documentation side will be closed at around 31st March.
- Amit Kumar:** If the negotiation are closed can you also then give us some bit of color on what kind of inflation can we expect in your content cost either on an overall basis or on a per sub basis for FY19?
- Aniruddhasinh Jadeja:** No as we said last call also here we are close to around 10% to 15% growth we are giving to the content side. So same will maintain the next year also.
- Amit Kumar:** I am sorry this is on a CPS basis?
- Aniruddhasinh Jadeja:** It is a fixed fee basis.
- Moderator:** The next question is from the line of Rajiv Sharma from HSBC. Please go ahead.
- Rajiv Sharma:** Just one question Dish TV had their Earnings Call sometime back and they suggested that there was pricing pressure seen in the DTH space as couple of DTH operator come to the Jio aggressive mobile data pricing. So with DTH cutting price significantly do you see this impacting your cable TV ARPU upwards movement which you have seen particularly in Phase-3 and Phase-4 markets because we are seeing DTH really cutting prices there any thoughts?
- Aniruddhasinh Jadeja :** See what we have done the packaging for the LCO consumers, we can offer Rs. 150 to Rs. 300 price level so I am not saying that cutting prices pressure will come to the cable TV or our ground side because my packaging side if you see like I can offer to my consumers 150 ARPU also, I can offer my consumer Rs. 200 also, I can offer Rs 250 ARPU.
- Rajiv Sharma:** No my question was more to understand that your existing 250 guy he moving to 150 that you trying to offer more per pack which is happening with your broadband today you are trying to offer 200 GB or 100 GB for similar price points and we are seeing also Hathway trying to ringfenced subscribers by offering more data. So, could we see a similar situation happening in cable given that DTH is cutting prices?
- Piyush Pankaj:** I will answer this if you see GTPL is giving the highest channel in the country right now. We are giving around 650 channels and in one area if you see the highest channel is 433 channels as per TRAI report and all. So right now we have not faced any problem on this side and going forward also the expectation is that we will not face problem because of this price because you see Airtel was also providing 300 channels, they have come, Jio has also come, other operators are also coming on the OTT side and all, but we have not faced any problem on this side as our subscriber are still intact and will remain intact that is our belief.
- Moderator:** As there are no further questions I now hand the conference over to Mr. Romil Bhandari for closing comments.

Romil Bhandari: On behalf of Investec India I thank everyone for joining this conference I now hand over the call to Mr. Piyush Pankaj the Head IR of the company to conclude the conference.

Piyush Pankaj: Thanks all of you for joining this Earning Call of the GTPL Hathway and if you have any queries, further queries or you need any information, you can contact me. My contact numbers are given there. Thanks a lot.

Moderator: Thank you. Ladies and Gentlemen, on behalf of Investec Capital Services that concludes this conference call for today. Thank you for joining us and you may now disconnect your lines.