

Ref. No.: GTPL/SE/2023

July 21, 2023

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 - 400051

Scrip Code: **540602**

Trading Symbol: **GTPL**

Dear Sirs,

Sub: Transcript of the Post Results Conference Call on Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2023

Pursuant to Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transcript of the Post Results Conference Call on Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2023, held on July 17, 2023, is available on the Company's website at <https://www.gtpl.net/investorrelations/financial-result>. The said transcript is also enclosed herewith.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For GTPL Hathway Limited

Hardik Sanghvi
Company Secretary & Compliance Officer
FCS: 7247

Encl: As above



“GTPL Hathway Limited
Q1 FY '24 Results Conference Call”
July 17, 2023



MANAGEMENT: **MR. ANIRUDHSINH JADEJA – PROMOTER AND
MANAGING DIRECTOR LIMITED – GTPL HATHWAY
LIMITED**
**MR. PIYUSH PANKAJ – BUSINESS HEAD CATV AND
CHIEF STRATEGY OFFICER – GTPL HATHWAY
LIMITED**
**MR. ANIL BOTHRA – CHIEF FINANCIAL OFFICER –
GTPL HATHWAY LIMITED**

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

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY '24 Results Conference Call of GTPL Hathway hosted by Emkay Global Financial Services. We have with us today Mr. Anirudhsinh Jadeja, Promoter and Managing Director, Mr. Piyush Pankaj, Business Head CATV and Chief Strategy Officer and Mr. Anil Bothra, Chief Financial Officer. 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 an operator by pressing star then zero 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 Mr. Chawla.

Pulkit Chawla: Thank you Neerav. Good evening, everyone and welcome to the Q1 FY '24 GTPL Hathway Earnings Call. I would like to take this opportunity to welcome this opportunity to management without any further delay. I shall now hand over the call to the management for their opening remarks. Over to you, gentlemen. Thank you.

Anirudhsinh Jadeja: Thank you, Pulkit. Good evening, everyone. A warm welcome to everybody to the Earnings Call of GTPL Hathway to discuss financial performance of Q1 FY 2024. Before we start with the quarterly highlights, I would like to invoke the memory of late Mr. Bharat B. Chovatia, the Independent Director of our company, who unfortunately passed away on 5th June. As a chartered accountant, he served the company well as a member of the Audit Committee. All of us at GTPL will miss his presence and guidance.

GTPL Hathway continues to be the largest MSO in the country and the largest digital cable TV and broadband player in Gujarat. In this quarter, the company strengthened its footprint in the existing markets of Maharashtra and Karnataka by strategically acquiring 34.34% of Metro Cast and an independent MSO operating in this market. As further, subscription of 15.76% of Metro Cast share will be completed by December 2023, taking the aggregate stake at 50.10%.

I will now hand over the call to Mr. Piyush Pankaj who will take you through the quarterly business and financial performance of the company.

Piyush Pankaj: Thank you Mr. Jadeja. Good evening, everyone. The company has recorded its highest ever quarterly revenues. Our KPIs have also increased both on a quarterly and yearly basis. Our active digital cable TV subscriber base as on 30th June 2023 stands at 9.05 million. On a Y-o-Y basis, the increase in active subscribers is 650K. In the broadband business, we have added 115K new subscribers an increase of 14% on a Y-o-Y basis. Homepass stands at 5.40 million, as on 30th June 2023 of which 75% are available for FTTX conversion.

Homepass grew by 550K on a Y-o-Y basis. The broadband ARPU for Q1 FY '24 stands at Rs.460, an increase of Rs.10 on a Y-o-Y basis. The average data consumption per customer per month stands at 310 GB, a 19% increase Y-o-Y. On a consolidated level, excluding EPC contract in Q1 FY '24, the revenue grew by 21% Y-o-Y to Rs.7,806 million. The digital cable TV subscription revenue is at Rs.2,981 million, up by 9% Y-o-Y and 8% Q-o-Q.

We saw double-digit yearly growth in our broadband segment, increasing by 13% Y-o-Y. The broadband revenue is at Rs.1,292 million. The consolidated EBITDA is at Rs.1,258 million with an EBITDA margin of 16.1%. PAT for Q1 FY '24 is at Rs.360 million. The stand-alone revenue excluding EPC for Q1 FY '24 is at Rs.5,118 million, an increase of 25% Y-o-Y and 13% Q-o-Q. EBITDA stands at Rs.697 million and PAT for Q1 FY '24 stands at Rs.230 million.

This is all from my side. Thank you everyone. We can now begin with question-and-answer session.

Moderator: Thank you very much. The first question is from the line of Gaurav, Individual Investor. Please go ahead.

Gaurav: Sir, first of all, congratulations for the results and this is my first-time meeting online. And, sir, I have a question regarding the results of annual year, financial year '23. And my first question is that our revenue increase in last year, in FY '23, was Rs.265 crores. Our expenses have also increased in the same line. Our revenues have increased and our expenses have also increased from Rs.300 crores.

I heard in the last meeting that you said that because of NTO 3.0, there was a difference of Rs.10 crores. What was the reason for the difference? This is my first question. What were the other expenses? The operating expenses and the increment in the expenses of Rs.300 crores.

And my second question is that the litigation matters of the company. There are two major matters. One is regarding the Supreme Court guidelines Regarding the AGR dues, which has also been filed in the DOT litigation . In which, up to Rs.975 crores have been said for liability. What is the status for this?

And second there is one more case of pure internet service, regarding license fees, in this you not received any demand, what is the status? Differently there are two questions regarding litigation and regarding expenses of last year? Thank you, sir.

Piyush Pankaj: Last year expenses, as you simply said, that we are going for the expansion because of that if you see there is an increase in the expenses side, mainly in the admin and the infrastructure side, which we did. Apart from that, there is some one time in the quarter four, which we have already said that around Rs.15 crores to Rs.16 crores onetime expenses, which we have taken.

Because of those expenses, we have seen that there is a gap between revenue and expenses in FY '23. I will say that if you can see our last investor transcript, you will get to know the exact differences which we have discussed in our last call in April. So, that's the case.

Coming on second Gaurav on the AGR cases, as you know that we have explained about this in AGR cases, there is no movement in AGR in both the cases. First is, just to give you the explanation, that the first is related to cable TV revenues before FY '16, because the license of broadband was same in the GTPL Hathway and FY '16, the subsidiary has been created broadband and the license has been procured there and this license has been abolished.

So, DOT has put that demand after taking the all cable TV revenue also for the AGR, as a miscellaneous revenue, which is, I think already that case is going on. This is an industry problem. I would say the whole industry, they have issued this demand and the whole industry is fighting on that. And already a lot of explanation has been given there. It is related with the telecom, with the PSUs and everything.

So that's the first thing. But no movement has happened on those cases in last quarter. The second case is in the licenses for the broadband company, which is on the single usage of internet company and there also there is no movement, still the case is going on into the courts. So we can't comment much on this. We are waiting and we are very positive.

According to us, you can see that we are very positive that those cases -- those demands will be taken up. We have not received any demand in the second case, but yes, we have gone ahead ourselves and given this disclosure for the better communication to the investors and for the conservative accounting . Thank you.

Gaurav: Sir, regarding the issue number one of the DOT Court Rs.case, and what is the ratio of the amount, like Rs.975 crores amount is there. What is the ratio like related to cable TV and related to internet? We have some figure regarding ratio in this?

Piyush Pankaj: No, no, we don't have any figure on that. It's Rs.975 crores that their demand is given, that all demand which they have given. So that is the case.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Yes, sir. Firstly, sir, if you could explain slide number 22, wherein you have given the revenue breakup for all the vertical subscription income, CATV, broadband, placement, carriage, activation, other operating income and other income. If you could give us some color on the factors that drive these segments and how are they likely to shape up for the current year?

Piyush Pankaj: So, subscription income CATV is mainly the CATV incomes which we are getting it from our subscribers and MCOs. So that is the CATV revenue, direct CATV revenue. Broadband ISP revenue is from the broadband subscribers which we are getting it. Placement, carriage and marketing incentive is mainly we are getting it from the broadcasters for the carriage and placement and marketing.

Marketing incentives which we are getting is from the broadcaster side. Activation revenue is from the -- when we are activating the first time, you get the activation and installation income. So for the new subscribers, those revenues are coming from there. Other operating income consists of your advertisement income, your EPC income, that is more of O&M income and all.

And other income is more or less like a one-time income which is interest and others, which is coming there in the other income. Here we are going to look at the subscription income, broadband, and placement and carriage income is the main revenue source for the company

and there you will see that there are always the growth will come on those three lines which will drive the company's revenues.

Saket Kapoor: Sir, when we look at this number on a Q-on-Q basis, is it the growth in the subscriber base that is only the key reason for the 8% growth in the subscription and 18% growth for the placement and carriage? Or would you like to understand the factors and what kind of growth numbers are we going to see on the sequential quarters going ahead?

Piyush Pankaj: See, I always explain in the call that whenever you are talking about placement and marketing incentive income, you should relate it with the pay channel cost. Because both are coming from the broadcasters. One is income of us, and one is expense for us. So whenever you're going to analyze this, you do pay channel cost minus placement carriage and marketing incentive and see the margin on that basis, the gross margin on that basis.

Means, subscription income CATV plus placement carriage market incentive minus pay channel cost is your gross margin. And that gross margin has to be maintained. So you have to look into that basis. Broadband, as you know, broadband is a totally different business. And broadband ISP is going to have their own growth based on their volume and value in the broadband side. Same subscription income CATV is depending upon the volume and value both.

Anirudhsinh Jadeja: But this time the basically the growth for subscription side in cable TV specially for new tariff order implementation effective 1st of April, right, because of that this 8% to 9% subscription income is closed there. Not for subscriber-based model, subscriber based model is here and there 50,000. Major growth is for the NTO 3 implementation.

Piyush Pankaj: We implemented NTO 3 and the effect this quarter is of around two months for that. Still the full effect of NTO 3 implementation, you will witness in quarter 2.

Saket Kapoor: So, just to sum up sir, this subscription income on the cable TV front will be occurring again and that would be more substantiated as a full quarter for the next quarter, making sense. That means it will be on a full-fledged full quarter basis. This is only two months for this quarter.

Anirudhsinh Jadeja: Yes, if you see, there is a subscription growth of two months in the stand-alone. And our subsidiary company like GTPLKCBP, there is a subscription growth of 1.5 months. But yes, quarter 2 will be completely full.

Saket Kapoor: sir, you had said net off, it will be subscription income and placement marketing need to net off with pay channel cost? That will give us the real picture. That is what...

Piyush Pankaj: That's right. So, you have to do the net at pay channel cost and placement carriage marketing incentive. That is the net cost you will say, which is to monitor and the subscription income CATV to be monitored.

Saket Kapoor: Make sense. Sir, if we look at your growth in the CATV business, which you have outlined, what kind of capex are we going to do in terms of the structural cables particular? That is the key component laying off when you are acquiring new geographies or even when you are

penetrating into new areas. So, what kind of capex in the structural cable segment or FTTH are we going ahead with for this year?

Piyush Pankaj: We have already given the guidance for the full year capex last time. It is like Rs.450 crores we are going to do the capex and out of that around Rs.250 crores is in the broadband and Rs.200 crores is going to be in the cable side. This quarter, we did around Rs.99 crores of capex on which Rs.50 crores of capex is the broadband and Rs.49 crores is of the CATV.

Saket Kapoor: And for the CATV, it is the structural cable for only the FTTH and the structural cable are the same?

Piyush Pankaj: Yes, mainly for that.

Saket Kapoor: And how many vendors do we have for the same platform, we are exporting the structural cable?

Piyush Pankaj: You are talking about vendors for CATV business? Or the for broadband ...

Saket Kapoor: Both, sir. If you could give?

Piyush Pankaj: We have vendors for different equipments.

Anirudhsinh Jadeja: Different like Nokia, like Juniper, like cable TV like Nagra, like Changhong, like Zizou, Verimatrix, different.

Saket Kapoor: Sir, for the cable segment domestically where are we sourcing? And for the OFC also?

Anirudhsinh Jadeja: It's Sterlite.

Piyush Pankaj : You are talking about the fiber?

Saket Kapoor: Yes, sir. Optic fiber cable as well as structured cable, for the cable TV business?

Piyush Pankaj: Sterlite is the main, Sterlite is there, Polycab is there, Birla and Sterlite, Polycab all are there from all, we are trading.

Saket Kapoor: All right, sir. I'll come in the queue for follow-up and thank you, sir.

Moderator: Thank you. Next question is from the line of Ranjit Zhaveri, individual investor, please go ahead.

Ranjit Zhaveri: Yes, hi, sir. Sir, I have a question on the new tariff order. So how it will affect our top line as well as pay channel cost? And will we fully pass on the rising channel MRP to our customers?

Anirudhsinh Jadeja: See, NTO 3, we have started implementing from April onwards and we have seen that, there is an increase at the customer level also, LCO level also, around 15% increase has happened at the customer level and 7% - 8% has happened at the LCO level. That's the average, which has happened. And so that's, we have seen, it has gone very smooth. We have got the experience of NTO 1 implementation and we have put into that place. And there is no chaos, very smoothly

all the implementation has happened. All the increase in the prices and all has been taken well with the customers and by the LCOs. So, it's a smooth implementation, which has happened, which is good.

Ranjit Zhaveri: Okay. And my second question is regarding the Rs.1,400 cores capex, will it primarily be infrastructure up-gradation in both cable TV and ISP side and how it will help us counter high customer attrition seen in the industry?

Anirudhsinh Jadeja: So, in cable TV primarily is because of the set-top box procurement and the broadband is more on a FTTH for new, what going forward, we are installing only FTTH for customers. So, majorly, it's like last mile equipment will be for that and fiber and back end like core up-gradation and not primarily for that.

Ranjit Zhaveri: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Rahul Shah, individual investor, please go ahead.

Rahul Shah: Thank you for the opportunity. As regards to improving subscriber base, how much of it going forward will be natural and how much of it will be through acquisitions and consolidation of smaller MSOs and LCOs?

Piyush Pankaj: Yes, so as we said that, on the strategic side, we are focusing on both. Yes, from, you can see from quarter three FY '23, we have started doing the acquisitions. And that is one of the focus, which we have seen earlier on that consolidation of industry is required, and for upgrading the customers also, for the quality level of creation and everything. And we are going ahead and doing that. Yes, we are keeping the target in such a way that 50% should come from the acquisition and 50% should come through the organic increase in our current market.

So that's the way we are working towards that. And already, that is getting reflected in our numbers. Last Y-o-Y, we have increased our sub-base by 650K and we are looking forward that trend will continue and it will increase up to that in a Y-o-Y basis, it should be 1 million somewhere.

Rahul Shah: Okay. Thank you, sir.

Moderator: Thank you. Next question is from the line of Ram Manohar Reddy, individual investor. Please go ahead.

Ram Reddy: Hello. Hi, sir. Just this is regarding the question, Metro Cast subscribers of 4,50,000, those numbers are included in the 8.3 lakhs or still those numbers are not?

Piyush Pankaj: Those numbers are not included because we have concluded our acquisitions on 30, June evening and that's why, we have not taken the profit and loss account also. That all will come in the quarter two or in the numbers also, that will come into the quarter two in the consolidation. So, all the consolidation will start, line to line consolidation will start from quarter two, on the Metro Cast.

Ram Reddy: And I have another question that's, during the last call that, we discussed that, the operating income will be around Rs.600 crores. So, this quarter, I think company made around Rs.136 crores. Still, are you on track to reach the Rs.600 crores?

Piyush Pankaj: Come again, your question, Ram Manohar?

Ram Reddy: Operating income, expected income will be around Rs.600 crores as per the last time that we company are expecting. So current quarter, we made around Rs.125 crores. So still do you think because income went up around 11% but I think, still operating income is somewhat lower this quarter. So still, are you going to make up that by next three quarters?

Piyush Pankaj: Yes, as we said that the implementation of NTO 3 has happened and still the full effect of that has not come. The cost side, the full effect has already come. On the revenue side, still the full effect has to come. And some of the market, we have implemented the NTO 3 very late, that is in June. For those markets, the whole implementation will come. So that way, I will say that, yes, we are on the path of what we have said and we should achieve that.

Ram Reddy: And I think even operating administrative expenses also are not coming down actually. I think last quarter Q3, I think, they went up drastically. Q3 of FY '23, still every quarter they are going up. Is there any other reason other than because you said that we are setting up a new business and all those things. So those things are coming up. So, is it possible for those expenses to come down? Other operating administration, selling expenses?

Piyush Pankaj: Yes, that is going to come down. If you see this quarter, it is 4% high. If you see, I talked about from Rs.168 crores to Rs.174 crores, around Rs.6 crores has gone up. But yes, we are putting those things there, that cost should not increase and it should be at this level somewhere, so that we can increase the margins.

Ram Reddy: Okay, sir. That's from my side. Thank you.

Moderator: Thank you. Next follow up question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Yes, sir. If you could explain to us this Metro Cast transaction slightly more in detail, wherein you did mention about the first payment of Rs.25 crores and then to subscribe to some in lieu of the transfer of set top box. So how does this all work? And I think so, 34% is what it is as on June and then it will move up to 50%. So, if you could explain to us, the entire transaction and how are these values, Metro Cast in terms of the subscriber's base and the assets that we have acquired?

Piyush Pankaj: So, we have already, I have already given that in the presentation that currently Metro Cast has 4.5 lakhs subscribers spanning in Karnataka and Maharashtra and Goa market and they are mainly higher in the Karnataka market. We have acquired 34.34% at Rs.25 crores. You can get the equity value straightway on that way. And we are supplying the boxes of around Rs.23 crores to them for getting the 50.1%. So, this is the purchase and that is the subscription. The Rs.23 crores is the subscription. And through that, you are getting the 50.1% stake in Metro

Cast and Metro Cast will become a subsidiary of GTPL Hathway in that way. So that's the whole sum up of the transaction.

Saket Kapoor: Sir, in terms of this transfer of set of set top box, can you explain the process? I didn't get that one.

Piyush Pankaj: So, the first Rs.25 crores is the purchase from the shareholder of Metro Cast. The rest Rs.23 crores of equipment set top box, we provide to Metro Cast, which will in the lieu of getting the 15 points, around 15% to 16% equity in the country.

Saket Kapoor: Is that what is the current market share of Metro Cast in the geography, where they're operating? I think Karnataka is the main market for them.

Piyush Pankaj : Yes, Karnataka is the main market for them. There they have around 300k plus subscriber base.

Saket Kapoor: What is the current market share?

Piyush Pankaj: 450k subscriber base.

Saket Kapoor: What is their existing market share?

Piyush Pankaj: The Karnataka market, if we talk about, there are around 5 million, more than 5 million subscriber base. Out of that 300K is Metro Cast. But they are into the strategic area and they are dominating on those areas. There is no competition on those areas. So that is like, some of the pockets of Karnataka, where they are dominating.

Saket Kapoor: And sir, when you look at your depreciation and amortization expense, there is a part of it that is actually cash burning in terms of the set-top box that gets, I think so, the losses on account of they getting expired, they getting redundant. So, what should be the amount that we should be considering in terms of this Rs.35 crores quarterly run rate that we have?

Piyush Pankaj : No, there is no set-top box getting redundant. You can say the churn is happening on that way. Churn is happening, again we are adding it, we are retrieving the boxes also from the ground. All those things are going on. And right now, as per the policy, which is the industry policy, is the 8 years of the depreciation, straight line method of the single box, which is going on.

So whatever boxes which company has procured before 2015, that has already got depreciated fully. The rest is on the verge of depreciation. So, which is like every year you are getting one year back. So next year it's going to be 2015, the boxes which are procured in 2015 got depreciated fully. Plus, whatever the boxes which we are scrapping, if the scrap is happening, those boxes are already getting out of the FAR.

So those are not a part of the depreciation at all. They are fully depreciated. So that's just the policy on which we are working and I think that's the whole industry which is working on those policies. So that is the case.

Saket Kapoor: Sir, you mentioned about the capex in both the segments. So that is the incremental capex or is it the maintenance capex? What portion is towards maintaining the current infrastructure and how much is about the deepening of the network?

Piyush Pankaj : Yes, that's what I have given the figure earlier that right now if 15% to 16% is our churn, based on that around Rs.50 crores to Rs.60 crores going into the maintenance capex right now up to Rs.100 crores and which we are reducing with the time as we are retrieving more and more boxes from the ground.

So yes, around Rs.50 crores to Rs.60 crores is going into the maintenance capex you can say where we are maintaining the customer base, the same customer base. The rest is going into the acquiring the more and more customers. So that is there.

Saket Kapoor: Sir, I was also looking for the number for the laying of cables. How much is towards maintenance capex for cables and how much is towards the new geographies where we are not present and laying of new cables. Can we differentiate between the two?

Piyush Pankaj: If you talk about the maintenance of the cable. The cable cutting is happening and we are replacing it with that is coming into the straightaway into the opex. When we are laying the new cable, new areas and all, that is coming into the capex. So that is you can say the whole capex part that is hardly around 5% to 7% which is on the cable lane.

Saket Kapoor: The operation, the maintenance capex 5% to 7%?

Piyush Pankaj: That's right, 5% to 7% is there.

Saket Kapoor: Okay. And sir, we are always hearing this technological advancement that is happening in the space where we operate. So, what is the thought process of the management going ahead? How could technology take over things the way today, OF, Optifiber to wireless and then to this satellite part coming into play. So, what should investors read into this? How is our technological advancement a threat to the business model going ahead?

Piyush Pankaj: See, we believe on one thing that, and that's what we are working on, that we believe that fixed wire line, whether it is cable side or whether it is broadband side, its going to remain there. Till date, the most robust technology which has been proven for the broadband is FTTH, and that is the fiber one. That whole thing is going on the fiber and that is the most robust thing.

Satellite technology, your wireless technology on the broadband, which is through 5G and all, still that has to be tested fully. And that has to be tested fully in the Indian environment. In Indian environment we have to see, because everywhere it's not the, all over India if you talk about, hardly 10% of India has the high rises.

90% of India don't have the high rises. There you require more of the fiber to go into the home rather than going into the wireless and all because the spread out is very high. So, we believe that fiber is going to remain there and that's what we are working on.

- Anirudhsinh Jadeja:** Any technology whether it is a 5G, whether it is a air fiber, backbone has to be a fiber. It's a by proven technology, it's a backbone to fiber.
- Moderator:** Thank you very much. Sorry to interrupt you Saket. I'll request you to join the queue again for a follow-up question. The next question is from Rikesh Parikh from Rockstud Capital. Please go ahead.
- Rikesh Parikh:** Yes, thanks for the opportunity. I just wanted to understand this new NTO which the full benefit by when we can expect and how can we see the impact on the ARPU for the full year if one has to look into it?
- Anirudhsinh Jadeja:** So basically, we have implemented effectively partially as Piyush said, we started from 15th April. So, in some states we did it from 15th April, in some states we did it from 25th April. Our subsidiary company is GTPL, KCBPL, which we have done from 1st of May. That is why he is saying that the revenue in quarter one is partially of 1.5 to 2 months. It is not of a complete quarter. That is why Piyush is saying that quarter two will be a complete full realization for NTO 3.0 implementation.
- Rikesh Parikh:** Sir, we wanted to know that from where should our ARPU increase approximately? Can we look at it from 475, 480 and from 460?
- Anirudhsinh Jadeja:** I think as I understand, if you look at the ARPU of cable TV, then it will be approximately 8%-10% growth.
- Rikesh Parikh:** So, from Q2 we will see that?
- Piyush Pankaj :** You have to see the cable TV ARPU, which is around Rs.120, Rs.123. There you have to see that.
- Rikesh Parikh:** Second sir, relating to our receivables, what was the data point as such...
- Anirudhsinh Jadeja:** Can you repeat the question please?
- Rikesh Parikh:** Our net receivables you mentioned for March '22 it was around Rs.292 crores?
- Piyush Pankaj:** If you talk about receivables has gone up to Rs.481 crores. March it was at Rs.292 crores. So, it has gone by Rs.189 crores. But that is mainly due to the broadcaster's receivables. Which is around Rs.190 crores.
- Anirudhsinh Jadeja:** Both receivable and payable both.
- Piyush Pankaj:** Yes, receivable and payable both as we have implemented in NTO 3.0. The usual 3 months has gone up to around 5 months right now. On the receivable side and payable side. Payable side is more of the marketing. Receivable side is more of placement, carriage and marketing. And payable side is more of the pay channel cost.
- So, both have gone up in this quarter. As you see, this is cyclical. Always you will see that the trade receivables and trade payables because of the broadcasters increases in quarter one and

quarter two and start declining from quarter three and quarter four. By quarter four, again you achieve that 90 days credit which is their pre-billing.

Rikesh Parikh: And sir, the last question, last quarter of last year, we had a write off of some Rs.19 odd crores, Rs.18 crores, Rs.19 crores. So, any recovery out of that 6-7 out of those we had?

Anirudhsinh Jadeja: No, that will come, but this quarter no recovery has come.

Moderator: Thank you. Next question is from the line of Ketan Athavale from Robocapital. Please go ahead.

Ketan Athavale: Hello. Thank you for the opportunity. I just wanted to know effective tax rate going ahead.

Anil Bothra: So effective tax rate would be around 26.2% and that we will actually going forward in Q2, Q3, Q4, we will try to maintain.

Ketan Athavale: Okay. And for FY '25 also if you can?

Anil Bothra : The same rate actually, we are targeting. Probably we are going, if suppose we are going for RTU assets, to that extent actually it will vary otherwise it will remain in the same range.

Ketan Athavale: Okay, thank you. That's it from my side.

Moderator: Thank you. Next follow-up question is from the line of Ram Manohar Reddy, an individual investor. Please go ahead.

Ram Reddy: Sir, any reason for delay in AGM this year?

Piyush Pankaj: No reason for that, but we wanted to do it earlier, but as you know that Mr. Chovatia, our one of the Director has demised, and then the new Director has to come into the Board and everything. So that's why we have delayed it a bit, right now.

Ram Reddy: Okay, sir. That's all, from my side, sir. Thank you, sir.

Moderator: Thank you. The next follow-up question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Yes sir. As you were saying that for our network, fiberization is the key and it has to go through the backbone is the fiber. So going ahead, like the investment in telcos 5G, especially to increase the fiber count, just to compete with them in terms of providing the broadband services, what kind of other, have you factored in this 5G rollout going ahead in terms of the capex, we are going for the broadband and how are we going to showcase our products, when 5G broadband services come into play? There will be a real comparison between the broadband services provided by us and it will go in the 5G format?

Piyush Pankaj: Saket, you are right that there is a lot of analysis on this, on air fiber versus fiber versus satellite and everything. And...

- Saket Kapoor:** Sir, I can't hear you.
- Piyush Pankaj:** Hello everyone. I will say that we can have a one-to one chat on this and I will give you those. I think I have given you, the last call with you, some of the aspects, I'll give you more, but how we are looking forward that, how it will be going to span, what are the pros and cons and what the technology is. Okay.
- Saket Kapoor:** Fine, sir. Thanks. I'll get back to the IR team.
- Piyush Pankaj:** Sure, Saket, you can look forward. Thank you.
- Saket Kapoor:** Thank you, sir, and all the best.
- Moderator:** Thank you. The next follow up question is from the line of Ram Manohar Reddy, individual investor. Please go ahead.
- Ram Reddy:** Sir, the, are we, is company reaching out to existing cable customers? Because many customers may be having a different broadband and other things. As far as I'm concerned, I'm not using cable TV for the last five years, even my family members and other things, because the technology, the persons who has internet connection, who are, who know something about, who can operate TV and other things, definitely they won't prefer cable TV as such, because the cost is, there is not much cost difference. Right? Because basically, if you go for broadband, you will get internet, and if you go for cable TV, just okay, only, it's not on demand other things.
- So are you reaching to the existing system because you always you are saying that, there is a nine million customer, there is a potential to convert those customer to broadband customers, but there's no guarantee. Those customer might be already having broadband connection. So how we are reaching the customers and then saying that, why not from GTPL or people who maybe, how you can educate or is there any effort from company side to reach those customers?
- Piyush Pankaj:** Hi Ram, Ram see the wire broadband, we call it a startup still, as an industry, as you know that right now, just 35 million homes have wire broadband, out of the 350 million, which is like 10%, 11%, 10% hardly for a country like India. If you compare it with other countries, which has more than 50% talk about China, Europe zone, more than 65% US and other countries, which has already are 72%- 75% of the fiber, fiber broadband. So, India has still has a lot to go.
- Yes, you are right that, still if you talk about internet customers, it's like 672 million India is showing right now. But those are more of mobile, on the mobile side, on the internet, which is like a low internet. As country is going more and more on digital and everything is happening on the digital and then the requirement of higher bandwidth, higher speed is going to be there. And there we are going to see the path, which fiber broadband will bring in. And yes, I guess you can see three years back, the fiber broadband had 20 million, now it has gone up to 35 million, and we are hopeful that, in the next five years, it's going to be close to 100 million, somewhere. So, that's what we are looking forward into this thing.

You talk about our nine million subscriber base in the cable side. If I talk about around 35% or 33% is in the Phase I and Phase II market, which is more of a capital market and metro market. My 65% market is in the rural market, Phase III and Phase IV, where still the penetration of broadband is very low. And there, the opportunity comes for us to bring those all of our customers into the real broadband, which is the fiber band. So, we are looking forward to that and we are working towards that, that how we can bring those customers into the broadband. Because already, we have the relationships with those customers.

Ram Reddy: Sorry, just my concern is, okay, we may miss those existing customers to our competitors. If you are not taking any initiative urgently, because those 9 million customers may not come to GTPL. Even if you get some 2 million, 3 million, that is well and good. So that is just I want to point out the management, so that you can take action.

Anirudhsinh Jadeja: But the cable will remain the same, that's not a problem because the cable still we have close to around, if you see the pay TV customers and cable and satellite homes put together, still it's almost 120 million houses versus wire-line broadband is only 35 million households.

Ram Reddy: Okay, sir. Thank you. That's it from my side.

Moderator: Thank you. The next follow-up question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Sir, you mentioned about that the fiber story plays out in the rural more and in cities, where there are less high-rise buildings. So, what do you want to convey there? When it is the high-rise buildings and the complex, the fiberization, the fiber to home does not reaches the home in the fiber format. What were you trying to explain us?

Anirudhsinh Jadeja: No, Saket, the fiber to broadband, fiber to home, everywhere it will remain the same.

Saket Kapoor: But the comparison you were making, sir between the low rise and the high rise building so, what were you trying to explain?

Piyush Pankaj: No, low rise, high rise is more of like a concentration of customers, we are talking about. See, in India if you go to the rural, the concentration of customers is not there. It's far. In the urban, you will say, there is a concentration of customers.

Saket Kapoor: Correct.

Piyush Pankaj: So that's the way, we are talking about, on the concentration of customers in India.

Saket Kapoor: The cost is also going to go down with more concentration of customers, when you build the infrastructure once and then the revenue starts billing up every month, so the cost also goes down considerably in a complex or a high-rise, that the number of customers are more?

Piyush Pankaj: Yes, you're right and you have to put a lot of efforts to put the quality over there. So that is there. So, both have pros and cons. That's what I say, let's have a discussion one to one. Lot of aspects are there to discuss on those things.

- Saket Kapoor:** Okay, sir.
- Anirudhsinh Jadeja:** I hope, great. Thank you.
- Saket Kapoor:** That's all from my side. Thanks.
- Anirudhsinh Jadeja:** Thanks.
- Moderator:** Thank you. Participants, you may press star and 1 to ask a question. As there are no further questions, I now 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 take their time out to attend the call. We will work hard to ensure the company will continue its journey of sustainable growth in the upcoming quarters as well. For any queries, please feel free to connect with Orient Capital, which is our investor relations advisor. Thank you once again. Good evening.
- Moderator:** Thank you very much. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.