



August 6, 2025

To,  
Listing Department  
**BSE Limited**  
P.J Towers, Dalal Street,  
Fort, Mumbai – 400 001

To,  
Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (E), Mumbai – 400 050

Scrip Code: **532375**

Symbol: **TIPSMUSIC**

Dear Sir/ Ma'am,

**Sub: Transcript of Earnings Conference Call**

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of earnings conference call on Unaudited Financial Results for the quarter ended June 30, 2025 held on Wednesday, July 30, 2025.

You are requested to take this information on your record.

Thanking You,

**For TIPS MUSIC LIMITED**  
(Formerly known as Tips Industries Limited)

**Bijal R. Patel**  
Company Secretary

**TIPS MUSIC LIMITED**  
(Formerly known as Tips Industries Limited)

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“Tips Music Limited  
Q1 FY‘26 Earnings Conference Call”  
July 30, 2025



**MANAGEMENT:** **MR. KUMAR TAURANI – CHAIRMAN AND MANAGING  
DIRECTOR – TIPS MUSIC LIMITED**  
**MR. GIRISH TAURANI – EXECUTIVE DIRECTOR – TIPS  
MUSIC LIMITED**  
**MR. HARI NAIR – CHIEF EXECUTIVE OFFICER – TIPS  
MUSIC LIMITED**  
**MR. SUSHANT DALMIA – CHIEF FINANCIAL OFFICER –  
TIPS MUSIC LIMITED**

**MODERATOR:** **MS. AYUSHI GUPTA -- MUFG INTIME INDIA PVT LTD**



**Moderator:**

Ladies and gentlemen, good day, and welcome to Tips Music Limited Q1 FY '26 Earnings Conference Call. 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 the 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 Ms. Ayushi Gupta from MUFG Intime. Thank you, and over to you, ma'am.

**Ayushi Gupta:**

Thank you. Good evening, ladies and gentlemen. I welcome you to the Q1 and FY '26 Earnings Conference Call for Tips Music Limited. To discuss this quarter's performance, we have from the management, Mr. Kumar Taurani, Chairman and Managing Director; Mr. Girish Taurani, Executive Director; Mr. Hari Nair, Chief Executive Officer and Mr. Sushant Dalmia, Chief Financial Officer.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

Without further ado, I would like to hand over the call to the management for their opening remarks, and then we will open the floor for Q&A. Thank you, and over to you, sir.

**Kumar Taurani:**

Thank you, Ayushi. Good evening, everyone, and welcome to the Q1 FY '26 earnings call of Tips Music Limited. Despite the challenges faced in the music industry, our catalogue and new releases continue to demonstrate resilience with our revenue recording double-digit growth. The Board has declared a first interim dividend of INR4 per share for FY 2026.

With that, I now invite our CEO, Mr. Hari Nair to share his thoughts. Over to you, Hari.

**Hari Nair:**

Thank you, sir. Good evening, everyone. The strong growth in our revenue has been across digital and non-digital segments. However, we observed a slower growth on the YouTube platform in Q1, probably due to the reduced ad spends and change in YouTube policies. The policies now restrict UGC content usage and monetization. This is good for us as music industry in the longer run, as third-party pirates use our music to monetize from the platform.

On the Meta platform, i.e. Instagram and Facebook, we see a consistent growth for our content consumption. With respect to Spotify, if we compare the paid subscribers last year Q1 FY '25 and this year, we see a healthy growth in premium paid subs. Same is the growth for YouTube paid subscribers also. Overall, we are moving slowly and steadily into a paid ecosystem model.

On the operations side, we did a little automation. Our teams have built an in-house content management system called Pulse, which now delivers our content to TikTok and other DSPs via our own DDEX feeds. I will now request Girish to share his insights on the content business across platforms. Thank you, everyone.



**Girish Taurani:**

Thank you, Hari. Good evening, everyone. In Q1, we saw strong traction across platforms, both from new releases and our catalogue. We released 92 songs in FY '25, including 48 film songs and 42 non-film songs. The song Main Nachdi from the film Saunkan Saunkanay 2 has crossed 75 million views and has charted for 12 weeks on YouTube top 100.

The song from the film Maalik and Sarbala Ji have performed well and have crossed 102 million views and 51 million views, respectively, on YouTube. Additionally, we now have 125.8 million subscribers on YouTube with a compound aggregate growth rate of 20% over the last 2 years. Our catalogue performance on Meta is very heartening.

The song Hona Tha Pyar and Dil Hai Tumhaara get 500 million and 700 million views, respectively. The song Chunnari Chunnari, the classic Salman Khan song, earned 2 billion views on the platform. Now I would like to hand over the call to Sushant, who will take you through company's financial performance. Thank you.

**Sushant Dalmia:**

Thanks, Girish. Welcome to Q1 FY '26 earnings call. I'm pleased to share the financial highlights of this quarter. Our revenue for the quarter amounted to INR88 crores, resulting in Y-o-Y growth of 19%. The content cost increased 85% on a Y-o-Y basis as we had new releases, which were expense off during the quarter. Factoring the above, the operating margins came in at 64%, while PAT was at INR45.7 crores, resulting in a Y-o-Y growth of 5%.

With this, I conclude my opening remarks and open the floor for the Q&A.

**Moderator:**

The first question is from the line of Harsh Shah from Dalal & Broacha.

**Harsh Shah:**

Thanks for the opportunity a few questions from my side. So firstly, how Q1 has kind of panned out, right? So do you still hold on to the 30% kind of revenue aspiration for FY '26 so why I ask this question is because if the answer is yes, then for the remaining quarters, the growth that the company needs to deliver would be at least 30%. That was my first question.

**Kumar Taurani:**

Harsh, actually, because of so many changes in the industry, the OTT platforms, like Resso or Gaana and many other people have actually shut down their business or converted their services into a paid one. So we also felt its effect this year.

But still, I feel we will happily achieve 20% but the focus I had said earlier, that our new growth will be coming from new titles which will support us. So we have a major releases this year. So we're still trying we should achieve 30% this year as well. So let's be hopeful. But I can see even now, we can achieve 20%.

**Harsh Shah:**

Got it. Secondly, on the contribution from Warners in our Q1 revenue, if you could give a ballpark percentage, that would be also fine.

**Kumar Taurani:**

As said earlier also, between 25% and 30% will be money coming from Warners.

**Harsh Shah:**

Okay. So why I ask this because in Q4, you had mentioned that for the full year, it was around 20% to 25-odd percent. So this time around, it has gone up, right?

- Kumar Taurani:** Yes, it will go up this year.
- Harsh Shah:** Okay. So then Got it. And lastly, on an industry level question, right? So you did mention in the annual report as well as in the press release as well as in our opening commentary that there are challenges within the industry.
- So my question is, is it just because there are music OTT platforms, which have kind of closed down or there could be some other reason maybe like the ad revenue for YouTube going down, not in terms of, say, the number of streams, which is going up, but the rate that is being charged on YouTube is kind of on a declining trend. If you could give some color on it?
- Kumar Taurani:** No, no. YouTube is doing good for us. And because of our 90s repertoire, is really doing well. And day by day, I think it's getting more popularity. Girish just said, Chunnari Chunnari has 2 billion views on the Instagram, our old songs like Dil Hai Tumhaara, Hona Tha Pyarhad 500 million to 700 million.
- So you can see our catalogue still has a lot of strength. And I definitely feel it's impact will be for coming many years, at least 20, 25 years. So I feel catalogue is a new retro. We will do well, and we will see growth also. And I'm again mentioning we are still focusing to achieve 30% even this year.
- Harsh Shah:** Got it. Sir, my question was more from an industry level perspective
- Kumar Taurani:** Industry, I can't comment much, but everybody has their own challenges. And the way I am seeing with the other players actually, everybody is facing difficulty. But as mentioned earlier also 65% -70% of 90's catalogue belongs to us from 1989 till 2020. So I think our songs are really doing well.
- So we have edge with the other companies, I feel, it is my opinion. I don't know what they are doing, what their strategies are, what is their numbers. Maybe I hope they will also do good. Actually, entire industry should do good. So it's a good sign for everyone. But I think if we talk only about Tips, we are safe and we are performing well.
- Harsh Shah:** Got it. That's it from my side.
- Moderator:** The next question is from the line of Kavish Parekh from B&K Securities.
- Kavish Parekh:** Hi team, thanks for the opportunity. My first question is on the revenue growth side. So I think when we last spoke, which was around after the results for the fourth quarter, our aspiration for revenue growth was 30%. And today, while you have mentioned that you still aspire and stand by the same number, minimum guidance has or rather minimum growth that we will aim to achieve will be around 20-odd percent.
- What is it you think that is needed for you to bridge this gap between 20% and 30%? And just wanted to follow-up on the comments that you made on YouTube in your opening remarks with respect to some policy changes. Could you explain that a bit more?

- Kumar Taurani:** Policy change -- YouTube policy changes, you're saying?
- Kavish Parekh:** Yes.
- Hari Nair:** So on YouTube, right, there are certain policies that they have implemented where they are trying to reduce the music uploaded by the pirates. So what happens is many people who use our catalogue, they will make the song without having the same kind of composition and they upload it on the platform, which then takes away our money. So it is trying curb those activities.
- So that is a little change that we see over there. But again, that should be not the long-term one. It should be a short-term impact only. And we are seeing slightly growth again rebounding in the month of July. So hopefully, it should grow. Does that answer your question on the policy side?
- Kavish Parekh:** On the policy side, yes, but on the overall revenue growth aspirations for FY '26, maybe some comments around what is needed to bridge this gap between 20% and 30%?
- Kumar Taurani:** We really see growth in our catalogue. As mentioned earlier also, our catalogue is really doing well and the numbers they are showing. And also now, I think Instagram, whatever is happening on Instagram is helping us on YouTube and Spotify. So I think overall numbers can be. And plus whatever acquisition we have done and our plan is for new releases this year, so we can achieve that number from 20% to 30%.
- Kavish Parekh:** All right. Plus see the 19% that we reported this time, I think part of that was also impacted by the base quarter, which had one-off revenues from Wynk. I think INR5-odd crores in the first quarter.
- Kumar Taurani:** Yes, yes, last year, yes. Last year, yes.
- Kavish Parekh:** INR12 crores, I think INR5 crores in the first quarter, INR7 crores in the second quarter.
- Kumar Taurani:** Yes.
- Kavish Parekh:** Got it. And for the full year, what is the number that we're thinking in terms of content cost as a percent of revenues, somewhere around 26% to 28%.
- Kumar Taurani:** Yes, 25% to 28%, yes, that is the number, yes.
- Kavish Parekh:** All right. Thank you so much.
- Moderator:** The next question is from the line of Vinay from IGE.
- Vinay:** So as the last participant asked for, the percentage of expense to be expensed into content acquisition. So over the medium term, how it is expected to behave?
- Kumar Taurani:** Expense on content.

**Vinay:** Yes.

**Kumar Taurani:** Our target is to spend around 25% to 28%. And if we feel there's opportunity we can have maybe increase our investment by 2%, 3%, 4%, we do that if we have a quality content, which will help us in future. We do that, and we'll explain to you why our content price has gone up. But as far as this year, what I'm seeing, I think we will be in the range of 25%, 26%.

**Vinay:** And what is the accounting policy for us to write off our content expense?

**Kumar Taurani:** That is same. That is the same as last quarter. If you see this quarter last year, it was around INR9 crores, INR9.5 crores. This quarter, we have written off INR20.5 crores. So we have 3 big films came in. So we have written off everything.

**\*Note –** Same quarter last year the content cost was approximately INR9.5 crores and this quarter it costed approximately INR20.5 crores excluding advertisement cost.

**Vinay:** Got it. I'll fall back in queue for further questions.

**Moderator:** The next question is from the line of Garvit Goyal from Nvest Analytics Advisory LLP.

**Garvit Goyal:** Sir my question is around the challenges. I want to understand more about them. Like last quarter, we were very much confident about 30% guidance. Now we are looking a bit cautious about the guidance. So can you put some color on that, like what are those challenges? What has happened suddenly in last 2, 3 months, the tailwinds in the sector has converted into the headwind. So can you put some color on that?

**Kumar Taurani:** See, we will try to achieve 30%. We are very keen to achieve that number. But for safety and the way I see that, day by day the apps are becoming more strict-- like Spotify, they are not allowing people to new releases again and again, they tell you to come on a paid wall. So that paid wall simultaneously is increasing.

But we don't know how much that growth will be. If there is an excellent growth, 30% will be very easy to achieve. So we are being cautious here, and we are telling you upfront 20%, what we can see, but we are still hoping and trying fully, we should achieve 30%. That is the only challenge we have.

**Garvit Goyal:** And you also mentioned about some closing down of the OTT platform. So what is that?

**Kumar Taurani:** Yes. Last year, money came in from Resso, then there were other apps, such as Wynk which was doing good business. And then there was Gaana, Hungama, so many apps, they had shut down or they had gone behind the paid war.

But even this year, we are listening Amazon is coming, they are launching full paid service like Spotify. Earlier, they used to go for subscription, what they used to charge was through bundling. So I think many developments like this is happening and which is good for industry and give a new increment revenue for us and industry.



- Garvit Goyal:** We say 20% to 30% guidance our content is rising, and we are having a target of 25% to 28% of revenue this year also. So, do you think like PAT growth will be 20% in case we are doing the 20% top line or 30% in case we are doing a 30% top line?
- Kumar Taurani:** Sushant will explain this.
- Sushant Dalmia:** Its 20% growth and with a 25% content cost, so we'll see a healthy PAT growth
- Garvit Goyal:** No, I agree healthy PAT growth. But the thing is like this quarter also 19% Y-o-Y revenue growth is there, but PAT is muted mainly because of this content cost. So that's why I'm asking like is the guidance equally applicable for the bottom line as well?
- Sushant Dalmia:** Please look at on an annual basis not on quarterly basis.
- Garvit Goyal:** So annualized basis, minimum 20% PAT growth will be there this year, right?
- Sushant Dalmia:** Yes, yes absolutely right.
- Garvit Goyal:** Thank you very much sir, that's it from my side. All the best for future.
- Moderator:** The next question is from the line of Vaibhav Mule from YES Securities.
- Vaibhav Mule:** Congratulations on a strong set of numbers. My first question was around Meta revenue recognition. So you mentioned a couple of songs doing very well on Meta platform. So is the revenue recognized from the streaming that we generated on Meta? And what is the incremental revenue that we are generating from addition of Meta specifically?
- Kumar Taurani:** We can't tell you specifically how much we are doing with Meta or any other app. But in totality, what we give you like 20% or 30%, whatever we do. So please keep that in mind because it's a competitive world. We can't reveal the numbers, but we are doing well. I can tell you this.
- Vaibhav Mule:** Understood, sir. Sir, just on the YouTube views, our YouTube views were sequentially flat and 9% down year-on-year. I understand there was some impact on overall revenue because of shutdown and shift to premium model by different streaming platforms. But for YouTube, why is there a 9% year-on-year decline?
- Kumar Taurani:** No, we are not decreasing. But again, even in YouTube, we are seeing the growth. So we are positive, very positive about that. Our new releases and our catalog, our is doing well on YouTube.
- Vaibhav Mule:** Okay, sir. Got it. And just last question on the short format videos or reels. So what is the status of monetization of that particular format on YouTube as well as other platforms?
- Kumar Taurani:** Other platforms, we are doing well. YouTube, we have a fixed deal. But even on YouTube, I think this fixed deal is for one more year. And after that, we'll see what will happen.



- Moderator:** The next question is from the line of Jyoti Singh from Arihant Capital Markets Limited.
- Jyoti Singh:** So sir, just wanted to understand on the video side and like you mentioned a lot of copyright and people are changing some words and all that thing. And because of that, we are impacting. So just wanted to understand, is exploring on the AI-driven music recommendation side and also how to track down the music, which is of Tips and using by other composer or musician.
- Hari Nair:** Yes. So madam, YouTube has a great fingerprinting system called Content ID that actually automatically scans whenever you upload any piece of content, it scans with this library and tells us or the respective copyright owner that there has been an upload done or it matches and it gives us a claim.
- So that part is taken care very well by YouTube. But there are certain people who try to change the composition a little bit, try to tweak the lyrics a little bit and then also upload the song in a different way. So they are trying to kind of restrict that kind of monetization, which is kind of piracy. So that is being restricted, nothing else. Did I answer your question?
- Jyoti Singh:** Okay. On the subscription versus ad revenue, like global data on the basis of the presentation that shows the subscription generate 3x revenue versus ad supported. So what's our current mix and strategy to grow subscriptions?
- Hari Nair:** That is a question for the platform, madam. We are not probably in the right space to answer that. It's a platform-related question. So Spotify and YouTube can answer that.
- Jyoti Singh:** Okay. And sir, on the digital ad spend side, if you can explain how is the tips aligning its monetization strategy with this trend?
- Hari Nair:** So again, again, this is a platform-driven one. So YouTube, if you see every month, there are fluctuations on the ad monies that are spent on the platform. It can be sometimes higher on YouTube, sometimes higher on Insta. So it just fluctuates. But overall, the Indian market is growing on the ad spend side.
- Moderator:** The next question is from the line of Swapnil Potdukhe from JM Financial.
- Swapnil Potdukhe:** I have just one question. It's with respect to your digital revenues. I think there has been a dip from 75% we used to earlier. Now that number has come down to 72%. So any particular reason for that?
- Kumar Taurani:** We are doing well on other side, nondigital. But ultimately, it will be between 72% to 75%, and that other business will be in the range of 25%, 30%. Here and there, it will keep on happening.
- Swapnil Potdukhe:** But by any sense, there has been any dip in the Warner revenue or any pressures on that side also?
- Kumar Taurani:** No, no, no, nothing, nothing.

- Swapnil Potdukhe:** And this cautious approach when it comes to your guidance of -
- Kumar Taurani:** Excuse me. Maybe the difference because of Sony Music Publishing, we have a big deal with them, and they are really showing a very good revenue. So maybe because of that, this has happened.
- Swapnil Potdukhe:** Got it. Got it. And when it comes to your cautious approach when it comes to FY '26 guidance on the revenue side, especially, that is entirely linked to this disruption which is happening on the premium streaming side, especially on the OTTs? Or that also has some part of YouTube views not growing the same way that they were growing earlier?
- Kumar Taurani:** You can say 75% to 80% to the OTT because OTT has taken a different kind of view on the entire business and maybe 15%, 20% on YouTube as well.
- Swapnil Potdukhe:** Do you think that Youtube growth is kind of a structural challenge...
- Kumar Taurani:** Earlier, we used to estimate YouTube will grow by 25%, 30%. But now we YouTube will grow by at least 15%, 18%.
- Swapnil Potdukhe:** So does that mean that your growth assumptions for beyond FY '26 also will factor in lower YouTube growth.
- Kumar Taurani:** No, I don't think so because as I mentioned earlier, our catalogue is doing well, plus we have a very quality new songs coming in this year and as well as next year. So I feel we will achieve our targets.
- Moderator:** The next question is from the line of Deepak Ajmera from IGE India.
- Deepak Ajmera:** You mentioned YouTube contract will be renewed next year. So what we should expect from that renewal? It is like some sort of increase or we are moving to different methodology? How should we look at it?
- Kumar Taurani:** Next year, YouTube Shorts service contract is getting over. But it's very early to say anything about that. We have not started talking to them. We will finalize in the next 6, 8 months by talking to them, and we'll come to some conclusion. But I feel it will be a raise. But our main target will be on per view or per stream basis.
- We should get money like that. But at present, they are giving us lump sum kind of a deal. So let's see what industry, other players are doing, what is our requirement. We'll talk to them. We'll negotiate more assertively. You know Tips negotiation approach.
- Deepak Ajmera:** Got it. And one more point on the YouTube viewers. I mean other OTT players are charging fees and therefore get impacted. But why the viewership is going down in YouTube? Any specific reason which you can highlight?

- Hari Nair:** Yes, that's mainly due to Shorts. So it keeps on fluctuating. So YouTube Short views keep going up and down. That's very cyclical..
- Moderator:** The next question is from the line of Karan from Keynote Capital.
- Karan:** I have one question, which is what proportion of your content consumption is currently coming from the short format platforms like Reels or shorts? And because they are not fully monetized like other audio OTT platforms, is that impacting revenue growth? Like is the shorts format growing faster than the traditional audio OTT formats for tips?
- Kumar Taurani:** Yes, it's growing very, very well. And we can't actually tell you the total number, but it's really way ahead than normal other songs or views. But this doesn't impact our business.
- Girish Taurani:** It's not impacting the traditional consumption. That's also growing in parallel because somewhere the shorts content is also promoting our long-form content. So that's growing in parallel. So it's not eating away anything, it is helping to reach out to a better number overall.
- Karan:** Okay. But since you are not getting paid on a per view basis, it's not impacting our revenue growth despite it growing really fast.
- Girish Taurani:** So yes, Shorts are done in a lump sum basis. So that remains unaffected regardless of how many views it does. But because the views on Short content is growing, that's helping our long-term content. And from there, we are then generating more revenue.
- So in some ways, it's helping us. And once the model is set out to have this short views in per reel, per creation or per consumption basis, then that will also amplify further. So it's just a matter of that one switchover to happen.
- Karan:** Alright. Understood. Thank you.
- Moderator:** The next question is from the line of Dinesh Kulkarni from Finsight.
- Dinesh Kulkarni:** Yes. Sir, my question is more on capital allocation. See, like our content cost has almost doubled. That's a good sign. But at the same time, we are saying that we will give out a good portion in terms of dividends as well. So how do we see the capital allocation strategy or policy for this year and in the medium term?
- Kumar Taurani:** Yes. Our CFO, Mr. Sushant will tell you. Yes, Susant.
- Sushant Dalmia:** Dinesh, we write off our content cost in the P&L immediately at the time of release. And then whatever the PAT remains, we distribute it in form of dividend. So our allocation towards content is in that range what we have guided between that 25% to 28% of revenue. And post that, we pay the dividends.
- Kumar Taurani:** Last year's revenue.

- Sushant Dalmia:** And I as a policy, what we have formed is whatever is the last year's PAT, we will distribute as dividend in this fiscal year. So, last year, we earned around INR166 crores in PAT. So that will get distributed this year in form of dividends.
- Dinesh Kulkarni:** Okay. So this is not from the current quarter earnings, right? It is predominantly from the last year earnings.
- Sushant Dalmia:** Yes.
- Dinesh Kulkarni:** Okay. That sounds great, sir. But I know it may not be the right metric to ask, but say, like if we are adding almost 100 songs per quarter. And again, at the same time, our content cost is almost increasing.
- How do we see this trend per song? Is there any metric which you follow like, okay, this is my target per song and okay, this much max we can offer per cost? And is there any metric which you look at, any KPI sort of a thing?
- Sushant Dalmia:** So Dinesh, in terms of per song won't be the right metric because film songs and non-film songs costs vary on a high degree. Primarily, we have a fixed budget. Let's say, for this year, we are targeting 25% to 28% of our revenue to be spent on new content. So we go by that budget.
- Dinesh Kulkarni:** And we just try to fit in x number of songs in that, right?
- Sushant Dalmia:** It's more of the quality content we are targeting, not in terms of the number of songs.
- Dinesh Kulkarni:** Thank you and all the best.
- Moderator:** The next question is from the line of Vineet Lambu from HSBC Asset Management.
- Vineeth Lambu:** Sir. I wanted to ask like the slowdown majorly is due to the increased nature of the payment wall on the content by all the platforms? Or is it because of the takedown of imitating accounts which are trying to imitate your content.
- Kumar Taurani:** We can't hear you, Vineet. Sorry,
- Girish Taurani:** Can you please repeat your question?
- Sushant Dalmia:** Moderator, we can move to the next question in the meantime, Vineet will rejoin.
- Moderator:** The next question is from the line of Yashowardhan Agarwal from IIFL Capital Services AMC. Please go ahead.
- Yashowardhan Agarwal:** Congratulations on a good set of numbers. Sir, my question is that currently, we are witnessing that many of the platforms are going behind the paywall today. But since they are going behind the paywall and if a content that gets consumed on that platform, so the realization of that content would significantly be higher as it was earlier. So isn't it true that the gains that we are looking

over there is probably more than compensated than what the volume that we have lost over there?

**Hari Nair:** I think over a period of time, it will happen, what you're saying it is so right now, the paid subscribers are there, but the volume is not so high that it will negate the consumption streams that happened on the free side. So as it's steady, I think what you're seeing will happen over a period of time.

**Yashowardhan Agarwal:** Got it, sir. But sir, at the same time, if I look at the consumer behavior and if I want to consume the content of music and I'm unable to hear it on the platform, which has gone behind the paywall, then I will probably go to some other streaming or the music OTT that I can consume it for the free probably on the YouTube.

So the consumption should happen over there, which would result in significant increase in volume of that particular streaming. So at the end of the day, our content is getting consumed. So growth should come over there. So isn't that happening?

**Hari Nair:** Yes, that is happening already. So if you see Spotify, they do give away free usage to the consumers. And if you suffer any tips content on Spotify, Gaana, anywhere, you will get the content. It's just that some platforms have opened up only paid ecosystem like Gaana moved to a completely paid ecosystem.

You can do a trial for 30 days, but after that, you have to pay. In Spotify, they have free usage for a limited period of time. They try to do new obstructions. But eventually, you are able to search the content, either Spotify or YouTube, Gaana and Amazon, Apple, all platforms, you are able to search the content.

**Yashowardhan Agarwal:** Got it, sir. And sir, do we track the growth in terms of volume that how much of the content is getting consumed in terms of streams of views? So views we disclosed on in the PPT. So in terms of stream, do we track that? And how is the growth over there?

**Hari Nair:** We track that, but we'll not be able to disclose the absolute numbers. But we are seeing a growth in our catalogue consumption across all the audio streaming and video streaming platforms.

**Yashowardhan Agarwal:** Got it. But the growth over there is meaningful. Is that right?

**Hari Nair:** Yes, it is growing and it is steadily growing. It is meaningful.

**Yashowardhan Agarwal:** Got it, sir. And my last question is that earlier, we had disclosed that payback period for the content that we acquire is 5 years. So does that still hold true or due to competition, it has increased?

**Girish Taurani:** Sorry, could you repeat that?

**Yashowardhan Agarwal:** Yes. So sir, my question is on the payback period of the content that we acquire. So is that 5 years or has that increased or decreased?

- Kumar Taurani:** We always say internally, we want our payback should be within 3 years. But people like you, we say please keep it for 4 to 5 years. But there is a big catch here. We write off entire content in the same quarter. So we don't have any burden on our head that after 5 years we have a huge write-off to make. So we don't do that. This policy we are doing from beginning.
- Yashowardhan Agarwal:** Very true, sir. So the reason I was asking that question is that the payback period would be dependent upon the quality of the content that if the quality is good, more people are listening to it and the payback period would be less. So that is why I was asking the question that is there a change in there or not, but you have answered that. That's it from my side. It's the same thing.
- Kumar Taurani:** We want 3 years, but people like you, we are saying 5 years. Please keep that in mind.
- Girish Taurani:** I'd like to just add, yes, that's why we are a little careful about our expenses also because we want to invest in content, which will give us this result. There's no point in investing in content that we don't see a future in. So we are working with the correct makers, trying to work with the correct talents and trying to involve ourselves creatively to get the best and extract the best out of our content acquisition and reward all shareholders basically.
- Moderator:** The next question is from the line of Shreya Garg from Yashwi Securities.
- Shreya Garg:** Thank you for taking my questions. I wanted you to elaborate on the in-house content management team that you had mentioned in your opening remarks. From the operational angle, how will basically the content acquisition process going to be different than what was being done earlier also? Can we expect a hike in the employee cost as a result of this additional team?
- Hari Nair:** Yes. So content acquisition is completely different. This is content operations. The way we used to work earlier. Now it is completely automated on a system called Pulse, which is in-house developed by our teams. And we have a capability increase that we can deliver content using our own DDEX suites to players like a TikTok or Spotify or YouTube in the future. So it's like going direct instead of going via others.
- Shreya Garg:** All right. So like this team is an addition to your current employee base. So will we see an addition in the employee cost?
- Hari Nair:** No. Actually, the team is in-house only. There's no addition in the employees. The existing teams are only helping to build this. We also have an analytics layer on top of this operations that helps us in our business management.
- Shreya Garg:** Thank you and all the best.
- Moderator:** Thank you. Thank you, ma'am. That was the last question for today. On behalf of Tips Music Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
- Kumar Taurani:** Thank you.



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*July 30, 2025*

**Girish Taurani:**

Thank you.

**Moderator:**

Thank you sir.