



Tower # 1 94/1 C & 94/2,
Symbiosis - CGI Road,
Electronic City Phase-1,
Bangalore - 560100, India

P: +91 80 4009 6000
www.onmobile.com

Q4 FY2019 Investor's Conference Call May 27, 2019

SPEAKERS: Mr. François-Charles, Chairman and CEO;
Mr. Ignacio Martin Velasco; President and Chief Operating Officer (Europe, North America & Latin America);
Mr. Ganesh Murthy, Chief Financial Officer.

Moderator:

Very good afternoon ladies and gentlemen. I'm Sourodip, your moderator of this call. Thank you for standing by and welcome to OnMobile Q4 FY19 investor's conference call. For the duration of presentation, all participant's lines will be in listen-only mode and there will be an introduction to the results followed by a Q&A session. Joining us today on the call are Mr. F.C. Chairman and CEO, Mr. Ignacio Martin Velasco and Mr. Ganesh Murthy from the management team. And before we begin 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 a list of such considerations please refer to the earnings presentation. OnMobile Global undertakes no obligation to publicly revise any forward looking statement to reflect the future, likely events or circumstances, and please be advised this conference is being recorded today. I would now like to hand over the conference to Mr. F.C. Thank you and over to you sir.

Mr. Francois-Charles:

Thank you. Thanks, everybody, for joining this call. Before we jump into the Q4 results, let me start by mentioning a very important project. We have decided to embark on a transformation journey to transform the organization and see how we can leverage on assets that maybe underutilized and really make an organization that is more agile, more entrepreneurial, more cost effective, more efficient and more dynamic. So we are going through that journey. And we have decided that it's a very important transformation, so we will do some changes on the management team. Ignacio will take over as Chief Transformation Officer, and Sanjay will become President and COO of the entire company. So we really believe that this can bring a lot of changes in the organization, and that's why we want to start with doing this right at the beginning of this year. So that's the first point. The second point on the quarter, Q4 has always been a weak quarter for us, with a lower number of days in the quarter and lower marketing investment from telcos in the first month of the calendar year. However, we signed a lot of contracts. Now just to tell you that the total contract value that was signed is in excess of \$37 million. Many of these new deals are in mobile games where we plan to leverage the Appland platform. And so that's the first thing. Also on Appland growth, we have actually signed 9 new subscription clubs this quarter that are going live. We will also launch games in India, in Latam and Africa. Another key highlight for this quarter is the launch of the new project for kids in Vodafone Spain. So that was launched successfully. And in the Latam region, we have won also deals in Mexico for kids and other management services. So in Tones, we are seeing an increase in the ARPU driven mainly by higher RBT app installs for two leading operators. So we are gaining more digital subscribers. We have nicer, better ARPU, more engagement, so we are seeing the results

on that side. We also closed out on RBT contract in a major operator in the Middle East. We should be expecting to grow RBT revenues in that region in the coming quarters. We are also seeing further expansion in contest revenues. Contest is really picking up in many regions, with new contract getting signed with a large OEM also in India. So overall, there was a tremendous traction this quarter and closure of 24 new deals. All these are expected to generate new revenues in the coming year. So with this update, I now ask Ganesh, CFO, to take over for the financials.

Ganesh Murthy:

Thank you, FC. Coming to the financials, in the current quarter our revenue clocked INR 143 crores as against INR 152 crores last quarter. This decline was mainly due to the lower number of days in the quarter and also certain challenges that we faced in Middle East and Africa due to government regulations which adversely impacted our customer acquisition; and finally, in Europe, where we had reduced marketing support from the operators. Our new area of focus, that is Games, is seeing good traction in Europe with upcoming launches in India, Latam and Africa. Our contest revenue also grew by 6.6% in the current quarter since we have now digitized the contest platform and we have expanded the offering to operators in the Middle East. This quarter, we witnessed a quarterly EBITDA growth of 23% and an operating profit growth of 191%. And this is despite a quarter-on-quarter revenue decline of 6%. This was accomplished through Opex optimization and resource rationalization measures. We also achieved our highest-ever earnings per share of INR 1.79 over the last 5 years. We generated cash from operations of INR 91 million or INR 9.1 crores in the quarter as against a negative figure in the previous quarter. Our cash reserves have grown by INR 51 million over the quarter. And at the end of the year, we have a total cash balance of INR 272 crores. Last year, the Board announced a dividend policy for the company which is 75% payout or 15% dividend per share, whichever is higher. In line with this policy, the Board has recommended a dividend of 15% per share, which is subject to approval by the shareholders. Now with this, I would like to hand over the call back to the moderator and invite any questions. Moderator, over to you, please.

Moderator:

Thank you very much sir. So ladies and gentlemen, should you wish to ask any questions you may press zero one on your telephone keypad. I repeat, participants should you wish to ask any questions please press zero one on your telephone keypad. So we have the first question from Mr. Babulal Chaudhary. Please go ahead, your line is unmuted. We request you to kindly state your complete name. Thank you very much.

- Mr. Babulal Chaudhary:** Yes, this is Babulal Chaudhary. So I'm an individual investor. Actually I'm an investor for OnMobile Global from like the past five years, but frankly speaking I'm not getting any kind of return but still I am having a good faith in all the management. So any clue on revenue increment or buyback or anything like that?
- Mr. Ganesh Murthy:** F.C. will you take that question, on the revenue and buyback?
- Mr. Babulal Chaudhary:** Yeah, because I'm an investor. Basically I'm an investor from the past five years so I haven't seen any return from OnMobile from past five years. So you know, actually as an investor we are looking for return right? But haven't seen any returns from OnMobile Global from past five years.
- Mr. Francois-Charles:** Yes, thanks. I share the same sentiment. OnMobile 5 years ago was INR 200 and now it's trading at INR 40. So I share your sentiments here. Now 2 things around the revenues. We really signed a lot of contracts. And as you can see this year, \$37 million as the contracts signed for the year. Actually, in the last 5 years, we had not signed that many contracts. So the key is to make sure that we can operationalize all this. And, I want to touch back on the transformation journey, making the organization to be way more agile. And we have to be more flexible and grow more also and change the cost structure at the same time. So my vision on return should be that we should have a better return in the coming year for sure. On your question on buyback, we have done buyback in the past, and we will in the future. We are just waiting for the right timing. Now the year's closed, so it's something that we might consider in the coming quarters.
- Mr. Babulal Chaudhary:** Yeah, thank you. I am hopeful for that. Let's see.
- Mr. Francois-Charles:** Thank you.
- Moderator:** Thank you very much. Participants, I would like to repeat should you wish to ask any questions please press zero one on your telephone keypad. I repeat, to ask a question you need to press zero one on your telephone keypad. We have the next question from Mr. Lucky. He is an individual investor. Please go ahead, your line is un-muted.
- Mr. Lucky:** Hello guys. I see there's something known as Goodwill and there's some income tax 120 crores. Can someone explain to me what is that?
- Mr. Ganesh Murthy:** Goodwill that is there as an asset is as a result of the acquisition of Appland. If you recollect we acquired a company called Appland that's based in Sweden and it is a pioneer in the mobile games

platform. So when we acquired the company the difference between the acquisition price including the earn out and the tangible assets is represented as good will.

Mr. Lucky:

Oh. Have you got this valued from any company? Because how do you get that value?

Mr. Ganesh Murthy:

We have to, as per the accounting standards, get it valued and there is a purchase price allocation. We got it valued by Grant Thornton, one of the big accounting firms and audit firms in the world. We got it valued by them and their valuation has been reviewed by KPMG, who are our statutory auditors.

Mr. Lucky:

I have this question around your return on equity, so Vodafone CEO has linked all the performance of its board based on return on equity and frankly OnMobile, forget industry standards, your return on equity would mean something. So Vodafone will reward its top-level C employees based on the return on equity but frankly as an investor we are -- I'm really sad to say this but I don't see any basic metrics being followed or your business model being robust enough for you to, because you people haven't been in an investment post for the last seven years and obviously your strategy has not worked. And there is no ownership, no board changes, no President level changes which have been made. So can you just give us a guidance on your return on equity going forward?

Mr. Ganesh Murthy:

F.C. would you take it up please?

Mr. Francois-Charles:

Yes. I mean when I look at changes just on the fact that you're right, OnMobile was founded on supporting entrepreneurs and developing services. As we said, we will be focused on mobile entrepreneurs and mobile operators. And honestly, on an average in the last 2 years, it's been very bad as a strategy in terms of the switch, especially these are the switch from operator wallets going down. We need to be really more aggressive. And the B2C, as we mentioned it very often, we need to launch B2C services. Especially when we talk about gaming and contests, if we see what's happening in gaming market in B2C, it's really moving. And we'll have to go in that direction. Now keeping in mind that doing a move like this is really a bit more -- a lot more investment on marketing, whereas on the deal with operators, we obviously benefit from their marketing power. So that's one of the mix shifts. And maybe there are other ways to leverage our current assets that are really undervalued and really do something that will value us faster and grow our revenue faster. So that's exactly the plan that we're working on right now with Ignacio and actually to make sure that we change that mix and show higher return on equity because I don't want to embark on

another 5-year journey. For me, we can do these moves within the next 12 to 18 months, and that's the key, especially with the contracts that we signed too. So we signed a lot of contracts. But again, most of the contracts that we signed are still with mobile operators. So we have to merge our view on the potential revenues here and make sure that we leverage the same assets for bigger revenues on it.

Mr. Lucky:

There are 2 ways I look into your thing, okay? So you are having short-term contracts. For 3 years, we have a contract. First, we are trying to acquire your customer. And then the mobile company, the retaining company, after 3 years, they negotiate when they bring down their price. So ideally, your deal should minimum be 6 to 7 years with the mobile operators, with the kind of working model you have, right, because you are taking all the risks. And if you are succeeding, out of 10, you are succeeding in 2, then the operator comes to you, and they reduce their costs. So basically, your business model and sales is not very robust because you take all the risk. You take 1 year to capitalize. And then after 3 years, there's a price revision. Basically, you're not making the kill. It's like in healthcare industry, right? You don't have a paycheck. So you are investing lot of dollars but not getting a return. The second thing is, really, the Street is really disappointed with the kind of management transparency. It's not about performance, it's about honesty, right? So yeah investors will always support you if there's a very honest and transparent feedback and where the management goes to the drawing board. And transparency tells people that we have done this wrong. And they change the people, right? Somehow, this company has been investing in a working model which on paper can be justified but not scalable. And there's no reason to understand why I don't see a business model in terms of you're not even able to justify what is your return on equity. So I don't know what is this company really based on. And a lot of smaller companies or IT companies are growing at breakneck speed, which are 10x or 50x your size. So I really don't know whether you people are ready to take any underperformance or you have any criteria or why the Board is being supported, and they have not been asked to leave the company.

Mr. Francois-Charles:

Yes. Again, I just want what's we can justify. One thing I can tell you though, we have been really focused in the last 2 years in signing contracts, and we did sign a lot of contracts. So only this year, we have INR 9 million to INR 10 million Q-by-Q that are signed to come in the next quarters which are from new contracts. So really, I think this should show a lot of growth. But to be fair, we have been having a lot of headwind. In some cases, regulations in Middle East & Africa and in some other cases, just the Tones business is shifting from a

traditional subscription model to a bundled model which had a big impact on our business and revenue. So I think that all these shifts that have happened we would have done differently. Now we cannot change the past. We can only change the future. And back on transparency, I'm more than open to be transparent. So in the coming quarters with the transformation plan, I think we will highlight very key metrics and highlight way more on the goal and be more transparent to shareholders. So I take your point seriously. Last investor call, we discussed a lot about gaming and the fact that we are investing in gaming we were to be able to show the KPIs in gaming. Right now, in gaming, if you look at it, we have like 3 types of gaming revenues which makes the brand. We have the traditional gaming. We have the subscriptions club that we really want to push, and that is why we have been signing with those clubs. Lastly, we have license revenues, which is the IP. The acquisition that we did with Appland in fact that we got great IP. And a lot of people want it, so we can actually sell the products under license also. And as you know, license revenues are more one shot versus subscription which continues month on month. So it's my view that in the coming quarters, we will be able to highlight here implication of KPIs on the gaming front. And if you'd also look, I agree with you that there are many opportunities the company were not capitalizing on enough and that, in some cases, our model is a bit more tighter. So we need to make sure that we invest in the right place and that we show the return on equity.

Mr. Lucky:

So I think F.C. you have the biggest dollar share in this whole thing right, so my only suggestion to you is you should have digital scientists in your team okay. Now all your sales people are outdated, you don't have a technical guy, data scientist or someone who can really understand your business right. You are having a legacy, twenty year old people front-ending your sales team. On paper your business model is not robust, your cash flows are not robust. I don't know how your cost structure is broken up because you are deploying so many models right. Obviously you are making money somewhere, your India balance sheet and your global balance sheets show a lot of disparity in terms of how your revenues are. What I am saying is why do you need to work with an operator if you are not making money, and you have invested with operators for the last seven years. For eg, Telefonica, I can name an X number of operators but if you are not profitable after seven years I don't know what is the reason to be in a relationship with them. And frankly there is more than what we can see right? So there are some other vested interests which we investors can't see because this business model, you can get any consulting firm on board, nobody can justify this business model. And with no changes, promotion being done, Presidents being promoted for the last three years and top line and

bottom line declining and no changes being made, and there are two acquisitions. Livewire you acquired for 100 Crores, you just have a 1% revenue on North America. Your B2C business failed. So I don't know why the board is not ready to take the tough decisions. The board remains the same, I don't know. Really F.C. you have so much of money at stake and I know that you are a billionaire but unfortunately we people, we don't have so much of money so it would be really helpful if you could really take this up in a more serious way.

Mr. Francois-Charles:

Well, it's the last thing I want is to sit on this. We spend a lot of time, let's say, on the more mature leads. Very important to make it a success. As many of our business, the issue we have, and you're right, is that when I look at it globally the indicator seems to not give the right indications. Now to really explain this, we have to break the problem in many regions. And I can tell you a lot of operators that we are dealing with were making very good money. Unfortunately, you only blend other investments that sometimes are not quite successful. Some investing for the future. In some regions, sometimes, we are losing money where we should not. But we're having struggles for many reasons. When you mix all this, you look at the picture, you say, well, you know. But if I break down the problem in 5 different regions, now that they're all quite different actually. And it's not the same problem, with the same opportunity, neither the same services that we make for each operator in each of these 5 regions. So that's a big challenge that we are facing with. And putting on top of it, we've been discussing about going B2C for many years now. As you know, the challenge is we need to have the right product to go B2C. I know the last thing I want is to put marketing dollars in something that will go nowhere. So I'm not a fan of losing money. If you look in this quarter, actually, in Europe, as you can see, the revenues were a bit down. We could have spent more marketing dollars and making the revenues. The issue is that the marketing dollars were costing more than the actual EBITDA generation. So the last thing I want is to show nice revenues only and just as we are losing more money in the back end. So we really focus on EBITDA this quarter rather than focus on revenues for the European region. So but yes, if we look at it as a whole, we are making greater money in Europe. So again, we see decline, but it's a very successful account, region and but overall, if I look at it on a combined basis, for me, I'm not satisfied at all. And that's why we're doing this big transformation. And I'm really not a fan of traditional consulting and having a nice report sitting there. And so my view is really to transform this organization in the coming quarters.

Mr. Lucky:

So there is a suggestion. There are a lot of application management deals that gamification has been used okay? So I don't know whether

you people are thinking out of the box which means lot of the application service deals which a lot of vendors like ServiceNow are doing. There is a huge opportunity to gamify all of this and you can make incremental revenue there but I think your sales staff can just be blinded towards the legacy product that has been sitting for twenty years right. Frankly your sales staff is very disappointing and you should make, at least their 75% pay should be based on the ESOP and the performance of the stock right. Because I really see them making merry out of your money because I don't think that they have enough ideas to put on the table, forget them performing in the market. So there are twenty avenues for OnMobile, I can give you on paper, which you could partner with like AMS, ServiceNow and other vendors where gamification is becoming big, you have a hold on this. I don't know why you are not promoting your CTO which is your gaming head – Appland CEO or whoever you have acquired. These are the right people who you need to promote versus having some jokers on your board who are not able to contribute in any meaningful way.

Mr. Francois-Charles:

That's a good suggestion. I will keep in mind the Appland acquisition, and we have an earn-out on it. So right now Appland is really focused on delivering subscription revenue. So, I mean, yes, that's something we could do, promote our CTO from Appland to something bigger. But for now they're really focused on, as we have said, delivering what they promised on the Appland app service.

Mr. Lucky:

Yes. But Tones is dying down, right? And you need to have a sales force who can sell the double-digit sales for you, right? You don't need salespeople who are selling deals which are negative margins. I don't know how are they going to pay their salary if they're not able to meet any of the KPI. Best of luck, FC. I just hope I really trust a lot in you and your management. You have a lot of data with you. You are not mining your data. You need to get a good data scientist, a team of data scientists. And I know your Telesystem has a lot of companies which do data science work, right? I'm not sure where things are going wrong. I will really request you, FC, if you could focus on this company. We can have tremendous growth. I really trust your leadership, but you really need to take down strong call for the company.

Mr. Francois-Charles:

Thank you. I really appreciate your feedback.

Mr. Lucky:

Best of luck.

Moderator:

Thank you very much. We have the next question from Mr. Rajeev Gupta. Please go ahead, your line is unmuted.

- Mr. Rajeev Gupta:** Yes, my name is Rajeev Gupta. I am an investor in your company. You just guided for the gaming revenue of 500 Crores in next 3-5 years. Do you stick with your guidance? And because there is a blip in the fourth quarter, there is a downfall in the fourth quarter of your revenues from gaming to 17.9 Crores. So can you specify on that please?
- Mr. Ganesh Murthy:** Yeah, I'd like to answer that. We continue to remain focused on that. The slight dip in the current quarter is because of the lower marketing spend that we as well as the Telcos made a conscious attempt, a conscious decision to reduce the marketing spend in this quarter and also because of the lower number of days. Many of our revenue streams are based on a subscription model which is on a daily, weekly and so on. So historically we have seen lower revenues because of that. So because of these two reasons there has been a slight dip, but I would say the total games revenue is roughly around 19-20 Crores run rate per quarter. That means about 80 Crores a year. So it is growing quite well. We have looked at a lot of growth, a lot of new deals that have been signed up. We do expect a significant growth and I don't think we should have growing up to say 300 Crores over the next 3-5 years is a challenge.
- Mr. Rajeev Gupta:** So you stick with that guidance?
- Mr. Ganesh Murthy:** Yes.
- Mr. Rajeev Gupta:** Thank you.
- Moderator:** Thank you very much. The next question is from Mr. Kamal who is an individual investor. Please go ahead, your line is unmuted.
- Mr. Kamal:** Hi, good afternoon and I have the query which is related to, number one I believe that Reserves and Surplus accounts were roughly around Rs.67 per share and yet in this month you've encumbered and pledged 5% equity of the company to raise funds. So could you let us know what is the objective of raising these additional funds by pledging the equity of the company with JM Financials when the book value of the shares are positive, roughly around 67 plus Rupees?
- Mr. Ganesh Murthy:** Okay, so let me confirm that. We have not pledged any shares. The pledge of OnMobile shares with JM Financials is something done by some shareholder, we are not aware of that. We just received intimation from JM Financials on Friday, last Friday that they have acquired 5% of our shares through an encumbrance but I want to confirm that we are debt free as a company and we as a company have not pledged any shares.

Mr. Kamal: So then that gives rise to a bigger question because your publicly released shareholding report for 31st March, 2019 does not disclose any shareholder on the individual or the institutional side who has 5% equity in the company. So then either your shareholding reports declared to the exchangers is incorrect or this is something which needs to be looked into and investigated. Second part of the question is, if this is not OnMobile, the company listed in India is this 5% pledged by your parent company which holds stakes in the company listed in India. Can you please answer these two questions appropriately?

Mr. Ganesh Murthy: Yeah, let me answer the second question first. The second question was is the pledge of shares related to our holding company which is OnMobile Systems Inc. So I can confirm that even OnMobile Systems Inc. has not pledged any shares of OnMobile either on 31st March or between 31st March till now as on today. I can confirm that categorically to you. Regarding the first question let me ask our Company Secretary to comment.

Mr. P V Varaprasad: The shareholding pattern that the Company has disclosed to the stock exchange as of March 31st, 2019 is correct as on that date because the Company has not received any details of the encumbrance by then. The encumbrance information has come to the Company only on the last weekend, that is Friday, 24th of this month. JM Financials has acquired about 4.8% through encumbrances. JM Financial Services is a stock broking company and they mentioned in their disclosure that the shares are held as a margin received from some of their clients.

Mr. Kamal: Not from some of their clients, from one of their clients. So the bigger question here is that as per the SEBI and the listing laws if the shareholding of any individual or institution investor crosses 0.5% you are supposed to make a declaration to the exchanges saying that you know person has acquired shares holding beyond 0.5% and in this case JM Financials has straight of the bat acquired 4.9% currently on May 20th and they also had some holdings prior to that which got them above to levels of 5% if I'm not mistaken. So this is like a big surprise that the Company has not chosen to even declare to the exchanges who is this person who has acquired from the duration of 1st April, 2019 to May 20th and they have gone ahead and pledged it. And it seems that you are not even concerned to find out because there should have been some release made to the exchanges if it is not yours.

Mr. P V Varaprasad: No, the responsibility of making the disclosure is on the shareholder who has touched the 5% shareholding. So they have done that on

May 20th so they have made the disclosure within the statutory time lines to the stock exchanges and they have informed the Company also simultaneously.

Mr. Kamal:

You're telling me that OnMobile as an organization is least bothered about somebody acquiring close to 5% and technically just being under the threshold.

Mr. Ganesh Murthy:

Let me confirm that. We monitor the share purchase and the shares sold of OnMobile every week and there are people who buy the shares but during the particular week or the particular month no one has crossed 5% shareholding. If there was a 5% shareholding we would have disclosed it to the exchange as per required terms. There has been no 5% purchase or sale over the last few months and right now we received on Friday, as I said we received an intimation from JM Financials that they have crossed 5% shareholding.

Mr. Kamal:

So let me repeat and reiterate, I think you must have missed this point. The exchanges require that when somebody crosses 0.5% shareholding they need to inform. So if somebody has smartly kept this threshold below 5% which is definitely more than 0.5% you should be informing the other shareholders also right? What prevents OnMobile in the part of their good governance and good intent demonstration to be able to highlight this fact with the revised shareholding during the middle of the quarter? That in fact would be a big positive for you in the eyes of the investors who are anyway reeling from a blow after blow for the past seven years on a downward revenue trend. And then there seems to be like an enigma which the tone tells me or rather I would take as my takeaway is that you are not interested in even following up, finding out who the hell this post 1st April, 2019 has purchased 4.97%, kept it right below the threshold and then went ahead and pledged it. I mean if somebody got 5% in the company that I run. I would be damn interested in finding out who this person is who smartly kept his threshold just below 4.97% and if I am strong on my governance I would definitely share that information because this is of material impact to the others. Why would you not want to follow that?

Mr. P V Varaprasad:

Let me answer. The exchange of shareholdings of JM Financial Services happened between 17th of May to the 24th of May and we came to know last weekend and we are trying to reach out to them to understand what are the details of the encumbrance. And moreover JM has made the disclosure and which is available on the stock exchange website. So the information is already there. There is no obligation on the company to duplicate the disclosure as per the SEBI regulations. And you mentioned that the requirement is 0.5% which is not correct as per regulation 29 of the takeover

regulations. It is only the shareholding cut of 5%. The shareholder has to make the disclosure to the company and the stock exchanges. Once that 5% crosses any change over and above that 5% if it is minus or plus 2%, again they have to make the disclosure. So this is the first that has happened between the 17th May and 24th May and the disclosure is already in place in the stock exchanges.

Mr. Kamal: The disclosure from JM Financials has been made to the stock exchanges on the 20th of May, number one. Number two, on behalf of your good governance intent, somebody just very smartly acquired and encumbered it and pledged it to JM Financials and you are telling me that you are not interested in finding out. Because somebody just told me.

Mr. P V Varaprasad: We are interested; we are in the process of finding out.

Mr. Ganesh Murthy: We became aware of it only last week. There was no purchase crossing the 5% threshold over the last few months. So we are in the process of ascertaining that information.

Mr. Kamal: So can we count on you to put out a press release to the exchanges once you have figured out who is this person or company or individual or the organization that has done this?

Mr. Ganesh Murthy: We will do as per the legal requirements; we will consult our legal counsel and act appropriately.

Mr. Kamal: So what about the good intent on demonstrated behavior on good corporate governance? That is something that would be legality right? To check with on the legal counsel.

Mr. Ganesh Murthy: I'm not saying we will sacrifice anything. I'm saying we will consider and we will act accordingly.

Mr. Kamal: Your answer is extremely to the point saying I will discuss with my legal team and if the requirement is to disclose we will follow it.

Mr. Ganesh Murthy: I didn't say that. I said we will consult our legal counsel because at the same time we don't want to do anything which is in violation of the statute okay?

Mr. P V Varaprasad: The thing is JM Financial Services has no obligation to disclose their client's name so we have to request them. If they provide the details we will be able to know otherwise you have to make some assumptions with the available data and we can't make any disclosure based on an assumption unless JM Financial Services confirms that who is their client that they have encumbered.

Mr. Kamal: So your requirement of making an assumption is invalid because you have something called an RTA. Either Karvy or some institution like that who deals with share registered transfer. If you know who has crossed even 0.5% you have a listing requirement which says that you need to put up every name of every individual or company or institution that has crossed 1% shareholding. In this case it is just one entity.

Mr. P V Varaprasad: Exactly, we know that. We have come to know the information who has crossed 1%, who has crossed 5% but we will not understand the underlying transaction, who is the person who has encumbered those shares. That RTA will also get the data on a weekly basis from National NSDL and CDSL and that is a beneficiary position. That will not give the details of the actual transfers; who is the seller, who is the buyer. We can just analyze the data and make out who are the major buyers and who are the major sellers but not the details of one particular transaction from whom the shares have been moved to the other person. That is very difficult to make out. We can make some assumptions but we cannot make disclosures based on assumptions.

Mr. Kamal: Sure. As a concluding point I would just like to reiterate that any company that is worth its salt would definitely have alarmed us bringing on such an activity taking place. But here I find that I don't even see the kind of intent or interest. Anyway, I will leave it to you.

Mr. P V Varaprasad: Intent is there and we have been trying to reach out to JM Financial Services from the morning to figure out those details and once they confirm we can comment on that. Before that we cannot comment on who is the client who has actually done the encumbrance.

Mr. Kamal: Anyway, I mean there has been disappointment after disappointment for the past seven years despite having multiple buybacks etc., etc. So I hope that you don't disappoint any further because you know sometimes it is extremely, extremely nerve wracking to be able to listen to the same monotonous commentary by the learned people on your board as well as the management saying that and this is I am speaking less but consider it more perhaps on behalf of most of your shareholders, facing what we are facing at your hands in terms of performance in the last seven years. Number two, given whatever is going on in terms of and this is, I am changing the track because I'm changing my question now. So this is considered with pressure. Hopefully, this will be taken up by somebody more relevant in terms of the knowledge of the areas that I'm asking in. So if I have to put a simple question as follows, you know it's been seven years seeing downfall in revenue for quarter

after quarter. We have been seeing challenges on forex, etc. If you would put a point and say at this point our revenue would start increasing, whether it is from games or videos or content or tones or contests or other areas; I don't know which area would emerge as the victorious arena but I would put my money more on gaming because that seems to be something going ahead of the market, it seems. So if somebody has to take accountability and tell me at this point of time in this quarter in this year the revenue will start moving up, what would your one word answer be?

Mr. Francois-Charles: You probably won't like my answer, but I want to say to you quarter 4.

Mr. Kamal: Can you please speak into the phone properly because your voice is more of a murmur and I would like to pay attention to you, hopefully you will give me that opportunity.

Mr. Francois-Charles: So can you hear me right, yeah?

Mr. Kamal: No, it's not good. Can you please make a little more effort?

Mr. Francois-Charles: So let me try to speak louder here, but my answer would have been Q4 of this year, now as you can see, for many reasons, it went down. Now with all the contracts that we signed are, normally it would require another 2 quarters to start showing growth.

Mr. Kamal: So you are saying that in three quarters from today, so basically you are saying Q4 FY-20 you will show an uptake on revenue? Is my understanding correct?

Mr. Francois-Charles: We have to, I mean I was expecting this year. I was expecting this Q4 but as you can see for many reasons now it's down but from my point of view yes, there is no reason why we should not increase the revenues in the coming Q4.

Mr. Kamal: I'm assuming that this is Francois answering the question. So I don't really want to get into all that but if I were in your shoes and I'm speaking re-nomination of my chairmanship and being at the helm of the company at the end of five years, I would be very concerned about my performance. I don't know how much of this keeps you up at night but.

Mr. Francois-Charles: I'm more than concerned about my performance.

Mr. Kamal: No, I think you are like I said perhaps our DNA is very different because if I was concerned I would definitely make some very hard changes in a lot of things because five years is a pretty long time to

be at the helm. Right, so I'm going to take this with a pinch of salt saying that once again we've been given a date Q4 FY-20. Is that fair?

Mr. Francois-Charles:

Yeah, that's fair.

Mr. Kamal:

Alright, congratulations then. Basically you own the majority of the company so I guess Papa would approve your re-nomination as the Chairman and the investors pretty much are a minority. We don't really have a lot of say. So I guess we will talk again in the next year, hopefully things would have turned around better.

Mr. Francois-Charles:

I bet they will. Yes.

Mr. Kamal:

Alright, thank you so much for answering and taking the questions.

Moderator:

Thank you very much. Ladies and gentlemen, this is the final reminder. Should you wish to ask any more questions please press zero one on your telephone keypad. Sir, this time there are no further questions so I would like to turn it back to the management for any final or closing comments.

Mr. Francois-Charles:

I would just want to thank you all for being on the call. And I just want to let you know our seriousness about the transformation in the organization. And that's why we named Ignacio to take charge of this, and I'll be more than involved in this transformation. And I'm hearing various comments here in this area but my comments are that we should expect more in the coming quarters. So thank you very much.

Moderator:

Thank you very much. I would like to thank the management and investors who joined us today. Hope you all spent a useful time. That does conclude this session. Wish you all a great day ahead. You may all disconnect your lines now. Thank you very much.