



DB Corp Ltd

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Q3FY22 Earnings Conference Call Transcript

January 28, 2022

Moderator: Ladies and gentlemen, good day and welcome to DB Corp Limited Q3 & Nine months FY2022 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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Amritha Pujari. Thank you and over to you Madam.

Amrita Pujari: Thank you and good evening to everyone. We welcome you to the DB Corp Limited Q3 and nine months FY2022 post earnings conference call. We have with us today senior management team of DB Corp Limited, Mr. Pawan Agarwal, Deputy Managing Director, Mr. Girish Agarwal, non-executive Director, Mr. P G Mishra Group CFO, Mr. Mushtaq Ali, Vice President, Mr. Lalit Jain, CGM and Mr. Prasoon Kumar Pandey, Head Investor and Media Relations who will represent DB Corp Limited on the call.

We will be sharing the key operating and financial highlights for the quarter and nine months ended December 31, 2021, followed by question-and-answer session. Before we begin, we would like to state that some of the statements made in today's discussion may be forward looking in nature and may involve risks and uncertainty. Documents relating to the company's financial performance have already been e-mailed to you and are available on the website of the stock exchanges and the company's investors section. We trust you have been able to go through the same. I now invite Mr. Pawan Agarwal to share his outlook on DB Corp performance for the quarter. Thank you and over to you Sir!

Pawan Agarwal: Thank you Amrita and good evening to everyone and thank you for joining the Q3 FY2022 DB Corp earnings conference call. Hope you and your family are healthy and keeping safe in the current situation. We will begin the call today by highlighting the key financial performance for the quarter ended December 31, 2021, followed by operational updates during the quarter.

The first two quarters of the fiscal was seen as a precursor to the economy's journey to normalcy after a difficult FY2021. Although the second wave made a significant impact on economic activity partly affecting first half of current financial year, it was short-lived and by the time the third quarter began it already began witnessing signs of significant uptick. Third quarter which

had significant Indian festivals saw a strong rebound of activities especially in the non-metro cities, tier 2, tier 3 towns and this was witnessed by the return of new and traditional advertisers in a very big way as they looked up to tap the pent-up demand everywhere. Consolidated advertising revenues grew by almost 8% at Rs.3951 million in Q3 FY2022 as against Rs.3667 million in the previous year and our circulation revenues stood at Rs.1141 million higher by 6% on Y-o-Y basis and the total revenues came in at Rs.5495 million higher by 11% on Y-o-Y basis and as a result, the operating profit stood at Rs.1459 million, which was helped by the continuing benefits of our overall cost control measures, which was slightly offset by higher newsprint prices, although we believe that these prices should settle back to normal in the next few quarters. Our consolidated PAT stood at Rs.865 million in Q3 FY2022.

Moving to our digital business, over the past few quarters we had commenced implementing a strong and focused strategy of investment which continues to show strong growth on a sustainable basis. We focus on creating best-in-class ad-free user experience on our digital applications as well as websites while maintaining high quality insightful content. Our reader-centric focus continues in the digital sphere as well and we have done this recognizing the importance of having a very strong presence in the digital space to ensure that our readers continue to engage with us across mediums and we are very happy to report that these efforts have yielded great results. In a short span of time, Dainik Bhaskar app monthly users have increased to around 14 million in November 2021 when compared to just 2 million in January 2020. What is significant in these results is that we have been consistently demonstrating remarkable growth in our active user base. We also crossed the important milestone of achieving a million mark in daily average e-newspaper downloads. Of this, over 850000 downloads are for Dainik Bhaskar Hindi and 150,000 for Divya Bhaskar Gujarati making the Dainik Bhaskar group a dominant number one Hindi and Gujarati news app player while continuing to be on course to further increasing the user base and extending the lead. The efforts of our digital team are overseen by an advisory board and that has recently taken onboard Mr. Mark Thompson, ex-CEO of the New York Times who has spearheaded New York Times digital transformation over the last decade. Apart from this, we have also focused on onboarding experienced talent from the industry and our strong technology team has a consumer product and tech background and has been drawn from India's best consumer tech companies. We are positive that the team will continue to expand Dainik Bhaskar's digital journey this year as well.

Coming to the radio division, in the nine months of FY2022 our market share from MY FM has increased. Volume growth gained momentum across sectors such as lifestyle, real estate, banking, state government and FMCG for the quarter. For the Q3 FY2022 the revenue from the radio division came in at Rs.376 million higher by 29% on a Y-o-Y basis.

With this I would now request Mr. Girish Agarwal to update us on the operation. Over to you.

Girish Agarwal:

Thank you Pawan and good evening, everybody and I hope that in this current wave everybody continues to remain safe and healthy. The quarter gone by has seen a strong return of both the

Indian consumer to the market and for us the advertisers also. This festival season, especially tier 2 and tier 3 cities have seen a remarkable resurgence of demand and this was visible on the ground. In fact, our advertising revenues are a testament to this fact. Our well-calibrated circulation strategy has enabled us to not only increase our circulation to bring it to the levels of immediate pre-COVID but have also been able to do so along with the cover price increase in select market which is being rolled out on a select city basis. We still see headroom for possibility of yield increase in our newspapers cover price and will continue to review and execute the same in the coming months and year. We are confident that our leadership position in the markets that we operate in will only enhance in the future.

On the advertising front undoubtedly, the festival season has been very good. We are also beginning to witness newer sectors looking for geo-controlled ad campaigns and new age players looking to tap the non-metro markets all coming to us, given our wide reach and strong editorial integrity that resonate with our readers. This has helped us in delivering growth on these numbers. There is a paradigm shift happening in the way advertiser are looking at Indian language newspapers in tier 2 and 3 cities.

On our financial performance and cost optimization, if you recollect during our last interaction, we appraised you that we continue to focus on sustainable cost optimization and therefore we will see resultant improvement in our margins. During the last financial year, we have saved around Rs.195 Crores in these operating costs and we had indicated to you that around 40% to 50% of these savings are sustainable. We remain committed to this cost optimization and are happy to report that in the nine months ended December 31, 2021, we exceeded our targets of 50% of this achievement and we were able to take this saving up to almost 65%-70% of FY2021 cost saving. Resultantly, the print business EBITDA in Q3 of FY2022 came in at around Rs.1590 million with an EBITDA margin of 31%. Also, important I want to announce that our current pledge of shares from the promoter side is now come down to around 4% with a loan outstanding of only Rs.25 Crores and we are working towards clearing the same in next few months' time as we already communicated with you.

That is all from our side and my colleagues and I would be happy to respond to your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Himanshu Upadhyaya from O3 Capital. Please go ahead.

Himanshu Upadhyaya: Congratulations on good set of numbers, they are really heartwarming numbers. With 92% circulation coming back and even the ad revenue is coming back, it is a very good and a pleasant surprise so really appreciate the amount of work which has gone in the business. My first question was we had investment properties in advertisements of Rs.94 Crores in March 2021 what is it currently, secondly with revival of real estate, can we expect this to reduce to below Rs.50 Crores and finally our builders having the strength to pay more in cheque than in area for

sales for means we are seeing revival in real estate and we have also spoken so hence this is one question so if you can elaborate on these three it will be helpful?

Girish Agarwal: On the real estate barter side, as you are aware that from last few years we are not doing any further barter because we already have enough stock piled up. We have been able to liquidate some number, last quarter itself we have been able to sell around 8-10 properties, we have recovered some money, but the same time some possessions which were not earlier with us has been added on to our kitty. So our endeavor is that we want to liquidate as many properties that we can do as fast and which we are in the process so we have been finalizing. In fact we have now signed up a deal with couple of the builders on buy backing the property so for example if we have done a barter with say 5 Crores value with a particular builder so we are requesting them because the market is on upside they are able to sell the property better than us so we are giving that back to them and taking cash from them and giving them slightly extended credit period so that they are able to pay that money to us. So, all efforts on it and I am happy that maybe next quarter again we will come back to you with a list of at least 10-20 property further sold.

Himanshu Upadhyaya: Okay and one more thing, we are hearing that the inventory is pretty low in real estate and number of launches are increasing almost in all the markets and we have presence in some of the larger markets like Patna, Ahmedabad and Jaipur, so are we doing anything special to get more share of revenue from this particular segment because this is the most reviving sector as of now even better than autos and some of the other segments which we are doing earlier better so some thoughts on your special efforts if you quoting for this segment to get more revenue?

Girish Agarwal: Certainly, so in real estate category we have suddenly seen an uptake if you see Q3 itself so there has been almost 13% growth on Q3 in terms of real estate advertising with us apart from that in most of these markets we are trying to be innovative to see how we are able to help these builders to liquidate their properties. Unfortunately, in the December month we lost out some traction because of the COVID the government guidelines were not allowing people to hold a real estate mail our property position and all that, but I think this is one area where we are focused on and it is one of the top category for us right now.

Himanshu Upadhyaya: Okay one last question - on the paper price we have said that we expect the paper prices to come off but what is the current trajectory? And when we see the inventory, the inventory days have also reduced so has there been absolute number reduction in the inventory days in the Crores or it is just because the revenue has increased so the inventory days are less?

Girish Agarwal: Revenue has increased for two reasons: As we know that we have taken the circulation cover price increase our average price realization has gone up by almost 7% in this Q3 itself and also if you see we are further working on this as we believe that there is still a headroom in the cover price and we want to increase the cover price going forward. So maybe because of that it has happened, but having said that the newsprint quantum to acquire right now from the market still is a challenge as well as the price.

- Himanshu Upadhyaya:** Okay thank you I will join back in queue for further queries.
- Moderator:** Thank you. Next question is from the line of Aditya Saint from RoboCapital. Please go ahead.
- Aditya Saint:** In the previous Q2 concall it was mentioned that price hike will happen in Q3 and Q4 so are there any further price hikes going to happen in the next financial year?
- Girish Agarwal:** This price hike you are talking about the newsprint or the newspaper?
- Aditya Saint:** Newsprint?
- Girish Agarwal:** So let me give you the number, last year in Q3 we were in the range of around Rs.35000 a tonne, this year in Q3 the price is almost around Rs.44000 a tonne and going forward it looks like that next couple of quarters are also going to be on the growth trend only because the market demand and supply there is an issue and also the mills are trying to convert themselves into the packaging papers, hence the focus on the newsprint manufacturing is less and they are asking for the price.
- Aditya Saint:** In the last concall you also mentioned that our market share was supposed to increase so what is the current scenario, what is the current market share that we have?
- Girish Agarwal:** In circulation terms our market share in state of Rajasthan, Gujarat, Madhya Pradesh has certainly gone up including Haryana also. In the advertising numbers from the market share perspective, I am happy to inform that in Madhya Pradesh, Rajasthan, Gujarat, Haryana even Bihar our market share has improved.
- Aditya Saint:** Great Sir thanks a lot, can you give us a figure like what is the market share in terms of percentage?
- Girish Agarwal:** You will appreciate we do not disclose the statewise figure because of the competition issue but if you see the overall number, numbers are increasing by at least 1% or 2% in each market.
- Moderator:** Thank you. The next question is from the line of Shivam Satyanath from ICICI Bank. Please go ahead.
- Shivam Satyanath:** I just wanted to understand how is this Q4 being panning out? Because Q3 was a more of a festive season but in Q4 are you seeing some spending cuts from advertisers or because of Omicron also are you seeing any downtick in the advertisement volume or advertisers or circulation anything because of this Omicron?
- Girish Agarwal:** Let me give you the flavour of Q3 which can help us understand Q4. So, if you see the Q3 number of this year and I compare them with pre-COVID Q3 number of 2019-2020 we are currently at 93% of Q3 of 2019-2020 that too without the government advertising this year with us, so if I include the government advertising then actually we are slightly better than the Q3 of

2019-2020 also that clearly indicated that the print advertising has come back to the normal level. Unfortunately, from December 15, 2021 onwards this third wave started coming in, it impacted the market and January as we see currently also was impacted by that. Fortunately this January 26, 2022 is supposed to be a big advertising day for us, it went up by 3% over 2019 so things as of now are looking like coming back to the track but keeping our fingers crossed because what happened the moment the number of cases goes up state governments announce the restrictions on the number of people going to be out like for example January is a big wedding month, but because of restrictions of 50 people, 100 people in the wedding the entire thing goes down so I think that is one thing which is still bothering us. We are hopeful that this whole thing is almost behind us now so that the month of February, March would be there in full swing.

Shivam Satyanath: Okay and also on the newprint prices are you seeing it continue to move up or you have said that it will come down, any thoughts on that?

Girish Agarwal: Frankly speaking on newsprint every possible assumptions what people have made across the globe has gone for a toss so we are not sure whether this is peaked already or will pick up in next quarter, but as of now what indications we have for at least next two quarters the numbers will increase.

Shivam Satyanath: Okay and the last question is on the number of new advertisers you are saying that new advertisers are coming so any thoughts on whether new edge companies are coming or what sort of old advertisement is there so basically more brands are getting advertised, just want to understand that or the old is more, what is the proportion of new and old if any thoughts on this?

Girish Agarwal: Certainly when you say old, it slightly looks derogatory to them but they are not old companies like Tata group or Reliance group they are still advertising big way with us but at the same time the new advertisers for example the cryptocurrency guys, the mobile app guys on the health and grocery and all that they are also coming in advertising big way with us but that quantum wise if I look at the traditional established advertisers are certainly on the higher number.

Shivam Satyanath: Okay got it thank you and all the best.

Moderator: Thank you. The next question is from the line of Varun Bang from Reliance PMS. Please go ahead.

Varun Bang: Congratulations Sir, just want to understand on advertisement for government have we started seeing any traction there and what is your expectation?

Girish Agarwal: Unfortunately, for some unknown reason, the government advertising for our group in few states has been not being coming to us last almost two or three quarters, but we are hoping that they would like to advertise with us so that our readers get their message, so I am sure in next couple of months that will come back to us.

- Varun Bang:** Okay all right and Sir, we have reduced few editions in markets like Himachal Pradesh and made one edition there so any more opportunities to reduce further where do you think?
- Girish Agarwal:** No, we are not reducing anywhere we are only optimizing the printing editions where all we can do the more optimization of the printing presses.
- Varun Bang:** On number of advertisers you said you are seeing strong traction, can you share ballpark numbers how much increase we have seen in advertisers both on radio as well as newspaper?
- Girish Agarwal:** Revenue numbers are already with you we have grown by 24% in the nine months but the number of advertisers I will have to get back to you on that.
- Varun Bang:** Lastly on strategy for new markets, so would you like to focus on strengthening presence in the current markets or we are looking to get into new markets so what is the strategy there?
- Girish Agarwal:** Absolutely our focus from last couple of years has been on our existing market because we strongly believe that markets of Gujarat, Bihar, Rajasthan, Madhya Pradesh, Haryana, Punjab they still offer a huge opportunity for growth, so we are working on these markets only.
- Varun Bang:** Okay thank you.
- Moderator:** Thank you. The next question is from the line of Sidhant Mattha from B&K Securities. Please go ahead.
- Sidhant Mattha:** For circulating revenue I had seen that there is a slight Q-on-Q decline in the few years it has been mostly flat only so are we seeing some pressures in volumes in circulation profit or is it just a seasonal factor and how do you approach it?
- Girish Agarwal:** See what is happening in circulation we certainly have lost some copies as we mentioned to you we had a 90%-92% of our immediate pre-COVID, so what copies we have lost are the railway station copies, some office copies, marketplace copies and also some residential copies I must say that.
- Sidhant Mattha:** Not from Y-o-Y perspective I am talking about a Q-o-Q perspective like, is there some pressure in circulation copies or has circulation copies gone down quarter-on-quarter?
- Girish Agarwal:** Quarter-on-quarter there is growth, but I am actually talking about last three years because see I have to see wherever I was at the top if I was at a particular number and I need to go back to that number or at least go as close to again rather than being happy that from last quarter I have increased. I still have a long way to go so our focus is that how do we gain those copies which have been stopped in the offices or in the marketplace, how we can attract people back because what happened three months good then suddenly market get close for 15 days the shopkeepers

and all that they are not able to start the newspaper so we are trying to convince them that you may continue the newspaper in your shops and offices.

Sidhant Mattha: 7% number you gave earlier about some realizations that was the Y-o-Y number in cover price so what was that number I missed out?

Girish Agarwal: It is Y-o-Y number on the realization of the average cover price.

Sidhant Mattha: And my last question is regarding we have seen other expenses going around 28% that it has reached the third quarter of FY2020 levels I know you have been saving a lot of costs and that is a very good sign, but is there some one-offs in this quarter or do we expect the similar range going forward also?

Girish Agarwal: There are two things in this, one is almost 40% element is of the digital so digital is growing so we need to spend some money in the marketing over there apart from that within the other expenditure there is a increase of the ink and plate, certain business promotion which are revenue based so I am incurring the expenses of the business promotion here but I am also adding on that money into my revenue for example organizing a real estate expo so if I am spending a Crore and organizing the expo it is shown as expenses here but there is a 3 crores revenue in the advertising revenue over there. Also, there are one or two heads which are shifted from manpower to the outsourcing here so that shifting is shown into the other cost.

Sidhant Mattha: Okay thank you so much.

Moderator: Thank you. The next question is from the line of Yash from JK Associates. Please go ahead.

Yash: My first question is with regards to the ad revenue; So yield I believe continues to be under pressure but though there has been an improvement sequentially could you please let us know how much has volume increased in terms of pre-COVID Q3 FY20 if you can just give us that number in terms of percentage?

Girish Agarwal: Topline number what I have is that if I compare the Q3 of 2019-2020 to Q3 of FY2021-2022, we are at almost 93% of 2019-2020. We said that the pressure on the yield is there but I would say the pressure has now been stabilized and now whatever growth is coming from the volume only.

Yash: How much in terms of recovery or in terms of growth?

Girish Agarwal: I would say the entire money which is coming back is from the volume only because the yield is already fixed, this is not a time to go and ask anybody to increase the yield is more the time to talk about the volume coming back.

Yash: Okay and what about the copies that we have?

- Girish Agarwal:** Circulation copies in this quarter, we are doing 43.4 lakh is the average copy for the Q3 this year.
- Yash:** Okay and where are we in terms of year-on-year or probably?
- Girish Agarwal:** Year-on-year same one year back we were at 43.8 so there has been a 40000 copies decline over last year.
- Yash:** Why is that the case if I may ask?
- Girish Agarwal:** That is also because of the December month third wave coming in, we stopped certain copies there.
- Yash:** And in terms of I mean compared to two years before we are at around 95% is what you said?
- Girish Agarwal:** Around 90%.
- Yash:** Okay and newsprint like you said we are at 44000 for the quarter?
- Girish Agarwal:** Yes 44000 for this quarter.
- Yash:** All right thank you.
- Moderator:** Thank you. The next question is from the line of Amit Kumar from Determent Investments. Please go ahead.
- Amit Kumar:** Thank you so much for the opportunity. I just had one sort of small follow-up on as you mentioned that January you have seen a little bit of impact because of the Omicron wave, I just wanted to get a sense of the quantum of the impact because very clearly the first wave and then second wave in first quarter of this fiscal was pretty intense, but when we are talking to companies, which are really your clients, Omicron does not seem to have that much of an impact really so are we talking like a few percentage points here or there or it could potentially be like a 10% impact in terms of advertising?
- Girish Agarwal:** Around 10% plus or minus.
- Amit Kumar:** But that is January or you are sort of anticipating some improvement during the quarter as well.
- Girish Agarwal:** For the month of January as of now since we are sitting on closure of January the impact has been around 10%
- Amit Kumar:** Understood. Thank you so much.

- Moderator:** Thank you. The next question is from the line of Dharvesh Sanghoi from DS Associates. Please go ahead.
- Dharvesh Sanghoi:** Thank you for updating the numbers on the app users, can you throw some light on where we are on the Google revenue which you had mentioned some couple of quarters ago?
- Girish Agarwal:** As you are aware that Google was not able to take the publishers along and there is a body called DNPA, Digital News Publisher Association, they have filed a complaint in Competition Commission of India alleging that Google has not been fair and using the unfair practices and involved in the monopolistic activities and all that. Based on that CCI was kind enough to order a probe against Google on this, so we are now waiting for that. Once that gets over in couple of months time we will have more clarity about how Google and our relationship go in future.
- Dharvesh Sanghoi:** And what about the other players similar stance or some development on the other player?
- Girish Agarwal:** Some companies had succumbed to the pressure and they have done some side deals with Google I really would not know much detail on that.
- Dharvesh Sanghoi:** Also, one of your competitors has launched the NFT platform where are we as a company on that?
- Pawan Agarwal:** We are still evaluating what is the commercial sense and the user adaption of that we are still in the learning phase of it.
- Dharvesh Sanghoi:** Okay thank you.
- Moderator:** Thank you. The next question is a follow-up question from the line of Himanshu Upadhyaya from O3 Capital. Please go ahead.
- Himanshu Upadhyaya:** Thanks for giving me another opportunity. Can you tell us about how much has been the utilization of capacity for our radio advertisement versus last quarter and what is it currently in Q4 and any improvements in rates have we seen in radio side the results have been good so just want to understand what how you are thinking about that business?
- Pawan Agarwal:** In radio the good news is that of course we have grown over last year, we have also grown over the year 2019-2020, we are about 1% positive on 2019-2020 so we have got the base back, we are now only working on getting our yields back and once the yields are back we should be very robust for a strong double digit growth this.
- Himanshu Upadhyaya:** Sir utilization is full how much would it be?
- Pawan Agarwal:** So, our inventory utilization across the network is sitting at about what we call it how many minutes we play per hour which is at about some 14-15 minutes across stations.

Himanshu Upadhyaya: The newprint prices are increasing and we expect them to further increase so what are we doing on revenue side, are we seeing any improvement in rates for newspaper advertisement?

Girish Agarwal: As I mentioned a couple of minutes ago to somebody else question that maybe this is not the right time to ask for a yield improvement we are gunning for more volume back in the market because advertiser is also pressed, for example, if you look at the four wheeler category they are down by more than 50% advertising value and volume both because they are not producing anything much so idea is that if they start producing they should come back to the market for advertising and once things settle down we can always talk about rates also.

Himanshu Upadhyaya: Because some of the other categories are doing well like real estate where you are doing special melas and all those things?

Girish Agarwal: Real estate in some cases we have been able to do something but nothing worthwhile to talk about to be very honest.

Himanshu Upadhyaya: One last question we have done pretty good job in getting digital subscribers but the one important question still remains how and what would be the metrics you will utilize to decide when to commercialize because the product may be great but selling is an equally important part and a challenge. So how do you decide that moment of truth or time to commercialize has come for you?

Girish Agarwal: We all are waiting for that Eureka moment and that is a billion dollar question you have asked and we all are searching the answer for that but having said that I strongly believe that today from 2 million we are at 14 million and if we are able to take the journey ahead then I think the day when we can start asking people to pay us something for that would not be too far.

Himanshu Upadhyaya: Okay and one small thing, globally there have been platforms which were not charging and then they started charging so generally what is the drop rate once the platform becomes chargeable, any study you would have done across the globe and what are the results of those studies if you would have done some?

Girish Agarwal: So what happens when the platform becomes chargeable, people do not drop out because it is like they put a gate entry after certain articles so for example if you are reading articles on my website or my app so maybe couple of paragraphs are allowed for you free but if you want to go deeper in the article you may have to subscribe and pay for it or you are allowed five articles or 30 articles, 10 articles free in a month but if you are reading more than that you will have to pay for it so people those who do not want to pay they stand within that zone of free, but some people those who feel that I want to read everything as such then they pay and get into the main hall so similarly there is no drop but what happened if you have say 100,000 people those who are reading your app on a particular time in a day maybe 10% are paying for everything and 90% are still enjoying the outer circle of it.

Himanshu Upadhyaya: One last thing, so currently we are not even advertising or letting advertisers come on that platform and not charging also so how would we decide that first we want ads to come or we want to start getting paid for the services?

Girish Agarwal: I think very valid question and let me answer that we have understood now that our readers have got used to a particular environment and we are planning to start advertising in next couple of months in a very subtle manner where it does not become very intruding for the reader at the same time helps us in that revenue purpose also.

Himanshu Upadhyaya: Okay thank you and one small suggestion Sir, you see in this media industry everybody is evolving but still the fight is that the perception or the sentiment is that this industry will not survive, which I am a contrarian to that thought but I think we make decent amount of money we pay once in a year dividend but just if we signal to the market that we will be a regular dividend payers of quarterly and we believe in the sustainability of the business as a sustainable profitable business quarter by quarter it might help in changing the perception so this is one suggestion I have.

Girish Agarwal: I think you have a very valid point, the suggestion is noted and I will certainly table it to the board but just wanted to add on to this if you look at the history of DB Corp, we have been a regular dividend paying company and we announce dividend quarterly also there would be some exceptions in few quarters where the dividend has not been announced for some reason otherwise we have been announcing dividend and also the company has a policy that we do not keep any excess cash in our balance sheet so whatever the requirement for the company we keep that very little amount and balance all is announced as a dividend.

Himanshu Upadhyaya: So that quarterly may help in changing the perception and the fight is with the perception currently for the industry.

Girish Agarwal: I appreciate your points and certainly table it to the board.

Moderator: Thank you. The next question is from the line of Anish Jobalia from Banyan Capital. Please go ahead.

Anish Jobalia: Congratulations for a great quarter, now if you look at advertisement versus pre-COVID, we are down by 7% and in the circulation we are still down by 14% right despite the fact that the circulation had recovered much faster than the advertising so I think that is fantastic execution from your side. Sir given now initial commentary around very strong sentiments from advertisers and also you mentioned about the tier 2, and tier 1 towns so now given this quarter we are down by 7% versus pre-COVID so can we say that with these kind of sentiments that has now come back, we are going to be back to FY20 revenue levels in the advertisement, especially in FY2023 so what is your outlook around that if there is no lockdown quarter like Q1 which we saw in this year?

- Girish Agarwal:** If somebody can say that okay there will be no COVID issues happening we are more than confident to deliver the numbers what you are just mentioning. If you look at the number on January 26, 2022, in spite of all the odds we delivered a 3% growth on that one particular day compared to 2019 also so I think we are all geared up to say that yes, as the condition in the market improves we are all set to take the maximum advantage of that.
- Anish Jobalia:** And which are the sectors which are driving this if you could throw some light around that would be helpful ?
- Girish Agarwal:** Education, real estate, jewelry, a new mobile app like grocery, health and all these guys are the major driver for the business, the downers are automobile, lifestyle, government.
- Anish Jobalia:** So you are very confident that the sentiments of the advertisers have comeback very sharply and obviously we are making our own efforts to improve the quality of product and improve the market share etc., so if there is no issues in terms of the lockdown impacts going incrementally then we will be crossing FY2022 levels in FY2023 right?
- Girish Agarwal:** That is what we are all working upon.
- Anish Jobalia:** Okay Sir all the very best for the next year.
- Moderator:** Thank you. The next question is from the line of Aditya Saint from RoboCapital. Please go ahead.
- Aditya Saint:** Most of my questions are already answered. I have just one question left that do we have any guidance in terms of margins going forward?
- Girish Agarwal:** Sir as we indicated to you that we are 7% away from the 2019 number in the Q3. In January, as I mentioned to you around 10% down over 2019 again so if you are able to see the February-March clear from the market perspective then I think things are looking pretty good.
- Aditya Saint:** So can we assume that by Q1 FY2023, 7% will also get covered given that we have a 10% shortfall this month?
- Girish Agarwal:** Let us hope so.
- Moderator:** Thank you. Our next question is in the line of Laksh Jain an Individual Investor. Please go ahead.
- Laksh Jain:** We have mentioned that there has been an increase in newsprint cover price right and is this price able to cover the newsprint cost?
- Girish Agarwal:** In some market yes, in some market no, it depends on market to market so what number I gave you is the average number of the company.

- Laksh Jain:** In some markets are they able to get profit also only from this newsprint cost covering the newsprint cost?
- Girish Agarwal:** No Sir not yet.
- Laksh Jain:** Are we planning to enter into business newspaper?
- Girish Agarwal:** No sir we have no such idea we already have a great business section within our paper through that only we serve our readers.
- Laksh Jain:** Okay that is it thank you.
- Moderator:** Thank you. The next question is from the line of Basant Baheti from Basant Baheti Investments. Please go ahead.
- Basant Baheti:** For the India's biggest Hindi paper at least one question must be in Hindi. Sir I want to know the way shareholders, for the last 2-3 years the company had some problems, and dividend you have given, but beside dividend, to boost up the shareholder confidence can you declare bonus, I have seen a lot of companies in India who to get the confidence of the shareholders even if they struggle for a year or two by giving bonus they tell the shareholders we are with you.
- Girish Agarwal:** I will table your suggestion at the board meeting and let us see what happens.
- Basant Baheti:** Thank you sir. I have been your investor for the past 10 years, and I will continue to do so.
- Girish Agarwal:** Thank you so much and trust that with your confidence on us we will grow, and the amount of confidence you have on us, our team is working for that.
- Moderator:** Thank you very much. Ladies and gentlemen due to time constraint that was the last question for today. I would like to hand the floor over to the management for the closing remarks. Thank you.
- Pawan Agarwal:** Thank you everyone for your participation and time on this earnings calls today and I hope that we responded to your queries adequately today and we will always be happy to be of assistance through our investor relations department headed by Mr. Prason Kumar Pandey for all your further enquiries. Take care everyone and stay safe thank you. Have a nice day.
- Moderator:** Thank you very much. Ladies and gentlemen on behalf of DB Corp Limited that concludes this conference. Thank you all for joining us and you may now disconnect your lines.