



# DB Corp Ltd

## DB Corp Limited

### Q4FY20 Earnings Conference Call Transcript

June 23, 2020

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**Moderator:** Ladies and gentlemen, good day and welcome to DB Corp Ltd. Q4 FY2020 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, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I will now like to hand the conference over to Ms. Hina Agarwal. Thank you, and over to you ma’am.

**Hina Agarwal:** Thank you and good evening to everyone. We welcome you to the Q4 and full-year FY20 conference call of DB Corp Ltd. We have with us today the senior management team of DB Corp Ltd. Mr. Pawan Agarwal – Deputy Managing Director; Mr. Girish Agarwal – Non-Executive Director; Mr. P. G. Mishra – Group CFO; Mr. Mushtaq Ali – Vice President (Finance & Accounts); Mr. Lalit Jain – CGM (Finance & Accounts); and Mr. Prasoon Kumar Pandey – Head Investor and Media Relations who will represent DB Corp Ltd. on the call.

We will be sharing the key operating and financial highlights for the quarter and year ended 31<sup>st</sup> March, 2020, followed by a question and answer session. Before we will 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 uncertainties. Documents relating to the company's financial performance have already been e-mailed to you.

Now, I invite Mr. Pawan Agarwal to share his outlook on DB Corp's performance for the past fiscal. Over to you Sir.

**Pawan Agarwal:** Thank you Hina, and good evening to everyone. We hope that everyone on the call and their families are safe. We will begin the call by highlighting the key financial performance for the year ended 31<sup>st</sup> March, 2020, followed by key developments in the business and various growth strategies implemented by the company to maintain and strengthen our leadership position across markets.

We would also like to take this opportunity to share with you a brief outline of the steps taken by the company to ensure continuity of operations during this challenging period led by the COVID19.

Starting with the financial performance for full year FY2020; PAT reported at Rs. 2,750 million after considering a FOREX loss of Rs. 116 million with a PAT margin of 12% in FY2020. EBITDA came in at Rs. 4,940 million resulting in an EBITDA margin of 22%. Despite of weak business environment, our overall cost optimization measures continued to help us not only gain in our overall cost but has helped us become a leaner and fitter

organization. Coupled with the fact that newsprint prices continued a downward trajectory during the past fiscal was an added bonus for securing profitability.

Coming to the revenues; our consolidated advertising revenues stood at Rs. 15,640 million in FY2020. The circulation revenues for the year FY2020 stood at Rs. 5,122 million and the total revenues stood at Rs. 22,363 million. For Q4 FY20 our consolidated ad revenues stands at Rs. 3,303 million, circulation revenue was at Rs. 1,200 million, total revenues at Rs. 4,898 million, EBITDA Rs. 690 million and PAT at Rs. 241 million.

Dainik Bhaskar Group Radio business continues to maintain leadership position in all significant markets. Radio advertising revenues for the year stood at Rs. 1,391 million, EBITDA stood at Rs. 431 million with an EBITDA margin of 31%, PAT stood at Rs. 198 million with the margin of 14%.

Let me now take you through some other developments and key milestones that we have achieved recently. As per the recently released Audit Beuro circulation report for July to December 2019 Dainik Bhaskar Group continues to be at the #1 position in India among dailies by delivering growth in many of its key markets. For instance in Rajasthan with 16.44 lakh copies we are the #1 newspaper. In other markets like Gujarat and Bihar we have gained market share while maintaining dominant position in Madhya Pradesh. The latest IRS 2019 Q4 Leadership Survey results declared Dainik Bhaskar Group as a largest newspaper group of India excluding financial dailies in average issue leadership. The Group has not only improved its position but has achieved a dominant lead over competition in most of the geographies that it operates in. In Rajasthan, Dainik Bhaskar has achieved dual leadership as per ABC July-December '19 and also as per IRS 2019 Quarter 4.

As we are all aware the last fortnight of FY2020 the beginning of the outbreak of the COVID-19 pandemic in India and was followed by preventive nationwide lockdown which certainly posed challenges to all businesses including our business.

I would now request Mr. Girish Agarwal to shed some light on how our company is tackling these challenges.

**Girish Agarwal:**

Thank you Pawan. Good evening to everyone and hope that everybody is safe and healthy. I'm sure by now you have heard the word unprecedented several times across industries and countries and rightfully so all industries across countries are finding themselves in a situation that is hard to predict and dry down. It is at times like these that we are thankful for all the hard work that our teams have put in over the past year that has enabled us the Dainik Bhaskar Group to say strong and committed. The declaration of lockdown on 24<sup>th</sup> of March, 2020 resulted in a sudden fall in newspaper circulation, mainly due to shutting down of cash sales counters like railway stations, bus depots, bookstalls etc. However, residential societies, apartments and families continue to consume the newspaper with minor impact. The copies which were being circulated in offices and shops got totally impacted because of the lockdown. Since the people were locked down in their homes market research has indicated an increase in time spent by consumers on reading newspaper. We are hopeful that this habit of readers would continue and prove beneficial to the industry. We take pride in informing that we continued operation of our newspapers without any interruption in all our 65 editions

across all states. I would like to specially appreciate the efforts put in by our production, editorial, sales team and each and every team member or continuously working and producing the newspapers every single day. Some of us who are able to work from home but newspaper publishing; printing could not be done from home and our team delivered without wavering about their personal safety. Furthermore, like our policemen and health workers performed their duty for the larger benefit of the country, the newspaper's teams across India also continued working to ensure that the truth in form of news is been delivered.

Our key efforts at combating the pandemic and its aftereffects were mainly on three fronts; first we ensure the safety for all our stakeholders like our staff, distributors and newspaper hawkers. Second on the circulation front at the beginning of this pandemic there was a rumor mongering through social media about the fear of spread of virus through newspapers. Dainik Bhaskar Group like always took this challenge head-on, we coordinated campaign to educate the readers that newspapers do not spread the Corona Virus through awareness campaign and such campaign had an immediate impact on helping improve the circulation. We faced the circulation fall for the first 10 days, we went down to almost 55%-60% in terms of our circulation number. But I'm glad to inform you that immediately after that we started gaining the copies back and today we are at almost 80% circulation of our normal number that we have gained again.

On the advertisement front, on the date of announcement of lockdown we saw advertising revenue came to a standstill but only after few days our approach of handholding clients and ad agency started to show the response. April month witnessed a big slowdown due to complete lockdown on all except essential products. There has been some improvement from May onwards continuing from sectors like government, education, automobiles, consumer durable and FMCG. As markets are reopening our teams are working on generating revenue through customized packages based on ground level feedback and we are hopeful of ad revenues gradually returning to normal as the economy continues to further open. It is important to note that our markets are not metros, Tier II, Tier III, Tier IV, semi-urban and rural which were mostly in orange and green zone and where most of the markets and all the marketers are forecasting much faster recovery in these markets. In current scenario most of the clients' media plan are focusing on these markets only. So most of the clients are now focusing on Tier II, Tier III, semi-urban markets, rural markets, this may be beneficial for our company going forward.

On operating cost front we took all possible steps to revisit and rework all cost operations to make it efficient and effective with the long-term sustainability. You will see the effect of our cost control measures from current Q1 itself. Our past automation drives in many of our business' operation have helped immensely. We are ably supported by soft newsprint prices. During the month of April, May and June since the advertising was very low, we reduce the number of pages without compromising on the reading material. Since there was no change in the cover price of newspaper and the number of pages were less, the circulation revenue was able to substantially cover the news print cost and production expenses. Going forward we will go back to our normal pagination with the buildup of the advertising.

The quality of balance sheet with zero debt and adequate level of cash and bank balance has assured that all business operations are executed optimally. That summarizes our recent effort

to tackle this challenge and we are confident that given our sustainable business model and robust financial position we will see this through and we are very optimistic about a faster recovery. This is all from our side. My colleagues and I will now be happy to respond to your questions.

**Moderator:** Thank you very much. Ladies and gentleman, we will now begin the question and answer session. We take the first question from the line of Yogesh Kirve from B&K Securities.

**Yogesh Kirve:** The print advertisement declined during the quarter of about 20%, can you provide us some sense about what was the run rate before the lockdown started, so would just like to isolate the COVID impact if you could?

**Girish Agarwal:** If you remember nine months we were at 8.6% down in terms of advertising revenue from April to December. January number was also in the same range, February was slightly better but in the month of March because though the lockdown happened on 24<sup>th</sup> but most of the advertising indication in the market started slowing down from in fact 10<sup>th</sup>-15<sup>th</sup> of March itself, so March took the major beating running into 35%-40%. So that's the reason we have an impact of almost 19.8% in the Q4 itself.

**Yogesh Kirve:** Regarding the trends since April, so if you can just throw wide some quantitative insight. So when we say the April the slowdown was very strong, so what was sort of the indicative number at least in terms of this print volumes? And where are we at present in May and June, how things have recovered?

**Girish Agarwal:** In normal circumstances we don't give forward-looking indication numbers but since this is very unusual circumstances and I must answer this question of yours. So in the month of April we were at almost 15% off over last year base because April was total lockdown, so we had some of the FMCG and bit of government advertising, April was a washout. In the month of May we came up to almost 20% but as I speak to you today in the month of June we hope that June will be at (+) 30%.

**Yogesh Kirve:** In terms of the cost any targets are we looking at in terms of the annual cost savings or the major heads where we are looking to save cost?

**Girish Agarwal:** Yes, our overall cost base without the newsprint is around Rs. 1,000 crores last year, in that we should be able to show a savings of almost 10% to 12% this year and most of this will be sustainable.

**Yogesh Kirve:** I understand lot of raw material would be linked to the pagination and the ad volumes, at least in terms of the newsprint cost where's the cost headed and any estimate regarding what could be the cost for the full-year?

**Girish Agarwal:** So let me give you the newsprint prices; last year full-year our newsprint price was 38, 840 as overall number but in the Q4 as you know the prices were softening down, so in the Q4 we were at almost 37,000 numbers. I'm giving you a roundabout number, 37,000 and as we speak currently in the Q1 for this year we believe we will be at 36,000 and maybe slightly advantageous going forward furthermore. This is for per ton.

**Yogesh Kirve:** Lastly regarding the receivables because of this lockdown has there been any kind of stress or extension of the credit cycle and what are the steps that we are taking on that front?

**Girish Agarwal:** I must mention there that all the state governments were very kind enough that they cleared their old outstanding. So we were able to recover most of the government money in the month of April and May and the private sector also responded very positively barring few clients.

**Yogesh Kirve:** So overall in terms of receivable days we should be lower or at least at par with where we were pre-COVID?

**Girish Agarwal:** I would say almost at par.

**Moderator:** We take the next question from the line of Ankit Shah from White Equity.

**Ankit Shah:** Can you share some details on company's digital strategy and the progress on the same with us? And also can you share the observations or progress in number of users during the COVID period?

**Pawan Agarwal:** Two things we have seen in the post COVID is the consumption of news has definitely moved from WhatsApp to the news apps. People seeing more and more fake news on WhatsApp and this is the time when the publishers, when we were able to demonstrate our editorial quality making people move to a news app. So the direct traffic has grown and this has happened only in the last two months, three months which is post-COVID, about over three times growth on apps direct platform including a very sizable increase in our time spent per day user.

**Ankit Shah:** On the digital strategy front, so a few quarters back you had appointed dedicated leadership team for that business. So can you shed some light or share some pieces of that strategy with us or what's the progress on that?

**Girish Agarwal:** Remember we had requested and taken the liberty that we will not be sharing the digital numbers and the strategy for few quarters and I would request you to allow us to do that furthermore. As we indicated that the numbers have seen almost three times jump so we are in the right direction, allow us to keep it to ourselves for a while more please.

**Ankit Shah:** Next question is on the pledged share side; two quarters back you had shared that promoters intend to bring pledged shares down to roundabout single-digit in about 12 to 18 months time. Now in light of the developments around COVID, are we on course to achieve this or should we expect some delay on this front?

**Girish Agarwal:** So what has happened, the overall promoters debt has come down by 50% in last eight months time. That's one good thing. The share pledged as we speak today is around 34% that is largely because the share prices in last two months have gone half. Otherwise we would have been at 15%-16% pledge.

**Ankit Shah:** Should we expect further improvement on this in terms of the absolute outstanding, so share price is fixed number?

**Girish Agarwal:** Yes, I think as we mentioned to you last time and we delivered that that we have reduced it by 50%, balance 50% we hope that maybe in next year's time we should be able to reduce it to zero. Furthermore for complete disclosure I would also like to mention the amount, we had a total promoter's loan ranging in some around Rs. 300 crores which is down to Rs. 160 crores now.

**Moderator:** We take the next question from the line of Aasim Barde from IDFC Securities.

**Aasim Barde:** Could you talk about how circulation revenues trending during Q1 so far and could you also state that between April, May and June?

**Girish Agarwal:** Our circulation as I had mentioned to you that in the last 10 days of March took the beating and again in April was started coming back. As we mentioned to you the Q4 number of the circulation were 53 lakh copies, the Q4 number keeping the impact of last 10 days of March in that. On that number we are already back to almost (+80%) on that number. And we are very hopeful that in next couple of months time we should be able to achieve to our normal number as such because now most of our markets are open. The shops are opening, the offices are getting opened up soon, so the 20% copies of shops and offices and railway station and cash points that could also come back to a normal number soon.

**Aasim Barde:** What is the current cash on the balance sheet?

**Girish Agarwal:** 31<sup>st</sup> March, the cash was Rs.135 crores.

**Aasim Barde:** Would we have any sense as at what level it would end as of Q1?

**Girish Agarwal:** What I can mention to you that in Q1—I'm sure you must be thinking about the kind of losses companies had to suffer in Q1—so just to give you a perspective in Q1, our total losses will be less than Rs. 50 crores.

**Moderator:** Next question is from the line of Sanjesh Jain from ICICI Securities.

**Sanjesh Jain:** One on the earnings in future, do you see lower subscription losses or a profit in the subscription which will be more sustainable what we were speaking which is going to happen in Q1 will just stand off lower investment in subscription to it become more sustainable going forward?

**Girish Agarwal:** What has happened in April, May and June because there is no advertising in the paper, largely nil at a 25%-30% base so we were able to reduce the number of pages without compromising on the reading material. Going forward the number of pages will increase again with more ads coming in. So I can say in this quarter we actually make some money by circulating copies because cover price remained the same and we are not intending to increase the cover price in near future. So really answering your point that will it be sustainable model of being cash positive on a subscription revenue itself will not be possible because we would like to increase the pages for carrying more ads in that.

**Sanjesh Jain:** I got it but lowering the losses from what we were earlier doing will that happen?

**Girish Agarwal:** To some extent yes but I would like to increase my page is back to normal what we were doing 21-22 pages on a daily basis average.

**Sanjesh Jain:** Second on the expansion of the circulation which we were earlier planning before COVID, can you update there?

**Girish Agarwal:** Right now all our focus is onto getting back to this 20% remaining copies what we have to get back from the market. Once we get that 20% copies back then certainly we will discuss again about the expansion.

**Sanjesh Jain:** But right now we will focus on reaching where we were earlier before COVID that would be the initial plan, right?

**Girish Agarwal:** Yes that's the target. We are seeing the benefit also in this whole process because the markets are tight, situations are tight. We are seeing that lot of people are preferring a more quality newspaper. So we are very hopeful that this after two months we should be able to increase our market share in circulation also.

**Moderator:** We take the next question from the line of **Riyaz Reddy from Magic India** Please go ahead.

**Riyaz Reddy:** In P&L account what is fair value through OCI equity instrument, loss of Rs. 18.4 crores?

**Girish Agarwal:** This is the valuation of the private equity investor and what we had made earlier in that brand equity deals what we did.

**Riyaz Reddy:** It's a write-off of the brand equity or what is that?

**Girish Agarwal:** Yes.

**Riyaz Reddy:** And then you had a comprehensive income, loss of Rs. 13.4 crores, what is the nature of that one?

**Girish Agarwal:** The same also.

**Riyaz Reddy:** I didn't get you, 18.4+13.4 is write-off in brand values, right?

**Girish Agarwal:** No, if you remember some of the money company has taken the advertising equity in the companies that we had taken the equity by giving them the advertising. So based on that that is a mark to market and all that, so the decline in those companies valuation so we have to take that provision in that.

**Riyaz Reddy:** I heard something you mentioned FX loss, what is this FX loss of hundred and something you mentioned earlier?

**Girish Agarwal:** No, not loss. In our operating expenses, what we call OPEX, so in that OPEX we are able to bring down almost 10%-12% going forward.

**Riyaz Reddy:** Is there any loss on foreign exchange I mean FX?

**Girish Agarwal:** You are talking about the foreign-exchange loss; yes there is a foreign exchange loss of around Rs. 8 crores in the Q4 because of the dollar rate going up from Rs. 71 to Rs. 76.

**Riyaz Reddy:** One observation which you have already answered, the market cap the company has been substantially eroded. There is no deterioration in P&L account or balance sheet, one reason probably is this promoter pledge is acting like a Damocles Sword. Why not promoters direct instead of borrowing from these mutual funds which are most unreliable compared to even banks, maybe you need to apply your thought on the process because we feel whatever pledged these days we investors are jittery.

**Girish Agarwal:** I appreciate your point and we are also equally concerned about that. That's the reason as I mentioned to you that we have reduced it to half. Our original plan was to take-off this Rs. 160 crores in next six months of time but maybe because of this COVID it may take maybe another six months more. So we are working towards it and soon we want to be a zero pledged company.

**Riyaz Reddy:** Appreciate that hope you will directly borrow from the banks and remove our tension from it.

**Moderator:** Next question is from the line of Basant Baheti from Financial Consultants.

**Basant Baheti:** I want to know that in your digital what do you think because people are becoming familiar of reading paper on apps, so what do you think about the progress, in next a year or two what progress do you see?

**Girish Agarwal:** We can tell you that in the last 2-3 months we are seeing three times traffic, so the people who read newspaper in the morning they want to be updated throughout the day due to COVID which city has new patients, so for that they go on our app throughout the day. Second the market which is outside our purview like Uttar Pradesh where our newspaper is not present there, there also people are seeing our app. So in sum total our app volume is increased and we also want it to increase. We are making efforts towards it. Our efforts will be that in the next coming years we should increase our present number by 10 times.

**Basant Baheti:** How is the growth in the radio business after COVID?

**Girish Agarwal:** In today's date if we say that we are looking for growth is difficult. First of all we want to come back to our normal growth of last year. The print side is also seeing decline and radio too. We only have to see that whatever revenue we have done last year we want to come back to that revenue and after that we will work on growth.

**Moderator:** Next question is from the line of Anuj Sharma from M3 Investments.

**Anuj Sharma:** Could you just talk about how much of our revenues would-be in such brand equity related valuations I mean how much of our revenues would have been booked which would have been through these deals?

**Girish Agarwal:** Can we answer this to you off-line because I don't have the paper right now with me on that?

**Anuj Sharma:** Okay. Does this also include real estate swap in the sense taking...



**Girish Agarwal:** Yes, some of it may include real estate barter also like real estate barter total amount was Rs. 137 crores. I don't off-hand remember the other one but we can certainly get back to you off line on this please, if you don't mind.

**Moderator:** We take the next question from the line of Himanshu Patel from Churchgate Partners.

**Himanshu Patel:** Could you please share with us the revenue growth in the digital business for the Quarter 4 and the financial year 2020?

**Girish Agarwal:** Sir if you remember couple of quarters back, we had taken the liberty of requesting all the investors that allow us not to disclose the digital number separately for few more quarters. So my apologies; will not be able to share any numbers from the digital.

**Moderator:** We take the next question from the line of Anuj Sharma from M3 Investments.

**Anuj Sharma:** Just wanted to understand when you say that you don't want to increase the cover price; what thought process goes behind that decision? For example if you raise cover price and increase pagination, any thought on reducing the subscription or circulation loss through our cover prices rise? How much do you think will be the offset in terms of circulation loss because of this?

**Girish Agarwal:** Currently, we have reduced the number of pages and charging the same cover price and going forward also the pages may at least for couple of months will remain less because of the advertising built up. So till the time the advertising come to its normal and the pages comes to normal, there is no question of increasing the cover price and after that one can evaluate that. That's the reason I mentioned that in the near future in couple of months it would not be prudent to look at the cover price increase till the time pagination comes to normal.

**Anuj Sharma:** Also your peers talk about some synergies and distribution leading to some cost savings. Do you endorse or you are a part of that synergistic group and how much savings do you think would accrue from such synergies and distribution, printing facilities and others?

**Girish Agarwal:** We are actively engaged with our peer group and others also to see how we can leverage our distribution network as well as the printing facilities. We are working on it; in past also we have done something but that synergy will be able to bring in only maybe a million dollar maximum not much beyond that.

**Anuj Sharma:** In terms of competitive intensity how do you see that evolving in the next, let's suppose a year or two, given that this pandemic has affected lot of newspaper publishers and do you see any scope of acquiring any small niche papers which might help you to boost your coverage?

**Girish Agarwal:** Let me answer your second question first. We have no such offer on table where somebody wants to get acquired. So I will not be able to comment on it till the time somebody is available for us to look at it. Coming to the first point of yours is that the competitive advantage; yes certainly specially like in Rajasthan we have got the readership report in our favor, we have got ABC in our favor and we clearly see in last three months' time our market share of advertising has gone much beyond in Rajasthan and going forward also we believe that our

market share in advertising will increase in all the markets because since the markets are tight advertiser is now choosing to go with one publication whoever is the leader and largest and able to provide the larger reach and I think we will be able to take the benefit of that.

**Anuj Sharma:** Increase in realizations would be of course difficult but do you see any reduction in ad rates in the near term?

**Girish Agarwal:** Unfortunately for the month of April-May-June, most of the newspaper, I would say every newspaper in the country offered a scheme for the advertisers to support them to continue in the market to talk to the consumer. Hopefully from July we should be able to stop all those schemes, so I don't see a major impact on the rates happening going forward.

**Anuj Sharma:** And one last question while I will take the numbers off-line in terms brand swap and equity swap, is there any percentage of revenue you have in mind where in you don't want to cross such deals or going forward, let's suppose 5% revenue, 7% revenues because we have seen that many newspaper businesses have not been able to get better out these deals and cash deals are also is better. So any thought on that business segment please?

**Girish Agarwal:** I totally agree with you, that's the reason this equity deal for advertising, we have stopped doing from last 5 years but those were done earlier, we still have to carry them in our books and keep evaluating them every year as per the provision of the auditors and real estate barter also we have put up a cap. If you noticed in last few years' time we have maintained Rs. 137 crores and that too in last 4-5 years cumulative. So we are not crossing a particular threshold at all.

**Anuj Sharma:** So these losses have not been account of any transaction in the last 5 years? You have not done any transaction on brand equity swap in the last 5 years, these are pre-5 years, is it?

**Girish Agarwal:** Yes. We can give you more details off-line.

**Moderator:** We take the next question from the line of Yogesh Kirve from B&K Securities.

**Yogesh Kirve:** So this is more from a long-term strategy perspective, so we are seeing lot of increase in the engagement on our digital properties. So how far are we from building any subscription or the end user revenues on the digital platform, I mean revenues like that would have been so much handy in the current environment, right. Whether advertisement revenue take a knock quickly on account of all such disruptions are over slow down but a subscription revenue tends to be more sticky. So how far are we from developing any sort of end user revenues on digital?

**Girish Agarwal:** Frankly speaking we are working right now to create a great user experience on our digital platform, engage our readers, increase the time spent on the platform, increase the absolute number of people coming on to our platform, on our app and once that critical mass is achieved by us based on that we could be able to take a call that how we want to monetize the platform but it will be too early to comment on it right now.

**Yogesh Kirve:** You referred to the critical mass right; already we have the readership or the audience visit which is much higher than our newspaper right because we get visits from outside our states,

outside of India. So can we expect something in the next 2 or 3 years that we would have that critical mass and then explore products around that?

**Girish Agarwal:** We are certainly working towards it.

**Yogesh Kirve:** And finally we had this big disruption because of COVID, so how do we assess any long-term risk arising out of it? One from the user perspective, has there been any deterioration in the readership habits and secondly from the advertiser perspective whether there would be some permanent re-allocation of the ad budget. So I understand its bit of a crystal gazing, how are we thinking about it?

**Girish Agarwal:** On the circulation front as you noticed yourself that we are at 80% level today overall, in couple of markets we are at 85% also. So I don't think any major or worthwhile shift from print to digital platform exclusively we are witnessing so that we are pretty confident of that our readers are loyal, morning habit is a must for them. Coming on to the advertisers, it's early to say because they have started coming back to us now and so far, I have not come across any advertiser who is saying I'm going to stop a particular medium and go on to the next one only. Everybody is trying a mix of every medium, so let's see how it unfold going forward.

**Moderator:** We take the next question from the line of Rushabh Sharedalal, Individual Investor.

**Rushabh Sharedalal:** I have three simple questions first is pertaining to the trade receivables; as of 31<sup>st</sup> March the trade receivables are roughly Rs. 630 crores; if you can quantify us what portion of that pertains to the receivables from the State Governments that we have completely received? The second question is pertaining to the dividends; the company has skipped giving any dividend this quarter. So if you can let us know whether the company is planning to give an interim dividend in the next quarter or do any kind of a buyback? And the third question is pertaining to the business; where do you plan to launch because presently we have newspaper in three languages. So do you plan to launch a newspaper in another language?

**Girish Agarwal:** First of all your first question about the breakup, so out of the Rs. 630 crores the breakup is Rs. 440 crores commercial and Rs. 190 crores government and out of that Rs. 190 crores we have been able to recover a large portion. I cannot be giving you the exact number now, wait for a month when we declare the Q1 result next month, I will give you the exact number on that but the large portion of government revenue from the states has been recovered. Coming to your second question on the dividend part, as you remember, as you must have noticed that company is been announcing almost 64% of our PAT over a last 2-3 years' time as a dividend, as a payout and our dividend policy remains the same and whatever cash company will have this year based on that we will announce the dividend. Coming to your third question about launching another language, I think the potential in Hindi, Gujarati and Marathi still is big for us and this is a time to consolidate, focus more on what we have and make most of it there. Since you are from Gujarat, Ahmadabad you would have seen how Divya Bhaskar has gained traction in terms of readership and appreciation in last many months and is really being growing over there. We would like to further grow in that market and become the first choice of the advertisers also.

**Rushabh Shredalal:** Just a small follow-up. When you mentioned that out of the Rs. 190 crores of the government dues, you mentioned that a large portion has received so can I just get a rough idea whether it is 50%-60%. I mean if you can give a rough idea, I do not expect you to give exact number. We have large...

**Girish Agarwal:** We have received almost 25% of that in last 2-3 months.

**Rushabh Shredalal:** And whether the company is planning to do any kind of buyback in the coming months?

**Girish Agarwal:** Whatever be the board decision we shall let you know about that.

**Moderator:** Thank you. Ladies and gentlemen that was the last question for today. I would now like to hand the conference back to the management for closing comments.

**Pawan Agarwal:** Thank you for your participation and time on this earnings call. I hope that we have responded to your queries adequately today. We will be happy to be your persistence to our investor relations department headed by Mr. Prason Pandey for further enquiries. Take care and stay safe. Thank you.

**Moderator:** Thank you. On behalf of DB Corp Ltd. we conclude today's conference. Thank you for joining, you may now disconnect your lines.