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October 21, 2022

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**National Stock Exchange of India Limited**

Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400051

Scrip Code: **540602**

Trading Symbol: **GTPL**

Dear Sir/Madam,

**Sub. Transcript of the Post Results Conference Call on the Unaudited Financial Results for the quarter and half year ended September 30, 2022**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed herewith transcript of the Post Results Conference Call on the Unaudited Financial Results for the quarter and half year ended September 30, 2022 held on October 17, 2022.

The same can also be accessed at the Company's website at [www.gtpl.net](http://www.gtpl.net).

Thanking you,

Yours faithfully,  
**For GTPL Hathway Limited**

**Hardik Sanghvi**  
**Company Secretary & Compliance Officer**  
FCS: 7247

Encl: As above



“GTPL Hathway Limited  
Q2 FY2023 Earnings Conference Call”

October 17, 2022



**ANALYST: MR. PULKIT CHAWALA – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

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

**Moderator:** Good day ladies and gentlemen, and welcome to the Q2 FY2023 Results Conference Call of GTPL Hathway Limited hosted by Emkay Global Financial Services. We have with us today Mr. Anirudhsinh Jadeja – Promoter & Managing Director, Mr. Piyush Pankaj – Business Head (CATV) and Chief Strategy Officer and Mr. Anil Bothra – Chief Financial Officer. As a reminder all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions at the end of today’s presentation. 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 Mr. Pulkit Chawla from Emkay Global Financial Services. Thank you and over to you Sir!

**Pulkit Chawla:** Thank you Michelle. Good evening, everyone. I would like to welcome the management of GTPL Hathway and like to thank them for this opportunity. Without further delay I shall now hand over the call to the management for their opening remarks. Over to you gentlemen!

**Anirudhsinh Jadeja:** Thank you Pulkit. Good evening, everyone. I am pleased to welcome you all to our Q2 and half year ended FY2023 Earnings Conference Call. Your company GTPL Hathway is driven by the very purpose of being present at your service through its digital cable TV distribution and high-speed broadband products offering. Halfway into 16th year of our operations, I am happy to share that we continue to be number one service provider and digital cable TV service in India and for broadband service in Gujarat. The company has registered a strong performance in H1 FY2023 by growing 10% revenue; efforts are being made towards aggregating smaller MSO and additionally expanding the broadband penetration. The Broadband segment presented great opportunity to grow due to constant increase in demand for wireline broadband and increasing data consumption patterns. While focusing on growth, we also continue to be a net debt-free company. I, now hand over to Mr. Piyush Pankaj who will take you through business and financial update for the quarter.

**Piyush Pankaj:**

Thank you Mr. Jadeja. Good evening, everyone. I hope all of you are safe and healthy. I am pleased to announce the business and financial performance of GTPPL Hathway for Q2 and H1 FY2023. Our active CATV subscriber base as on September 30, 2022, stands at 8.6 million. Paying subscribers for CATV stands at 8 million. On Y-o-Y basis the increase in active and paying CATV subscribers is 550k and 650k, respectively. We remain the largest MSO in India riding on our quality services and consumer-centric products and services. We expect to grow our digital cable TV business by aggregating smaller MSOs and additionally expanding the broadband penetration to digital cable TV base.

In the broadband business we added 135k new subscribers on a Y-o-Y basis and 25k new subscribers on a Q-o-Q basis. Homepass subscribers stood at 5 million as on September 30, 2022, of which 75% are available for FTTX conversion. The Broadband ARPU for Q2 FY2023 stood at Rs.450. The average data consumption per customer per month stood at 300 GB registering a 33% increase Y-o-Y. This segment continues to grow as data consumption is increasing due to push for digital growth, digital education, push for hybrid work culture, increased use of social media, etc.

I am proud to announce that we have been recognized as the “Economic Times Most Iconic Brands of 2022” by the Economic Times. The award is third in our list of accomplishments this calendar year after the company was listed among India’s Growth Champions 2022 published by Economic Times and Statista and among the high growth companies Asia Pacific 2022 published by Financial Times. These awards are a testimony to our relentless customer-centric efforts.

Moving on to the financial performance: On a consolidated level excluding EPC contract in Q2 FY2023, revenue grew by 10% Y-o-Y to Rs. 6,620 million. The CATV subscription revenue stood at Rs. 2,751 million. The broadband segment delivered robust growth of 19% Y-o-Y and revenue stands at Rs. 1,198 million led by healthy subscriber additions. Consolidated EBITDA for the quarter stood at Rs. 1,383 million with a margin of 20.9%. Our continuous efforts to deliverance our balance sheet and maintaining our net debt-free status is seen in our finance costs which has reduced by 30% Y-o-Y and 5% Q-o-Q. Our borrowings reduced by Rs. 335 million due to repayment of loan this quarter. PAT for the quarter stood at Rs.

459 million up 6% Y-o-Y. We can now begin with the question-and-answer session. Thanks.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pratiksha from Aequitas Investments. Please go ahead.

**Pratiksha:** Good evening, thank you for the opportunity. My first question was on the cable TV side we have been seeing some softening of ARPU since a couple of quarters now so just wanted your view on the outlook on ARPU here?

**Piyush Pankaj:** Yes, ARPU you can say that it is at the same level that it was earlier, we are not able to increase the ARPU and we are looking forward that we are going to increase the ARPU. As we are entering into new markets and still we are maintaining our ARPU at the same level because at present we are entering into the market where the average ARPU is less than our average ARPU on those markets, but we are increasing our ARPU in our current market so that we can maintain our same ARPU, but once we are going to stabilize in the new market we are going to take up the ARPU. So, I will say a Y-o-Y basis you will see the growth in the ARPU by March 2023 or by June or September 2024, by that time we are going to stabilize in the new markets.

**Pratiksha:** So, when we say stabilize you are looking at around 120 levels right?

**Piyush Pankaj:** Yes, we are at 120 levels right now 119-120 that is because we are going into the markets where the ARPUs are less right now we are going to increase those ARPUs in new markets also. In old markets we are increasing our ARPU and that is why we are able to maintain the ARPU right now, but once those new markets are going to get stabilize, which will take 6 to 12 months you will start seeing that the ARPU is increasing.

**Pratiksha:** If you could just elaborate a little about the growth plan in subscribers in this business because we have seen very volatile trend here and also if you can comment on the gross addition and net addition and on its quarterly trend?

- Piyush Pankaj:** As I have stated that on Y-o-Y basis we have increased our paying subscribers by 650k, but still the revenue for some of the subscribers is going to start from Q3 and Q4 so we will start seeing it in the revenue side also the growth. We are still maintaining that we will do 1 million per annum which is the target on which we are working towards. Already on a Y-o-Y basis 650k we did we have to do more around 0.5 million to 600k more in this year and we have to continue that trend going forward also. Yes, on the churn side we will say that churn is from last year it was a bit under control, last year due to COVID and all, it was significantly high, but we have controlled it, we have tapered it down, but it is still higher than the pre-COVID era I can say. So, we are trying to take care of that so that we can show more on the net addition side, and we are confident that we will get those results.
- Pratiksha:** On broadband front, so how do I look at quarterly additions every year I think the pace of growth has come down drastically in the last two quarters so how do you want to describe the outlook here?
- Piyush Pankaj:** Earlier we have given outlook that between 40k to 50k per quarter we will do it, first quarter we did around 35k, this quarter it is 25k addition mainly because of the monsoons. It was an extended monsoon, mainly for the Gujarat. Earlier, mainly it used to happen for one month or one-and-a-half months but this time it was like all three months heavy rains in Gujarat and that has affected a bit of our net additions. We are hopeful that we are going to cover it in the next six months' time, and we will come back to the same projections which we have given.
- Pratiksha:** Which is about roughly close to a million subscribers by the end of the year?
- Piyush Pankaj:** Yes, we are at 870k right now, we are looking forward that we are going to add around between 80k to 100k in this financial year, so close to 1 million.
- Pratiksha:** How about homepasses like do we have any target set out here, I think last two quarters H1 per se we have done 30,000 so how do I look at growth plan here on homepass basis?

**Piyush Pankaj:** Homepass yes, as I said we have planned to ramp it up, but because of the rains we are not able to ramp it up, if you see we did 150k, 150k last two quarters from 4.7 we have come to 5 million right now. We are looking forward that we will close near somewhere around 5.5 or 5.6 million. So, we are planning to double that in the next two quarters.

**Pratiksha:** If you could just comment about the acceptance of Genie box, how has that been going and I understand that that should have improved the margins but that really is not showing in the numbers, so is there anything else out there that is taking time?

**Piyush Pankaj:** Genie box you can say last six months we have seeded around 10K hybrid, as I said that as many customers have already subscribed to some OTT apps and they want to go for hybrid upon completion of their existing subscription, and second on the market feedback which is we have to come with a novel validity pack and introduce smaller bundles of OTT apps, we have not did that because of the rains and all we thought that we should wait for this launch and we are launching just after Diwali where we are going to give two types of products, one product is with the hybrid box and one product is going to be for my existing customers where they can opt for OTT on mobiles also and with broadband and with cable TV both bundled together. So, all these launches are going to happen around Diwali, and we are hopeful that we are going to get tractions due to this and we will increase our horizon in terms of customer base.

**Pratiksha:** Lastly how much capex has been incurred in each division in this quarter?

**Piyush Pankaj:** For the sixth months we have done the capex of around 210 Crores where CATV it has gone around 110 Crores and broadband has gone 100 Crores.

**Pratiksha:** CATV 110 and broadband 100 Crores.

**Piyush Pankaj:** Yes.

- Pratiksha:** What is the capex plan for the balance?
- Piyush Pankaj:** We are keeping the same capex plan of between 450 to 470 Crores for this year where 50% is going to be in the CATV and 50% is going to be in the broadband.
- Pratiksha:** Thats it from my end. Thank you.
- Moderator:** Thank you. The next question is from the line of Raj Ojha an individual investor. Please go ahead.
- Raj Ojha:** Good afternoon, thanks for the opportunity. I have a couple of questions, first question is related to subscriber base, so I just wanted to understand how do we plan to increase our broadband subscriber base and especially which area we will be targeting for coming quarters or a year?
- Piyush Pankaj:** Thanks. Raj. Threefold strategy is there - one strategy is the B2C strategy which we are doing right now; 25k or 35k which we have seen in the last six months is mainly B2C subscribers and that is going to continue. The second strategy is in the rural Gujarat side where we have to expand. Right now, we are at 110 cities only in Gujarat presence and in cable side we have presence of around 400 cities, so we have to expand on that plus we are going to leverage GFGNL infrastructure which we have laid for the government and penetrate in that Gujarat side. The third strategy is your B2B segment which we have started, already a lot of things are in pipeline there, you can say around 50k subscriber base in the pipeline and which we are seeing that will come to us in Q3 and Q4. So, this three-fold strategies on which we are working to increase our subscriber base in broadband.
- Raj Ojha:** Also, just wanted to understand like government has been pushing various digital initiatives and motivating to connect rural areas to broadband so at a macro level how this thing can help us to increase, ultimately how this can increase our benefit in a longer run?
- Piyush Pankaj:** As the more digital adoption is happening in India and as the consistency side if you say that is only wireline broadband which gives the consistency and any house, now at least they are not depending on totally on wireless they wanted the wireline at home and that is going to help us in increasing our subbase. Overall



industry if we talk about it is like 310 million households and out of that only 25 million households is in the wireline broadband right now so the opportunity is very big for all the players and we are looking forward that as the government initiative plus the infrastructure improvement happens in country, the adoption of wireline broadband is going to increase multifold and that is going to help all the players and whoever at the forefront of this that is going to help them more on that basis so it is a sunrise industry I will say and we are looking ahead to be part of that.

**Raj Ojha:** I have one last bookkeeping question like we have been generating good cash flow and we have got out of the EPC business so I just wanted to understand now what will be the impact of this on our EBITDA margin going ahead?

**Piyush Pankaj:** EBITDA margin is going to improve as on that EPC we are just making the EBITDA of around 8% to 9% and now as EPC project is not there then the regular businesses which is at EBITDA margin of more than 20% that is going to help us in the EBITDA margin.

**Raj Ojha:** That was useful, thank you.

**Moderator:** Thank you. The next question is from the line of Karan Mehta from Nirzar Securities. Please go ahead.

**Karan Mehta:** Thank you for this opportunity. I just have one question, what is the amount of recurring capex and the amount of new capex incurred for growth in CATV as well as broadband business for the first half FY2023?

**Piyush Pankaj:** Recurring capex is mainly in the CATV side, main capex is your STBs. If I say the replacement STBs which we have to do from the new boxes, or which is in the warranty period and all which you can say as a recurring it is not more than around 200k or 250k in a year; the rest is for the new subscriber base which we are incurring. So, if we are purchasing around 1.5 million boxes out of that 1.3 million boxes or 1.25 million boxes is going for the new capex, new subscriber base hardly you can say 15% is going on the recurring side. The same trend is on the broadband where we have to do the replacement or replacement of your current old LAN customers and we have to migrate in the GPON and the FTTX side.

**Anirudhsinh Jadeja:** But with this financial year basically there is a CATV side set top box might be a replacement bit higher because in this financial year we are completely migrating, removing entire MPEG-2 box to MPEG-4 box so we are replacing old MPEG-2 box and that gives a very good support in future through upgrading our especially the channel lineup addition for new channel for bandwidth overall to the service provider.

**Karan Mehta:** If you can just quantify this number of recurring capex?

**Piyush Pankaj:** For this year I will say the recurring capex will be around for the 400k boxes which is around, the total capex it is going to be around 22%, but general it is going to be somewhere between 12% to 15% on the CATV side. On broadband side it is 15% to 17% it is maintaining that.

**Karan Mehta:** If you can just quantify the amount?

**Piyush Pankaj:** Amount of six months if I talk about it is going to be somewhere around 25 Crores out of 110 Crores is the CATV side which is recurring and, in the broadband, it is going to be somewhere around 15 Crores out of 100 Crores in the first six months.

**Karan Mehta:** Thanks a lot Sir. This was very helpful.

**Moderator:** Thank you. The next question is from the line of Akshay Jain from Equity Research. Please go ahead.

**Akshay Jain:** Sir, I just had a few questions, we have increased receivable and even payables are higher compared to H1 last year just wanted to know the reason for the same?

**Anil Bothra:** The total receivables are Rs. 3,565 million if I compare these receivables with September of FY2022 it is almost around Rs. 3,226 whereas if I compare this from Q4 or March 31, 2022, it is Rs. 2,836. So, increase is cyclical in nature which is actually predominantly from the marketing and carriage receivables and the same amount of payables are also going up. So, it is a kind of the arrangement between the marketing and carriage parties and the pay channel parties. So, it is a contra kind of entry and if you look at the trade payables on September 30, 2022, it is Rs. 5,864 and the Q2 of last year it was Rs. 5,550. So, it is cyclical in nature if we

compare with the September number of last year then it gives the correct picture. March, yes, the things will come back to the normal.

**Akshay Jain:** One more question I am seeing that the segmental PBT is improving with the contribution from the broadband segment so going forward what is your guidance for the current financial year and the next year on this?

**Piyush Pankaj:** Broadband as we mentioned in my earlier call also that we are making around 40% EBITDA in the broadband business. So, as the broadband business will go up the contribution towards PBT and EBITDA is going to increase by the broadband. In CATV side we are making around 20% to 22% EBITDA margin and that is going to continue. So as the broadband business will start contributing more and more in the revenue side you will see that in the EBITDA and PBT the contribution is going to come more from the broadband.

**Akshay Jain:** Coming to the ARPU of your broadband business it has been broadly in the range of 445 to 450 do we see any improvement coming into the ARPU for broadband segment in the coming quarters?

**Piyush Pankaj:** We are not saying that the ARPU is going to increase. The whole management and whole industry is concentrating more towards the subscriber additions as the opportunity is very big and we are going to continue that also. Yes, we are going to maintain our ARPU at this level, we are not looking forward that we will make a case about this, but yes subscriber addition is the main focus right now. Once the business matures, at that point of time we will see that how to increase the ARPU.

**Akshay Jain:** Thanks a lot for answering my questions. Thank you.

**Moderator:** Thank you. The next question is from the line of Dharmavenkatesan an individual investor. Please go ahead.

**Dharmavenkatesan K B:** In the cable business you said we are looking at inorganic acquisitions. Is this still at very early stages or is there any particular region that you want to expand through inorganic acquisition?

**Piyush Pankaj:** No, we are looking forward to expand all over India as we are already in 19 states, and we are looking forward to enter into a few more states and so we are looking forward for acquisitions in all the states where we are present. Wherever the opportunity is coming we are going ahead with that and in Q3 and Q4 you will see that some big acquisitions will come into our side.

**Dharmavenkatesan K B:** I was late to join the call, so if this question was asked so pardon me is there any update on the court cases that we were having or is it still at the same stage?

**Piyush Pankaj:** No, it is still under the same situation, there is no movement on that. We are looking forward I think one good case is happening in the first week of December. I think it was in Supreme Court. So, we are hopeful that some movement will happen at that point of time.

**Dharmavenkatesan K B:** As far as I understand that we have a precedent in this case which actually means that we do not have to pay the fine, so that is how it is still there, right or is my understanding wrong?

**Piyush Pankaj:** No, your understanding is right, you can see our notes both number seven and eight in our results we have given and put it into these processes you can get a fair picture of those.

**Dharmavenkatesan K B:** Thank you Sir, thank you for your time.

**Moderator:** Thank you. As there are no further questions from the participants. I now hand the conference over to the management for closing comments.

**Piyush Pankaj:** Thanks everyone for joining the earnings call and we look forward to again interact with you on the next quarter results, in the Q3 results. Please be safe and healthy. Thanks a lot.

**Moderator:** Thank you. On behalf of Emkay Global Financial Services that concludes this conference. Thank you for joining us. You may now disconnect your lines.