



“GTPL Hathway Limited
Q3 FY'23 Results Conference Call”

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

**MODERATOR – MR. PULKIT CHAWLA – EMKAY GLOBAL FINANCIAL
SERVICES**

Moderator: Ladies and gentlemen, welcome to the Q3 FY'23 Results Conference Call of GTPL Hathway hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Pulkit Chawla, Emkay Global Financial Services. Thank you, and over to you.

Pulkit Chawla: Thank you, Darwin, and good evening, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Anirudhsinh Jadeja, Promoter and Managing Director, Mr. Piyush Pankaj, Business Head CATV and Chief Strategy Officer, and Mr. Anil Bothra, Chief Financial Officer. 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'm pleased to welcome you all to our quarter 3 and nine months ended December 2022 Earnings Conference Call. We continue to be the No. 1 MSO in India constantly growing our subscriber base, both in digital cable TV and broadband segment.

Before I provide business update, let me use this opportunity to announce that we recently changed our brand identity to encompass “**Entertain and Connect**”; in order to communicate the wide range of products and services offered by us, including entertainment from cable TV and OTT and connectivity in the form of high-speed broadband, as well as new products and services to be launched soon.

Coming back to the business update, I'm extremely pleased and excited to announce the launch of GTPL Genie+, an OTT app aggregation product, which offers subscription to the wide choice of OTT applications in convenient pocket-friendly packs. It's an off the shelf product that can be used by cable or broadband customer of GTPL. The digital push in India provides immense opportunity on the broadband front. We plan to be a front-runner & push Internet service in existing and new geography by providing value-added service at cost effective rate by following a customer centric approach.

I now hand over to Mr. Piyush Pankaj, who will take you through business and financial aspects of the company.

Piyush Pankaj: Thank you, Mr. Jadeja. Good evening, everyone. I am pleased to announce the business and financial performance of GTPL Hathway, the largest MSO in India as per TRAI's performance indicator report. On the basis of our strong foundation and past performance, I'm pleased to announce that we have entered three new states for our digital cable TV business: Delhi, Haryana and Uttarakhand and other state Uttar Pradesh, we have entered two quarters back. We are receiving positive response from these geographies and are planning to build on this to grow and penetrate our presence in these states.

This is testament to the quality of services that we provide and the customer-centric approach that we follow. We are constantly exploring new opportunities in the digital cable tv side by

expanding in new geographies where we can expand on a large scale on back of our expertise and experienced team.

We have launched **GTPPL Genie+**, an OTT apps aggregation product, which offers subscription to a wide choice of OTT applications in convenient pocket-friendly packs. These packs will be available in one month, three months, six months and annual subscriptions. GTPPL Genie+ will provide access to up to 15-plus leading apps and will also offer up to 80% saving compared to MRP of these OTT apps. In addition, we also provide savings to the customer in the form of 100% guaranteed cash back.

Our digital cable TV subscriber base, as on 31st December 2022, stands at 8.90 million. Paying subscribers for digital cable TV stands at 8.30 million. On nine-month Y-o-Y basis, the increase in active and paying digital cable TV subscriber is 700k and 800k, respectively. Subscription revenue increased by 3% Y-o-Y.

In the broadband business, we added 130k new subscribers, an increase of 17% on a Y-o-Y basis. Home pass subscribers stood at 5.15 million as on 31st December 2022, of which 75% are available for FTTX conversion. The broadband ARPU for quarter 3 FY'23 stood at INR 455, an increase of INR 10 on a Y-o-Y basis. The average data consumption per customer per month stood at 310 GB a 28% increase Y-o-Y.

The broadband segment provides immense opportunity, and we plan to capitalize on this by providing value-added services and the launch of GTPPL Genie+ will help us to extend our broadband services and in retention of customers.

Moving on to the financial performance on a consolidated level Excluding EPC contract, in quarter 3 FY'23, revenue grew by 15% Y-o-Y to INR 7,050 million. The digital cable TV subscription revenue stood at INR 2,775 million, up by 3% Y-o-Y.

We saw a consistent growth in our broadband segment. Broadband revenue increased by 18% Y-o-Y and revenue stood at INR 1,243 million. This was driven by a healthy subscriber addition as we are on track to reach 1 million subscriber base by the end of this fiscal year. Consolidated EBITDA for the quarter stood at INR 1,314 million with a margin of 18.6%. PAT for the quarter stood at INR 376 million. We are a net debt-free company, generating free cash flows and a paying dividend history of last six years. Thank you, everyone. We can now begin with the question-and-answer session.

Moderator:

The first question is from the line of Parth from Alpha Plus Capital.

Parth:

Firstly, congratulations for a decent growth in the broadband active subscriber base. Sir, even in the last quarter, we had talked about this, that our ARPU and CATV business is actually coming down, which seems to be the case given this quarter, and it has come down substantially. So if you could throw some color on the same?

Piyush Pankaj:

Yes, Parth. Actually, as you know, that we are entering into a new market. As you know, we have given that from last one and 1.5 years, we have gone into the south market, mainly Tamil Nadu. And then we have entered into Odisha some of the North-East market. And now we are going into the big way in the North market.

What is happening that the new subscribers, which are coming to us, they are coming at the lower to the average share ARPU of our higher market. So, we are dominant in Gujarat, we are dominant in West Bengal, we are dominant in Andhra Pradesh,, we are dominant in Maharashtra. So, all these markets, we are maintaining our ARPU or increasing our ARPU as we are dominant in those markets.

As you go into the new market, you have to start from a bit lower ARPU. And then, you have to ramp it up with the time as you become dominant No. 1 and No. 2, which is the endeavor on which we become in every market No. 1 and No. 2 within two to three years. So that is happening. Like in Tamil Nadu, we are already crossing now 800k subscriber base, the Tamil Nadu closing to 1 million. So, we are looking forward that we will take the ARPU up over there.

Same is happening in North-East market as we entered in the last year, and now we are becoming No. 1, No. 2 player over there. So slowly, you will see that whenever you do the expansion at that time, you have to take a of hit in the ARPU. And we have to increase our ARPU at all the places as we talked in the earlier call also. Right now, we are waiting because we have to see if there is any regulatory change, which is on the door, if it is coming, then we will do it at that point. Otherwise, we are going to take the call in the first quarter of FY '24.

Parth:

Sir, also, if you could help me with on the ARPU side, if this is the ARPU that would be the lowest or we could see even lower ARPUs going ahead. And you also mentioned that as we get into newer geographies, which is understandable ARPU would be slightly lower. But so is that the case that the new additions would be primarily from newer geographies?

Piyush Pankaj:

Yes, that is what is happening, Parth, that the new additions are coming from the new geographies. As you already know, like in Gujarat, if I talk about I'm a dominant player having 80% of the market. So here, I'm just adding every year 2%, 3%. But if I'm going into the new market, there I'm adding at 10%, 15% on that basis. So yes, the subscriber base is coming from the new market. We are making the strategy that how we are going to ramp up our ARPU. As from last two calls, we are talking about that. And we will take some steps in FY '24 regarding that.

Parth:

Sir, last question on the margin front, we've seen margin come down a little bit from a normal level. The reason for the margin drop is the same, whereby penetration into newer geographies, will probably also lead to lower ARPUs, plus have some additional cost, or is there some other factor which is probably leading to the margin compression?

Piyush Pankaj:

So if we talk about, we have gone into the north market, the whole of the North market, and we don't have any establishments over there. In other markets, if we go, we have some establishments. So there, we have to start from the scratch. We have to create the whole establishment and everything and then started doing the acquisitions and adding the subscriber

base. So, all the cost has increased a bit in this quarter because of – we entered into the new market and made the establishments from scratch.

And we have opened a number of offices over there. We did recruitments over there. And all the backbones, we have what we have to make there on the fiber and all we did it. And we are going on aggressive basis on the acquisition front also, and the swapping or you can say the – taking the direct customers also. So, both are going on. The revenue will follow on those basis. This is, I will say, one of the quarter where the blip has come because of the high cost of establishments and all. We are going to be again, on the track as we are doing in the last five to six years, and we are going to maintain our budget.

Moderator: The next question is from the line of Vinit Manek from Karma Capital Advisors.

Vinit Manek: So again, a similar question from the previous participant that we have seen a significant increase in our other expenses, excluding the pay channel and the employee cost. So, is this a sustainable number going forward? Or was an extraordinary during this quarter, and we might see the cooling off of this number in the coming quarters? So how should we look at the other expense line item going forward?

Piyush Pankaj: Other expenses, this is exceptional quarter for us also as we decided to enter into new markets. And there, we have to do all to the establishment from the scratch as I told. This is an exceptional quarter, I will say on that basis. Whatever cost we have to incur for the establishments for creating my networks and everything has already been done in this quarter. We have started acquiring customers already around more than 1 lakh customers have come from those markets. But yes, there are revenues as we are taking it in this quarter, the revenue will start coming from the next quarter. We will start seeing that the revenue will follow this cost, and this cost will remain at this level only.

Vinit Manek: And also coming down to the subscription income. So we have almost added 0.5 million subscribers this year. And we are aiming to add 1 million subscriber by the end of this year, but our average growth for nine-months within the subscription income has been closer to 2.5% number. And with the NTO-2 clarity coming in now, how are we seeing the growth in the subscription income going forward? So, can we expect a high single-digit subscription growth coming in from next year, or a similar number with the aggressive customer acquisition strategy will be there in the coming year?

Piyush Pankaj: No, we are keeping that strategy intact. We are going back to the double-digit growth. The number of acquisitions as we will increase as I say that we are expanding right now and just started expanding on the acquisition basis. There is an effect on the ARPU side. Those will get stabilize as we go forward, I will say within next two quarters.

And you will see that consistent ARPUs going to be there. Plus, there is a plan to increase the ARPU. Already, the plan is there. We have delayed that because of NTO-2 implementation and all, and we have not taken this. But whatever will happen, we are going to take that call in the first quarter of FY '24. And there you will see that the ARPU is also increasing, and subscriber

base is also increasing. And we are keeping our target that we will go into the double-digit growth in the revenue side.

Vinit Manek: Also coming on the broadband side. So, we had a good addition this quarter, but it is very similar to the previous quarter's run rate. And I think on the previous call, you mentioned that the large part of this addition is coming from the B2B side of it. And the B2B addition was slow over the last two quarters. So was it a very similar kind of situation this quarter also, for the broadband? And how are you seeing this number accelerating? Because I think we are a little bit behind our targets and our aspirations about the broadband subscriber addition. So how should we look at that going forward?

Piyush Pankaj: Yes. This quarter also the addition, whatever addition has happened around 25k. This is pure B2C addition. Still B2B has not started contributing to us. B2B as in the last quarter also we said that we are ready, around 60k subscriber is already in the pipeline and which is getting integrated with our systems.

A big delay has happened on that because of the technical un-similarity between the network. But that was already being solved. And we are hopeful that as we talk, that integration is happening. So, by January end this 60k subscribers will get onboarded, and we will start getting the revenue from there. So B2B contribution, if I will say, it has not happened until time whatever 130k subscriber in last one year added, that is the B2C subscribers.

But as we started doing this, as we get the experience of onboarding and everything. We are hopeful that B2B onboarding and B2B subscriber base will start getting addition every quarter in a good number and that will start giving us the revenue side also and subscriber side also.

Vinit Manek: And Piyush, just last question from my side. So, what was the nine-month capex that we have already incurred? And what is the remaining target for the quarter that we are intending to spend?

Piyush Pankaj: Yes. So total capex, which has happened in the nine months is INR 355 crores, on which CATV capex is INR 180 crores and broadband capex is INR 175 crores. The guidelines, which we have given, that we are going to be close to INR 450 crores capex this year. We are sticking to that. For the last quarter, that 100 crores more capex will happen and that will be 50%-50% in CATV and broadband. So, this is the situation right now.

Moderator: The next question is from the line of Yash from Sushil Finance.

Yash: I had a question regarding the CATV business. My first question is, do we expect going forward in, let's say, next 2 to 3 years after acquiring substantial market share in the new territories, the margins to expand and reaching the levels of 12%, 10%, which we were doing previously, two years back? Or how is it?

Piyush Pankaj: Yes, that's the expectation as you know we are going aggressive in the acquisition mode right now. If you see one of the strategy, which we talked about IPO times is the consolidation of industry and we wanted to do it from 2020 onwards, but we have not started that due to COVID and everything, now we have started.

So, we are going on aggressive way for the consolidation for the acquisitions and as we go forward, as we get more and more subscribers, we will become dominant in those markets. The revenue and ARPU will follow. And the double-digit growth, which we were doing from last few years, you will see that it is back to that. So that's the way we are making it. And that's the strategy on which we are working.

Yash:

My second question is with respect to the GTPL Genie, which was launched I think in 15 days back. So, as I can see on your website there are four different packages, which are offered. So, could you just throw some light as to how much would be the margin which we can expect from these plans and going forward? I'm not able to see like a prominent name Netflix being a OTT being offered to us, to the customers. So, do we have any plans of onboarding them? And lastly, I know that IPL would be on JioCinema. So, what are your views on that? Do we plan on doing some partnerships with them as well or how is it? For the OTT plan?

Piyush Pankaj:

So first on the Genie+. Genie+ product we have launched which is more of an app aggregator and available to all CATV and broadband subscribers existing and new customers of GTPL. It is an off-the-shelf product which a customer can go directly and purchase it at a very competitive price. And we have made it available in 1, 3, 6, 12, all types of periods.

Plus, there are four packs of different choices for the customer. The customer can have whatever value according to their choice they can take it. Yes, if I talk about Netflix when we launched our Hybrid box Netflix was integrated on that but yes we are in touch with Netflix to provide us the app which Netflix has promised. There's still some negotiations are going on, but as we wanted to launch Genie+ and all other apps where already we have closed, we have gone ahead and launched. We are hopeful that Netflix will also come into the fold very soon and we will start providing Netflix to our subscriber base, to our customers.

Genie+ is, you can say, on the margin side now. Yes, there is a margin, but we are more looking towards it for the stickiness and the retention of the customer and it is available for all 10 million customers including CATV plus broadband. And we are looking forward that this is going to increase the stickiness plus all the choices of content, which customers requires. That is, we are offering. There is going to be a margin and the margin in such a way that it is not going to impact my EBITDA margin. It will be at the same level and -- but yes, that is the case.

Coming to the Jio side, that JioCinema is going to have IPL. So overall it's good for the customers, the viewership is increasing. It is going to be part of our OTT application also. That is going to happen. But yes, it is good for the industry and all. Viewership is going to increase. But TV is going to be there throughout the houses. The connection is going to be there throughout the houses as we understand and as per the analysis and all. And somewhere Disney and Hotstar is also increasing their marketing, which is good for the industry.

Moderator:

The next question is from the line of Raj Ojha from GB Capital. Please go ahead.

Raj Ojha:

So, I have two sets of questions from my side. The first one is, what are the growth trigger, or the growth drivers point for our broadband business, and do we see any up-stick in ARPU?

- Piyush Pankaj:** The growth driver that I will talk about, the total households in India is around 310 million and out of that only 30 million is right now, hardly 10% is the wired broadband. So, we always call this broadband business as a nascent business right now. This has to increase rapidly. If we talk about Eurozone, they have already crossed 60%. China is at 50%. US is at 80% penetration of the wired broadband. And somewhere India will be going to catch up at those levels with the time.
- So, there is a large opportunity where the customers are there, and you just have to reach those customers through infrastructure and start providing the services. So, it's a large market. So, the growth driver is that in India, it's a volume growth, which we are looking forward for, apart from that value growth. We are looking forward that two to three percent will happen every year in the value growth that we are pushing; plus we are going to do the layering of services over the broadband, which will fetch more money from households. We'll try to do that. And that's the strategy on which we are working.
- Raj Ojha:** Okay. That's helpful. And second question is, sir, how is the response in our new states, which we have entered on the cable TV side? So, are we planning to scale it up? Or what are our plans to scale up the business?
- Piyush Pankaj:** Yes. So, the response is very good, actually being a number one player in India and having the best quality services established, a lot of responses are coming from those markets. And we have just started around two months back and already got more than one lakh subscriber over there. We are looking forward that within a one year we are going to cross the million subscriber over North market. And the market is big, this is a good market. The ARPUs are going to be good on those markets. We are expecting that. So yes, 1 million plus in the next one-year time in those market.
- Moderator:** We have the next question from Richa Meena from ICICI Bank.
- Richa Meena:** I just want, so I wanted to know if you could throw some light on the high AGR dues that could be seen in the balance sheet?
- Piyush Pankaj:** Come again, please?
- Richa Meena:** AGR dues? And high AGR dues, how are we planning to go about it?
- Piyush Pankaj:** AGR dues?
- Richa Meena:** Yes.
- Piyush Pankaj:** AGR dues is from the content contingency liability side, which is consistent from last three years, which is coming into the balance sheet. This is the DOT which has given the demand on GTPPL Hathway for revenues prior to 2016, when the internet business and cable business was together. And based on that, they have given the demand on cable business revenues, adding that, which is already contested in the court.

And according to the lawyers and all, we have a very favorable case. And already, MIB and DOT have given that any revenues coming under the MIB licenses' perspective, the MSO licenses and all, that is not to be included in the calculation of AGR. So, we are very positive that the prospective they have already given and for earlier years also, a lot of disputes and everything is going on and it's the up to this right now, it's in the court. And we are hopeful that we will come clean out of that.

Moderator: The next question is from the line of Dharmavenkatesan K B an Individual Investor.

Dharmavenkatesan: So my first question is regarding the increase in the pay-channel cost. We have seen almost a 15% increase year-on-year for the nine-month period. What is the reason behind this increase and how do you see that from next month onwards major players have announced a price hike? So, whether we will be able to pass on those price hikes or our pay channel cost is going to get even higher from here and it might have an impact on our margins?

Piyush Pankaj: Yes, so I always explain this in my calls, earlier calls also, that whenever you are looking for the pay channel cost you have to club it with the marketing and placement income which is showing in the income because one is that you are paying to the pay channels and second is what you are getting from the pay channels. So, you have to go into the -- what is the net increase happening on the outflow side.

And if you go on that basis that you will find that there is not much growth on that part. We are at GTPL, being a number one player and we go for the best negotiations in the market. So, we always try to keep our costs, at least those costs at the par level. And so, if you combine this two, you will see that there is not much increase in the pay-channel cost.

Dharmavenkatesan: Regarding the increase in the channel prices that the major players have announced which will come into effect What is your comments on that?

Piyush Pankaj: NTO-3. We are calling it NTO-3. Yes, we are waiting for the implementation on that side. As you see in NTO-1 when NTO- 1 happened, the industry has lost some of the subscribers initially and then again they gained it. But NTO-1 is, good for everyone, every stakeholder in the industry. We are looking forward that NTO-3 will also happen on that way.

We are geared up that there should not be any chaos in the market and all. We are going to control that as we have the experience of NTO-1 and maintain the cost to the consumer on that basis so that their household cost should not increase. So that's the way we are endeavoring. Yes, they are coming up with different rates and all, but we are going to make the things in such a way that the cost should not increase at the consumer level and all other benefits should get passed to the MSOs.

Dharmavenkatesan: My second question is regarding the new geography which we are entering for our cable TV business. So, in this new geography, whether we have entered organically or do we have done some smaller acquisitions or consolidated the smaller players and brought in new ones? Anything of that sort? Or is it like full-on-full organic growth in those newer geographies?

- Piyush Pankaj:** No, we go for both strategies, inorganic and organic. Yes. As I say that our strategy is going big in inorganic, which we not used to do earlier from last two years because of the COVID. But yes, we are going to do inorganic and organic both. Whatever number I have given you, 1 lakh plus number in those markets, that has come from inorganic and organic. So, we are taking up both the strategies and going forward.
- Dharmavenkatesan:** Regarding our court case status, the status quo remains the same, but is there any other further update or is it the same as previous?
- Piyush Pankaj:** On which you're talking about?
- Dharmavenkatesan:** On the dues we have which we have for our cable TV businesses that which was there was support that was appearing in the business?
- Piyush Pankaj:** Yes, it's AGR and all we are talking about. Yes, status quo is maintained right now and this quarter there is no movement on that.
- Dharmavenkatesan:** And finally, regarding Genie+, so from whatever your answers were given previously, I understood that Genie+ is more of a product to make the customers more sticky rather than the product which we upsell so that if we get additional revenue. It's not like that kind of product. It's a product to increase the lifetime value and make the customers more sticky. Am I right, sir??
- Piyush Pankaj:** You're right. The margin is there. As I said, that the margin is there, as whatever EBITDA we are maintaining that margin we are getting in. So, there is no negative impact on the EBITDA and all that is going to be positive only. But yes, this product is to provide all type of content to our customers. We are becoming content agnostic in that way. Till-date, we are providing Star TV, Sony TV with that we are also providing OTT. So this is the case, and it is going to increase the stickiness of our customers being on our platforms.
- Dharmavenkatesan:** And just a small final one, sir. I saw in the interview in CNBC today morning, so in that you had mentioned, you have hinted on that line, possibility of merger. Merger with Jio like is it -- so or, are we only right now collaborating on a technical and an IP level and we will continue to grow on our own, but what is the end game in this, I'm really trying to understand?
- Piyush Pankaj:** Very speculative question, but still I'll just say that whatever are the benefits being a partner, we have to get from the Jio, we are getting. And we are very happy with that Jio being our partners, whatever guidance, knowledge transfer, vendor negotiations, all we are getting, and we are working on our strategy. The freedom is there. That we are working on our strategy, our plan and we are growing market, and we are performing, we are giving the dividends, we have net-debt free company, consistent performance throughout, subscription -- subscriber base is growing, and everything is happening. Yes, we don't know. We have to see how the future unfolds going forward, but we are keeping our strategy intact and going ahead and doing the business.

Dharmavenkatesan: Sir, so to summarize, right now, the collaboration is truly on a technical and knowledge level, as of now?

Piyush Pankaj: That's right.

Moderator: The next question is from the line of Yash from Sushil Finance.

Yash: Just a follow-up question. Can you just elaborate a bit on NTO-2.0 and how does it affect us going forward? And what are our ways to tackle the same, effect?

Piyush Pankaj: We are calling it NTO-3, Yash. And yes, we are anticipating that not much as change will happen. It will give us the opportunity to increase our revenue and bring more transparency in the market of consumer or every stakeholder. We are trying to keep the cost to consumer at the same level so that there should not be any negative impact on the market on that basis.

So, we are anticipating that not much will change at the consumer level, and it is going to help us in growing our business.

Moderator: The next question is from the line of Rama Manohar, an Individual Investor.

Rama Manohar: Just I have one question. See, why not to invest total money in the broadband sector other than cable TV, any of the business is-- because in metro, many people are cutting off this and moving out from cable TV. So, does it make more sense to making all the investments in the broadband side? Because even broadband, we have a competition in the future maybe the wireless. If you get 5G, they may introduce maybe some sort of set-top box or something else to receive the signals that time we will have a competition, right?

Piyush Pankaj: A different strategy, which you are talking about. But we look forward in this way that, cable business has a lot of potential going forward. Still the TV households are increasing. Still, there are very large market of cable, which has to get consolidated. And the third point is, the return on cable. ROI is very quick. You can say maximum between 10 to 18 months, you are getting the ROI back.

If I talk about the broadband business, ROI is a bit late, it's 24 to 30 months, which we are going to get back. So still the ROI basis, if you say cable business is good. And growth is there. A lot of potential to do in the market, right now. As we were starting the convergence of the services, bundling of the services, entertainment plus broadband plus OTT plus, we will add more services, layering of the services of that. So, it's good to be in the business and start owning the customers at whatever it wants.

We are a pipe reaching to the customer house. We just have to provide all types of services to the customer to keep customers intact with us and to generate more-and-more revenue from that process.

Rama Manohar: But still, we are adding very few numbers in the broadband sector, right? I think because the market, people if you are not adding maybe they may get connection from either Airtel or Reliance Jio fiber and other things. Seeing their numbers, 30,000 to 50,000 are very less, I think, considering that they have built a base of around 10 lakhs, right? And 5 million homepass, so is it not a little low?

Piyush Pankaj: No. On the extraction level, if you see, we are doing best in the industry because we are operating, if I talk about B2C as I said, we are just operating in the Gujarat market and six of other cities. And that's the way, if it go on the extraction basis, we are the best in the market right now also.

Yes, we are starting the B2B in our all-cable markets, which still to take-off. So, we will see that how it unfolds in FY '24, but we are very gung-ho on this broadband business, still a lot of potentials in whichever market we are present, and we are going to do, excel as we are doing, right now.

Rama Manohar: And my last question, do you think these margins are going to improve for the next quarter? Or are they going to be like this only. Because we are making INR 30 crores or INR 40 crores profit like this or how it is going to be?

Piyush Pankaj: As I said in the beginning that, during the call also that, this is an exceptional quarter, where we did the exceptional establishment cost for the new markets as we have to make huge presence on those markets. So, we have to establish, all the access networks, new manpower, everything, bandwidths, everything we have to do from the scratch.

And the customer has to follow on that, also our revenues are going to follow on that. So yes, this is an exceptional quarter. We are looking forward from here onwards, the margins and everything will go fluently.

Rama Manohar: Sir, one last question, sorry again. Ours is a company actually backed by Reliance and other things, but why our company's stock is trading like in a narrow range, maybe even after the five years of IPO, when our profits are INR 40 crores, and the company has come at, may be offer the share at INR 170 something, it had listed -- got listed. Now it's still trading at INR 130, despite our profits of around INR 200 crores and why our maybe big investors are not coming in, mutual funds are not showing interest? Are you taking this is as, that people are not coming to us?

Piyush Pankaj: Whatever we have promised as a management, as a Board, whatever we had promised in the IPO, we have met that, that we are going to increase. If you see we have in the broadband side, we have increased 5x in the subscriber base. The cable side, we have increased around 2.6X of the customer base. The revenues have grown fivefold in the last six years.

We are paying dividend from last six years. Last year, 40%. So, all those things are happening. We are managing our cash flow much, much better as we are net-debt free company, right now. We have paid around INR 400 crores of debt in the last five years. Free cash flow generation is

happening in the business throughout. So that's from the management side and the Board side, I would say share price and all, its speculation. we can't comment on that.

Moderator: Thank you. That will be the last question for today. I now hand the conference over to the management for the closing comments.

Piyush Pankaj: Thank you, everyone, for joining the call. Be safe and healthy. We look forward to interact with you with the FY '23 annual results somewhere in April. Good evening, and have a great day.

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.