



July 29, 2024

To,
Listing Department
BSE Limited
P.J Towers, Dalal Street,
Fort, Mumbai – 400 001

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai – 400 050

Scrip Code: **532375**

Symbol: **TIPSINDLTD**

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of earnings conference call on Unaudited Financial Results for the quarter ended June 30, 2024 held on Wednesday, July 24, 2024.

You are requested to take this information on your record.

Thanking you,

For **Tips Industries Limited**

Bijal R. Patel
Company Secretary

Encl: a/a

TIPS INDUSTRIES LTD.

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“Tips Industries Limited Q1 FY-25 Earnings Conference Call”

July 24, 2024



MANAGEMENT: **MR. KUMAR TAURANI – CHAIRMAN & MANAGING
DIRECTOR, TIPS INDUSTRIES LIMITED
MR. GIRISH TAURANI – EXECUTIVE DIRECTOR, TIPS
INDUSTRIES LIMITED
MR. HARI NAIR – CHIEF EXECUTIVE OFFICER, TIPS
INDUSTRIES LIMITED
MR. SUSHANT DALMIA – CHIEF FINANCIAL OFFICER,
TIPS INDUSTRIES LIMITED**

MODERATOR: **MR. VIRAL SANKLECHA - ORIENT CAPITAL.**



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Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY25 Earnings Conference Call of Tips Industries Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the “*” then “0” on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Viral Sanklecha from Orient Capital. Thank you and over to you, sir.

Viral Sanklecha: Thank you, Steve. Good evening, ladies and gentlemen, I welcome you for the Q1 FY25 Earnings Conference Call of Tips Industries Limited.

To discuss this Quarters Business Performance, we have from the Management, Mr. Kumar Taurani – Chairman and Managing Director, Mr. Girish Taurani – Executive Director, Mr. Hari Nair – Chief Executive Officer and Mr. Sushant Dalmia – Chief Financial Officer.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainties. For more details, kindly refer to the Investor Presentations and other filings that can be found on the Company's website.

Without further ado, I would like to hand over the call to Management for their Opening Remarks and then we will open the floor for Q&A. Thank you and over to you, sir.

Kumar Taurani: Thank you. Welcome to the Q1 FY25 Earnings Call of Tips Industries.

As you all know the Company has recently completed a share buyback for non-promoter shareholders, amounting to Rs.46.62 crores inclusive of all taxes. We will continue to pay out surplus cash to shareholders. I would like to thank all of our shareholders who have reposed their trust in us and faith in our Company. We have changed our content acquisition strategy. And accordingly, you will see fewer releases from Tips our content expense will remain approximately 28% to 30% of revenues. Our team has been working hard and their efforts are now visible. And all of us continue to work on new projects which will continue to benefit the Company in the future. Now, I would like to invite our CEO – Mr. Hari Nair to share his thoughts with us.

Hari Nair: Thank you sir. Hello, everyone.

We are seeing a decent growth of our music across all our digital platforms including YouTube, and Spotify. The Company has reported revenues of Rs.73.9 crores in Q1 FY25. A significant



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increase by 40% year-on-year. YouTube, Spotify, JioSaavn remained the key growth drivers for our digital content, be it new releases or our catalogue. Another key development is the launch of our in-house ERP system called Pulse, where it should aid an automation of content management, reporting and analytics. Now, I will hand over the call to Girish Taurani to provide more insights on our content business. Thank you.

Girish Taurani:

Thank you Hari. We have added 97 new songs to our music library as of Q1 FY25. Among these 79 belong to non- film music, and 18 belong to film music. Our strategy is focusing more on quality rather than quantity. In the previous quarter, we released music from the film Crew, including tracks like Choli Ki Peeche and Naina, each of which has surpassed 100 million views on YouTube and continue to perform excellently on all audio platforms. Similarly, songs from the movie Ishq Vishk Rebound have done some exceptional consumption, with tracks like Soni Soni securing top position in top 10 ranks of Spotify charts. Other songs on the same film such as Ishq Vishk Pyaar Vyaar, which is the title track, and the revamped Gore Gore Mukhde Pe by Badshah have also been performing well.

On the regional front, we had several releases in multiple languages, and one of which noteworthy is Gujarati track called Jhamkudi which is from the same film which was made viral by the community. Now, I will pass on the call to Sushant to discuss the financial performance of the Company. Thank you.

Sushant Dalmia:

Thank you Girish. I am pleased to share with you our financial highlights for the quarter. Our revenue stood at Rs.73.9 crores in 1Q of FY25, making a significant increase from Rs.52.6 crores in Q1 FY24 representing a strong year-on-year growth of 40%. The other income for Q1 FY25 stood at Rs.4.6 crores as compared to Q1 FY24 at Rs.2 crore. Our operating EBITDA for the quarter reached Rs.54.4 crores showing a year-on-year growth of 55%. Furthermore, our PAT for the quarter was at Rs.43.6 crores reflecting a notable increase of 61%. The PAT margin for the quarter is 58.9%. Our content cost for the quarter stood at Rs.12.7 crores as compared to Rs.12.2 crores in Q1 FY24. With this, I open the floor for Q&A.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ravi Naredi from Naredi Investment. Please go ahead.

Ravi Naredi:

Thank you, Taurani sir. You are a wonderful person. Company is growing like anything in your direction. We might touch \$1 Billion market cap soon. Your performance is really excellent giving good dividend payout and buy back regularly. We give a big thank you to you. Sir, my question, did you plan how many songs we may add in Financial Year '25 and content cost, what is your figure in your mind. Second projection for Financial Year '25 growth in top line and bottom line?



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- Kumar Taurani i:** Thank you Mr. Ravi for your nice comments. Yes, our growth is same pattern as always communicated we will achieve 30% top line and 30% bottom line we will achieve this year too. And as far as songs are concerned, we have already released 100 songs approximately and our target is, this year it will be 300, but our target is to go for a quality, next year onwards you will see further less number of songs, but the spending wise it will be same, but quality wise it will be better and better and better. So, that is our focus for coming months.
- Ravi Naredi:** Sir, you are giving always the guidance very less amount, this quarter we grow bottom line 61% and you are telling only 30% anyway, how much revenue we may earn from YouTube out of total revenue can you disclose this?
- Kumar Taurani :** We can't tell you the exact number, but you can, as always mentioned that between 45% and 50% is always YouTube. So, you can have that percentage wise you can, whatever if you want to calculate yourself maybe you can do that.
- Ravi Naredi:** Very lucrative figure. And sir content cost last year was 55.6 crore versus 62.4 crore in Financial Year '23. So, what is possibility this year?
- Kumar Taurani :** Around 80 crore you can assume will be a content investment.
- Ravi Naredi:** Sir, any new movie releasing in Tips Films, which music we bought?
- Kumar Taurani :** Yes, many movies we have bought, we have coming Buckingham Murder and then there are two, three movies Tips Films is making. So, we have many things in plan, we target that we want to release music first to release at least 15, 20 movies including regional so that is our target to release every year.
- Ravi Naredi:** In Tips Films banner right?
- Kumar Taurani :** No, it's Tips Films Music we will release so many and from that Tips Films will give us two, three movies.
- Ravi Naredi:** Right. And sir this EBITDA margin this quarter rises to much, 73.6% and profit after tax margin 58.9% is extraordinary excellent figure. So, we will maintain this figure in current year?
- Kumar Taurani :** As I always said that, please look us at yearly basis, don't go quarter-on-quarter basis, maybe in next quarter, we have more of content. So, maybe our figures won't do that much percentage wise, but overall, if you see in the year end we will achieve 30% top line, 30% bottom line minimum but as quarters maybe after second quarter or third quarter we can tell you that we are going to do more or 30%.



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- Ravi Naredi:** No, you are giving this gross margin, I am asking about net profit margin. It is 59% in this quarter.
- Girish Taurani:** Sushant, you look at this.
- Sushant Dalmia:** Ravi it would be similar range of the last year.
- Moderator:** Thank you. The next question is from the line of Ankush Agrawal from Surge Capital. Please go ahead.
- Ankush Agrawal:** Mr. Taurani I have two questions. Firstly, if we see this quarter growth then Wynk have booked Rs. 5 crore and if we remove that then our growth is about 30%. So, I wanted to understand how much of growth has come from the new deal with Warner, a qualitative understanding. And how much has come from YouTube traction given that this quarter we got a good traction from Ishq Vishq, songs so it is likely our YouTube revenue will be good. So, qualitatively can you tell us where was the growth much, was it because of the Warner deal or YouTube for this quarter?
- Kumar Taurani :** Ankush it's a combination of everything, when we say 30% then we calculate all these factors. And sometimes we do more than 30% so other might have performed better. So, we did our things very conservatively. So, we have considered everything little bit, we count everything and then we arrive at 30%. That we have to achieve the target of 30% and then we push ourselves to do that or more. So, it's a mixture of everything. As far as Wynk is concerned, yes, we have settled with them. As we have already declared that Rs. 12 crores was the settlement, Rs. 5 crores we have taken in this quarter and Rs. 7 crores we will get in second quarter so we will take that as well. If we keep the Wynk amount aside then also we have achieved, we are on target 30%, 31%, I always tell to see things on yearly, but this quarter is really good, and we have done really well.
- Ankush Agrawal:** Mr. Taurani, second question was on content. As you said that we will do 28% to 30% of revenue and about 80 crore of content was expected but if we see the Q1 then our content cost was slow, so do you have any visibility for the coming quarters that our content cost will increase? Are you expecting any big deal which will use the content cost?
- Kumar Taurani :** This year we have committed films and that much content is utilized as per our targets, but we still have room for one or two movies we can acquire but more or less we do have content but at time in our business few movies shift to next year or if there is any delay so we can't say anything on such delays because it is in the hands of the Producer and Directors all those people we are depending on them. But this year we are very close to reach 80 crores.
- Moderator:** Thank you. The next question is from the line of Kavish Parekh from B&K Securities. Please go ahead.



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- Kavish Parekh:** Sir on our content acquisition strategy, this quadrant was a notable share of non-film music, is this a trend that is expected to continue. And usually what is the difference between the cost for non-film music and payback period on the same. If we were to compare the same to film music. And the second question on the similar lines, what sort of a revenue contribution does the non-film music bring in for us. Thank you.
- Kumar Taurani :** Sushant, please reply this.
- Sushant Dalmia:** In case of let's say, we won't be able to give you the exact break up of film and non-film, but let's say overall non-film won't be a substantial contributor except let say one or two –But overall both on the revenue and cost front, it won't be a substantial contributor.
- Kavish Parekh:** Okay. But going ahead, do we continue to acquire a majority of our new acquisition shall be on the normal side, is that the right understanding?
- Sushant Dalmia:** It would be both and let say primarily more towards film's music
- Moderator:** Thank you. The next question is from the line of Rahil Shah from Crown Capital. Please go ahead.
- Rahil Shah:** I just wanted to ask, other than like, songs what is our strategy going ahead in terms of acquisitions, what new will we be doing, and you mentioned something about Pulse, I missed it can you just please elaborate on that?
- Kumar Taurani:** You are asking about Pulse?
- Rahil Shah:** Pulse as well separately, and also key strategies going ahead what makes you confident about this growth and what will lead to it if you can just draw out a plan for us?
- Kumar Taurani:** See, Mr. Shah our main growth reasoning is, our 90s repertoire, whatever we acquired from 1988 onwards till now, everything is doing so well. And we have always focused from beginning, we have always focused on quality content. So, our repertoire is you can say it's a new retro now, and it's really, really doing well, exceptionally well. And, if you compare we have a less number of songs, but our all songs are doing well. Compared to other companies, we are in better position. So, that's the main reason we are doing well. Plus, our new releases also, recently our back-to-back two films Crew and Ishq Vishq both have done well, and all the songs people are liking. So, that is the main reason where we can say, we can sustain whatever we say 30%. So, that's a main reason. And as far as Pulse is concerned, yes we have a new system in place. Mr. Hari will tell you about that more. Hari, please continue.
- Hari Nair:** So, Pulse basically takes care of content management and delivery, and also reporting analytics. So, it's basically having more processes in place so that our teams are geared up for the next



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level of growth that we want to achieve in the Company. So, any specific other question on that please let me know.

Rahil Shah: No, just a basic understanding how will it help us. So, what kind of expense do we see there, is it substantial it is suggested?

Hari Nair: No, it is very minimal, it is an in-house product, so it's very minimum.

Moderator: Thank you. The next question is from the line of Jyoti Singh from Arianth Capital Markets. Please go ahead.

Jyoti Singh: My question is on the subscription-based audio stream side. So, now as per the data given in the presentation on the 21 PPT. So, just wanted to understand this subscription thing that is currently quoting 49%. So, how big we are seeing going forward in 24 and 25, because as per my understanding, it will help us to grow better labels platform. So, if you can guide us on that side and also more of bigger release that is expected from the film side Q2 and Q3. So, if content cost is going to increase, so it will be further impact on Q2 or Q3. So, if you can guide us on that side sir, thank you.

Kumar Taurani : Content cost I have said that it will take care off and we have a budget this year of 80 crores. So, we will be in that range only, it will not impact our bottom line or top line, so we are absolutely secured that way. And as far as subscription is concerned Mr. Hari will tell you more about that.

Hari Nair: So, overall if you see the global numbers are very, very encouraging. And in India we are very less comparatively, because we are getting there so if you see a larger platform like YouTube, it has a substantial double-digit number in paid subscription. Whereas the audio platforms are still lagging and there is a single number of the overall premium subscriptions. So, it will take another two, three years and the platforms are doing all the right things to limit the free usage and motivating the users to go to the paid, but it will take time, it's not going to be six months or one year, it's going to take at least two, three years more.

Jyoti Singh: Thank you sir. Sir just wanted to understand one more thing. So, as we have given Indian digital ad industry will growing very fast. So, in our song, if we are playing any song from Tips on YouTube, or Spotify, so if I am not a paid subscriber, so it will be how much percent that ad is there?

Hari Nair: So, if you see, Spotify they also share the advertising revenues with the record labels, bases the usage and the consumption and the prorated share of the labels plays. So, and in India, if you see the YouTube model, it's more advertising led, the revenues are primarily advertising. So, it will continue to be an advertising led model on the YouTube side. But, it will start decreasing year-on-year when the paid subscription goes up.



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- Jyoti Singh:** Yes, sir just wanted to understand on the percentage side, so like it is 35% or 50%, how much ad we play on a song basis?
- Hari Nair:** No, it depends on platform-to-platform basis, how much ad they get from the brands, it changes from month-on-month, there is no definite percentage levels over there, so it is upon all your ad capacity and what you have got ads from the brands.
- Jyoti Singh:** Okay, thank you sir. And sir just last question, if I can ask. So, on the social media platform like Meta, so monetization has not happened in the way YouTube and Spotify. So, what our expectation on that side?
- Hari Nair:** On the Meta, , we are partially there. So, monetization over there, again is due to advertising only there is no pay mechanism over there. So, it will continue to be like that for some period, but Meta is big because of Instagram reels. They will play a major role in the coming future for us.
- Moderator:** Thank you. The next question is from the line of Sakshi Chabhra from Swan Investments. Please go ahead.
- Sakshi Chabhra:** Just wanted to understand that in this quarter, what will be the contribution of revenue from new content versus the catalogue content?
- Sushant Dalmia:** Hi Sakshi. See normally we don't bifurcate between the new content and old content on a quarterly basis. But as we said earlier, the new content at any time would contribute around 10% to 15% of the revenue and the catalogue would be the remaining.
- Sakshi Chabhra:** Okay, all right. And considering that the content costs in this quarter were only 12.7 crores for, a large number of songs that we have acquired 97 songs. So, is it that the songs that were available in this quarter was cheaper, and we are estimating that the songs that we will be acquiring further are going to be more expensive, more premium movies or something like that?
- Sushant Dalmia:** So, it would be let's say, we can't compare in terms of the volume of 97 songs and correlate with that, it depends of the film music what we acquire, any big budget movies what we acquire than that would, let's say drive the content cost, in terms of let's say the 97 songs is primarily let's say non-films from which netted acquisition costs are minimal.
- Kumar Taurani:** And this year we don't have any big number, big film or big content cost on each product. But next year, we have two, three big films coming up and where our investment will be heavier. But again, we will manage that as well that we will maintain this 30%, 30% and 25% to 28% on investment on new content, we will maintain that.



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- Sakshi Chabhra:** Okay. Why I was just asking was because the growth that we saw in terms of revenue was 30%. But that wasn't the growth in terms of content versus only 4%. So, that's where my question was coming from, just to understand that is it because higher growth came from the catalogue songs, and that is why this has happened, or the new content we acquired, saw a very good performance, but we manage to get a very good bargain on the content cost that we acquired.
- Kumar Taurani:** Whatever you said, actually everything is true. Our catalogue is doing well, our new release is doing well, and we are a tough negotiator when we acquire content as well. So, that also is helping us.
- Moderator:** Thank you. The next question is from the line of Akhil Gulecha from Pikadey. Please go ahead.
- Akhil Gulecha:** I just have a very basic question. So, you keep saying that you are focusing more on quality versus quantity going ahead. So, how do you decide what is quality, because ultimately, it's a game of hit rate, the more songs you make, the higher your chances are of getting more hits. So, what is the strategy there, and also, how do you decide if a song is a hit song or not. Is it the case that, if you recover all the costs that you have spent in the same year, does that mean the song is a hit song. How do we internally you decide what is a hit song and what is not a hit song?
- Kumar Taurani:** See deciding of a hit song comes with experience and we have seven to eight people working in the Company and everybody is experienced person and they have seen our growth, they have seen our hit numbers songs. So, that comes with the experience, and we have that expertise in the Company. And what was another thing you said?
- Akhil Gulecha:** So, how do you decide if, you said the hit song but how many songs let's say you produce 97 song, how many of the songs the cost you recover back in the same year itself. If you could give a rough idea?
- Kumar Taurani:** Same year is tough;. In my mind I want to recover my cost in three years' time maybe more earlier than that. But to investor, I always maintain that you please consider that we will recover the cost in four to five years' time. And total investment I am talking about, in this year if I release 500 songs, 50 songs work and 400 songs didn't perform well but the cost of the entire 500 songs we will recovery in four to five years' time.
- Akhil Gulecha:** Yes, but it might happen that one or two songs went very well, and you recover their cost in two monthly only, because range could be very wide right?
- Kumar Taurani:** That's business but you can't be right every time, and if we are then our growth will be 100% and not 30% then.
- Moderator:** Thank you. The next question is from the line of Nehal Shah from Prudent Broking. Please go ahead.



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Nehal Shah: So, as we are looking for more quality content and we are targeting about 300 songs release this year, so are we getting into the bidding war, or we are continuing with our strategy of not getting into the bidding war than buying the songs prudently?

Kumar Taurani: See we are not greedy that we go in bidding, we don't have any greed as such, and we don't have such targets that we want to double our business. We want to just go concentrate on our quality content slow and steady and take selective good movies, we don't want more content also. We want just few two, three film big ones. So, we will strictly be very careful on acquiring of content. The same strategy we are doing for last so many years. We will continue with that.

Nehal Shah: Okay. And so, does our payback period increase with lesser number of songs getting released and quality content coming into our album?

Kumar Taurani: Payback period will be same

Nehal Shah: Okay, right. And so, from now on, can we give a slide where, you say from this decade to this decade this much contribution of revenue came. So, that, we also get to know okay in the last four years, whatever the content that was released, did give us this much number of revenue and so on.

Kumar Taurani: See we don't have that analysis that's why we have installed this new system, in next three, four quarters we will develop that system as well. At present, we don't have that system, but I am telling you my entire content actually is doing so well and 90s still big-time hits, we are getting so much of responses from all that. Now, in the last two, three years, we were not available on many platforms. But today, we are available on all the platforms, and everybody is happy about our content and our repertoire.

Moderator: Thank you. The next question is from the line of Ashish from Invesco. Please go ahead.

Ashish: Sir, it has been the first quarter once the renewal of the deal with Warner has taken place and in the numbers. So, would it be possible for you to give some maybe qualitative inputs, because our renewal of the deal was a substantial multifold of what we used to get earlier. So, the revenue impact of that, have we seen it all, this will be the run rate that we are going to see or is it going to be amplified going ahead, how do we see that?

Kumar Taurani: See going ahead it will be amplified. But actually, now what we have done is, whatever money we got from Warner's, we have kept it as advanced and whatever business actual they are doing. And they are reporting us, and we are taking that business in quarter wise. So, it's actual numbers you can say, it's very early to say if we are seeing the impact, but I am hopeful and see I can imagine and I am seeing the way they are growing, we are growing, our content is doing well. But we will have very good numbers and good future.



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Ashish: So, the point I wanted to understand is, there is an MG that is promised to us. So, do you see something in the actual delivery as of now or will it take time for us to gauge whether we are going to make much more than the MG because then the variable revenue will kick in. So, any view on that?

Kumar Taurani: It's too early, that we will come to know only in the third or fourth year. At present we are very secured for next three years. But I am quite hopeful that they would recover their entire investment they have done, plus they make money, and they will definitely I feel they will give me the overflow also.

Ashish: Okay. So, you are saying that, because this contract thing is for three years so towards the end of the third year probably we will get to know?

Kumar Taurani: Four years, yes end of third year, beginning of fourth year we will come to know where, what's happening. But I am very positive and optimistic because really we will do well. We have a good vision in front of us and have some good plans where we can achieve good numbers for us and then....

Ashish: And if possible can you tell us the incremental platforms and geographies that we have given Warner in the new contract, how that is adding to the revenue because what we get to notice is the consolidated performance of the Company. So, is it possible to share that?

Kumar Taurani: We can't share individual platform wise.

Ashish: Not platform wise, but the incremental thing that we have given them, is it yielding big results as of now or is it, a bit by bit that it will give us?

Kumar Taurani: As you see now Wynn, our case has resolved. And now Wynn is also in the Warner kitty. Wynn Hungama and there was Gaana, there were so many platforms where we were not dealing but Warner has deal with them already. And our content is now available everywhere. So, all the extra platforms started so we will get revenue from there as well.

Ashish: Okay. And lastly, we were not getting anything from Instagram. So, is that starting to pay now?

Kumar Taurani: Yes. We have also given Instagram license also to Warner and we are quite positive we will get money's from there as well.

Moderator: Thank you. The next question is from the line of Surbhi from Bellwether Capital. Please go ahead.



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Surbhi: Sir wanted to understand, you mentioned that there is some change in our content acquisition strategies. Can you throw some light on it. Second question is that what is the line up and the pipeline for this year?

Kumar Taurani : Could you repeat that? Could you please repeat yourself, we could not really hear you?

Surbhi: The first question is, you mentioned that there is some change in our content acquisition strategy. So, if you could give some light on that, on what exactly are we changing and how are we approaching, acquiring the content now. And my second question is, what's the lineup and the pipeline for FY25 and '26 for our content, you mentioned there are some two, three movies that we are targeting so wanted some more information on that.

Kumar Taurani: So, marketing acquisition strategy, we have three, four kind of strategies. One, we develop our own content, t music plus we do a lot of recreations of our old songs internally. And number two is, we acquire content from outside producers, like Balaji is our partner and then there is a Company called Northern Lights, we have a partnership with them. So, that also we acquire content from them. Also, we have our own Company, our Tips Films, they will also give us two, three films. So, if you see from three, four ways we are acquiring content, but every year we are trying to involve our self in music, our teams get involved in creation of songs. So, that is really helping us and that's why maybe because of that, we are getting good content. So, we continue doing that. And as far as lineup is concerned, yes, we have many films in the regional languages and also three to four more films in Hindi also will come this year. So, we are targeting that this year.

Surbhi: Three, four films will be national, or they will be more regional?

Kumar Taurani: Three to four Hindi and around 10 to 12 films regional.

Surbhi: All right. All these are expected in FY25 or there is just spill over expected to FY26?

Kumar Taurani: No, this is a target for 25, but maybe one, two films get delayed. So, maybe it will come then next year.

Moderator: Thank you. The next question is from the line of Suruchi Parmar from NX Wealth Management. Please go ahead.

Suruchi Parmar: Just wanted your view on this, you have a catalogue content, which belongs to from year 1988 to 2000. Correct?

Kumar Taurani: 1988 till now.

Suruchi Parmar: Till now catalogue content?



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- Kumar Taurani:** Yes.
- Suruchi Parmar:** Okay. So, this is mostly 80% of your songs are in this category only. And the revenue, which comes from this is 85% to 90% of the revenue comes from this catalogue content correct. So, I just want to know, what is your strategy to acquire the new content which helps you generate revenues in long run and reduce the dependency on this catalogue content?
- Kumar Taurani:** Yes, I can assure you we have cream catalogue from 1988 till 2020. And after 2020, you can say, whatever we are acquiring is a new content in the new bucket you can say. And all our earlier content is really doing well, and I am assuring you that in next at least 25 years it will do well, because we have a new retro if all the songs in next 10, 12 years will be remade, all hit songs will be remade and that again remade will have another life. So, you can be rest assured that we will do well. As far as new release is concerned, mentioned earlier, if we want to recover all the costs, whatever we invest in that particular year within four to five years, and we hope and we see also whatever we are acquiring is really doing well. And also, maybe you must have realized we right off entire our content cost in the same year, same quarter, so, we don't have any baggage on us, that after five years a movie might not have been that successful or 50 crore might not be recovered, then also we don't have a baggage that, because we have already written off, everything is clean. So, that is a nutshell, I am telling you how we approach our business.
- Suruchi Parmar:** Okay. So, the thing you are saying, if you are remaking your catalogue song, converting into a new type, so that will be counted as a new content or it will, again be treated as a catalogue only?
- Kumar Taurani:** No, that's a new content. Because it's a new investment we have done on that.
- Suruchi Parmar:** Okay. So, for that the purpose which you are remaking you hire new singers also for that or just adding up the music is done?
- Kumar Taurani:** It's a creative call, song-to-song wise as you see we have made few songs with a new vocals and absolutely new arrangements, and only one line or two lines taken from earlier song. And now recently, we have released few songs. Coolie Number One or recently this Gore Gore Mukhde Pe Kala Kala Chasma, Badshah song, we have retained one, two lines and also we have retained one, two line of that original singer, so it's depending upon song-to-song basis. It's not a hard and fast rule or anything. It's a creative call done by mutually we and artists we do.
- Suruchi Parmar:** So, these remix songs, they are equally peppy and gaining more revenues like the catalogue ones?
- Kumar Taurani:** Yes.
- Moderator:** Thank you. The next question is from the line of Raj Shah from Ambit Asset Management. Please go ahead.



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- Raj Shah:** I just wanted to understand more about the Warner deal. So, for this quarter, what is the revenue that we have booked?
- Kumar Taurani:** See, we can't actually tell you the specific detail. But whatever they have made money, my content has made money they have reported us, and we have booked that.
- Raj Shah:** Okay. And, so whether the revenue that we have booked is, of course we have a minimum guarantee, but in terms of views, whether is it about that do you expect any bonus payment going forward, because the views have grown quite strongly for us over?
- Kumar Taurani:** Could you repeat yourself, we can't hear you actually.
- Raj Shah:** So, I was asking whether from this new content, so from this deal whether we will get any bonus payment at the end of the year because the views have been quite strong for us and whether the revenue that we are booking is above the minimum guarantee that we have been quoted?
- Kumar Taurani:** See at present we are booking whatever they are reporting and whatever actual business is happening. The minimum guarantee actually we will come to know in the fourth year where we will get more, if they have recovered the money its very good for them and for us also, we will get some overflow. Say in case if they don't recover their money, last quarter of fourth year, we will book that entire extra money also.
- Raj Shah:** Okay. So, that would be at the end of the fourth year, there would not be any yearly bonus payment, overflow payment?
- Kumar Taurani:** No.
- Raj Shah:** Okay. And sir just one more question. So, now as we are more focusing on quality content, so of course our cost per song has also gone up, we are around 13 lakhs currently, so around 12.5 crores for 90 songs. So, I just wanted to know so this would be the range around, what would be the cost per song going forward that you are guiding around 12 to 13?
- Kumar Taurani:** No, it's not like that. If there is a one big film maybe it will cost 20 crores and I have only four songs or five songs in the film per song will be 4 to 5 crores and sometime one spiritual song we can make in 2 lakhs also. So, it's not like that, it's a combination of everything, it's a total content cost.
- Raj Shah:** Okay. So, film songs are slightly higher cost as compared to non-film cost?
- Kumar Taurani:** Yes, absolutely.



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Moderator: Thank you. Ladies and gentleman in the interest of time, that would be the last question. I would now like to hand the conference over to Mr. Viral Sanklecha from Orient Capital for closing comments.

Viral Sanklecha: Thank you. I would like to thank the management for taking the time for this conference call today. And also, thanks to all the participants. If you have any queries, please feel free to contact us. We are Orient Capital Investor Relations Advisors to Tips Industries Limited. Thank you so much.

Moderator: On behalf of Tips Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.