



The Must Have HITS

January 31, 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**

Sub: Transcript of Earnings Conference Call

Dear Sir/Madam,

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 December 31, 2023 held on Wednesday, January 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.

601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai 400 052.
Tel. : 6643 1188 Email : response@tips.in Website : www.tips.in
CIN: L92120MH1996PLC099359



“Tips Industries Limited
Q3 and 9M FY ‘24 Earnings Conference Call”

January 24, 2024



MANAGEMENT: **MR. KUMAR TAURANI – CHAIRMAN AND 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. NIKUNJ JAIN – ORIENT CAPITAL**



Moderator: Ladies and gentlemen, good day and welcome to Q3 and 9M FY '24 Earnings Conference Call of Tips Industries Limited.

As a reminder, all participants' 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 star then zero on your touch-tone phones. Please note that this conference is being recorded.

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

Nikunj Jain: Thank you, Aditya. Good evening, ladies and gentlemen. I welcome you to the Q3 and Nine-Months FY '24 Earnings Conference Call of Tips Industries Limited.

To discuss this quarter's 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 this 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 uncertainty. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

Without further ado, I would like to hand over the call to the management for their opening comments and then we can open the floor for Q&A. Thank you and over to you.

Kumar Taurani: Thank you, Nikunj. Good evening, everyone and welcome to the Q3 FY '24 Earnings Call of Tips Industries. You probably already know this, the promoters have sold around 6% stake in Tips Industries to grow our film production business.

We had disclosed this to you all more than a year ago also. The board has declared an interim dividend of INR3 per share as part of our ongoing efforts to reward our shareholders. As you know, our team has been putting in serious efforts and we are starting to see the results in our performance.

As discussed, last quarter we are in the middle of reorienting our content investment to drive higher returns on content. By next year, the transition will be complete, and we will be able to share more details about our strategy in a couple of quarters.

With this, I will hand over the call to Hari Nair, our CEO, to take you through the company performance and updates. Over to you, Hari.



Hari Nair:

Thank you, sir. Good evening, everybody. We are seeing an impressive growth of our music across all our digital platforms. The company has reported a healthy revenue of INR64.8 crores for Q3 FY '24. All digital distribution partners are very happy with our repertoire performance on their respective platforms. They talk about the organic surge of our catalogue.

Last month, we hired a senior talent to initiate projects on non-digital business. As Mr. Kumar discussed, we are spending a lot of time to think through our content acquisition strategy and investments. We will closely monitor the business and continue to update you.

Now I will request Girish to share insights on the content and digital business. Thank you, everyone.

Girish Taurani:

Thank you, Hari. Good evening, everyone. Our YouTube subscribers collectively have reached 93 million across all our channels. This quarter, we recorded 47 billion YouTube views, reflecting a 52% growth compared to the previous quarter last year. The total number of new songs released this quarter is 165, of which 82 were film songs and 83 were non-film songs.

Our key releases during the last quarter were High Hukku by King, songs from the film Merry Christmas starring Katrina Kaif, Vijay Sethupathi, and songs from the film Hanuman, which is now picking up, more so after the release of the film. With High Hukku, we also recreated one of our most popular dance tracks, Latka Dikha Diya, from the film Raja Hindustani, which we released before the end of the year to catch the party season.

Now I will be handing over the call to Sushant to take you through the financial performance in detail. Thank you, everybody.

Sushant Dalmia:

Thank you, Girish. Welcome, everyone, to the Q3 FY '24 earnings call. Let me take you to the financial highlights of the quarter gone by. The company has reported a healthy quarter. Our revenue for the quarter was INR64.8 crores as compared to INR51 crores in Q3 FY '23. That is year-on-year growth of 27%.

Operating EBITDA for the quarter stood at INR43.4 crores versus INR25.9 crores in Q3 FY '23. That is the annual growth of 67%. Operating EBITDA margins were at 67% for this quarter. Our profit after tax for Q3 FY '24 stood at INR34.7 crores versus INR20.2 crores in Q3 FY '23. That is a growth of 72%. PAT margins for the quarter was 53.5%. Content cost for the quarter was INR14.7 crores versus INR18.7 crores in Q3 FY '23.

Now, the highlights of nine-month FY '24 are as follows. Revenue for nine-month FY '24 was INR178.3 crores versus INR134.8 crores in nine-month FY '23, which was a growth of 32%. PAT for nine-month was INR101.4 crores versus INR58.2 crores previously, which was a growth of 74%.

With this, I conclude my opening remarks and open the floor for Q&A discussion.

Moderator:

Thank you, very much. We will now begin the question-and-answer session. The first question is from the line of Ca Garvit Goyal from Nvest Analytics. Please go ahead.



- Ca Garvit Goyal:** Congrats for a good set of numbers. My question is on basically the expected number of songs that we are going to release in Q4 this year?
- Kumar Taurani:** . This quarter, it will be 100-plus songs we will release.
- Ca Garvit Goyal:** In Q4?
- Kumar Taurani:** Yes.
- Ca Garvit Goyal:** I think in Q3, we have launched 165, right?
- Kumar Taurani:** Yes.
- Ca Garvit Goyal:** So, is it going to be down?
- Kumar Taurani:** Yes, we are more focusing on the quality of the songs rather than the quantity. So, I think 100-125, you can say, we will release.
- Ca Garvit Goyal:** Okay. And how do you see these streaming apps going behind the paid walls? Do you expect any short-term headwinds to our revenues because of it?
- Kumar Taurani:** Actually, if you see, Tips is already behind the subscription or per-stream model. We don't have any MG model. So, I think and plus paid model, all, it's the JioSaavn, Wynk, and Spotify, three main apps, they are not 100% going on a paid wall yet. So, it will take another two, three years. I don't think they will go. Even worldwide, if you see, nobody 100% directly converts it like this. So, they will go slowly, slowly. They will keep both the models running. And they will grow subscription model. Then only they will, little bit you can say, reduce free wall. And if subscription grows, it's very good for the industry.
- Ca Garvit Goyal:** And if you like me, one of our peers is facing headwinds because of this thing. And our revenues are growing. So, that is why I was asking for the reason. Is there any kind of different negotiation happening between us and the peers, sorry, us and the customers?
- Kumar Taurani:** No, I didn't get that.
- Ca Garvit Goyal:** Actually, I was saying, I mean, our revenues are not getting impacted because of these streaming apps going behind the paid walls. But our peer is facing headwinds because of these things. So, I want to just understand the rationale for it?
- Kumar Taurani:** No, I don't feel we will -- I can't comment on what others are doing or what other peer is doing. But I can assure you that we are safe. And we are not facing any challenge right now.
- Ca Garvit Goyal:** And can you tell me, what percentage of revenue do we get from streaming app business?
- Kumar Taurani:** I think digital business is around 75%, 76%.



- Ca Garvit Goyal:** 75% to 76% of our revenue is coming from our customers like Spotify, Wynn...
- Kumar Taurani:** Spotify, YouTube, Saavn, all that.
- Ca Garvit Goyal:** Okay. And so, in earlier calls, like you mentioned about the strategies that we are looking for to have the aspirational growth of 35% to 40%. So, over revenue year-on-year going ahead. So, is there any color you want to put on those strategies?
- Kumar Taurani:** Yes, 30%. I think, I feel 30% will happen year-on-year growth. What we have committed, I am sticking now also to that. It's achievable. And we will work hard to achieve that. Top line 30% and bottom line 30%.
- Ca Garvit Goyal:** And for this year, do you want to revise the earnings guidance? Like we have performed phenomenally in the past nine months?
- Kumar Taurani:** On the contrary, I feel bottom line will be close to 40%, I feel.
- Ca Garvit Goyal:** Okay, sir. Okay. That's it from my side, sir. All the best for the future.
- Kumar Taurani:** Yes. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Sagar Jethwani from PhillipCapital. Please go ahead, sir.
- Sagar Jethwani:** Thanks for the opportunity. I have three questions. So, in a typical Q3, that is a festive quarter, by what percentage does song consumption goes up as compared to the other normalized quarters? So, this is my first question. Should I go on with my questions or would you answer point-by-point?
- Kumar Taurani:** To you, sir, you are asking song consumption?
- Sagar Jethwani:** Yes. So, in a typical festive quarter, that is Q3 of any year, by what percentage does song consumption goes up as compared to the other normalized quarter? So, for example, I will just elaborate. So, for example, there are 100 views or 100 number of streamings in a typical quarter. So, in Q3, it would be 120 or 130 because of the festive season and all. So, that's what my question is.
- Kumar Taurani:** Yes. Okay. So, second question.
- Sagar Jethwani:** Yes. Second is that, so, we had signed a deal with Sony International. So, what's the progress on that? Has the revenue started to come? This is my second question. Third is, in Q4, are we expecting any kind of movie delay? We have a good pipeline of Ishq Vishk, Buckingham Murders, The Crew. So, I'm asking this from the point of that, is there any chance that music release would also get delayed? The content cost may get pushed over to Q1 in that case. So, yes. These are my three questions.



- Kumar Taurani:** Yes. I will reply your last question first. Q4, I think two films will be released, two films. Crew will release. And Ishq Vishk, both films, music will release in this quarter. Plus, we will -- the Sony International deal, it's not yet we are receiving any income. We have received some money. We have kept that as advance. But I think from next quarter, we will see. I think they are reporting in six months, every six months. So, you will see, every half year, you will see some numbers going forward.
- And regarding number, question number one, songs consumption. Hari, you can take this question. Songs consumption compared to quarter 2 or quarter 3?
- Hari Nair:** Yes, sure. So, for consumption, normally it goes up by 20%, 30%. But there can be platform-to-platform variance on that. So, does that answer your question?
- Sagar Jethwani:** Yes. Okay. So, I got that. So, on the third question, again, the sub-question to it is that we can assume safely that the content cost would be around INR45 crores to INR50 crores in Q4 because our releases are on time. And hence, the film release would eat up some lot of content cost. So, INR45 crores or INR50 crores is a safe assumption?
- Kumar Taurani:** Only for quarter 4 you are talking?
- Sagar Jethwani:** Q4. Q4.
- Kumar Taurani:** No, no, not that much. As I said earlier, our top -- our investment of content cost is linked with top line. So, I feel it won't go. On the contrary, we are spending less money this year. Because of second quarter, we expected to release one film. But it was, we have not acquired anything. We have not had opportunity. So, we will be spending less money this year in totality. Maybe 25%, between 25% and 27% ultimately. So, it will be much less what you are expecting. It's not like that.
- Sagar Jethwani:** So, the content cost for full year, this FY '24 would be around INR65 crores. Are you revising down?
- Kumar Taurani:** I am not sure. Let's wait for another two months or there. Maybe we will acquire one more film. I am trying to acquire one film. I have a budget. I can acquire that. I am trying.
- Sagar Jethwani:** Okay. Okay. Sure. Thank you so much, sir. All the best.
- Moderator:** Thank you. Our next question is from the line of Ravi Naredi from Naredi Investments. Please go ahead.
- Ravi Naredi:** To Taurani sir and your management, Mr. Nair and Mr. Dalmia, you really posted excellent results. Never market this thing for these numbers. Sir, as you said in quarter 2 con call, almost four to five movies will release in quarter 3 and quarter 4. Quarter 3 already went. So, then content cost will be INR40 crores to INR50 crores, is it so? Just you have replied no. It is not like that. Okay. And sir, how much revenue we generated from Spotify in first three quarters in this year?



- Kumar Taurani:** Actually, I can't tell you individually how much we have received money from Spotify. But as I mentioned earlier, we do digital businesses 75% of our total pie. So, I think I can't reveal more than that. Please, you know, hope you understand.
- Ravi Naredi:** No, no, no, no. Nothing, nothing. We do not want anything more. Sir, you have sold a few percentage of Tips Industries to fund the Tips Film. Can you sell some more share in future or it will be sufficient?
- Kumar Taurani:** At present, it is sufficient. But maybe a little bit of something we will do as we need a big support of money for our film business. So, and film business, if films -- because we also get a music company, we will also get a Tips Industries, we will get a content from them as an arm's length business we do with them. So, that's needed money is needed for film business. So, at present, I can't say anything about that. So, let's wait and see.
- Ravi Naredi:** Okay. Sir, is Merry Christmas not performed up to mark, how it impact Tips Industries and Tips Film?
- Kumar Taurani:** No, we have already, Tips Films will talk in our Tips Films call. As far as Tips Industries is concerned, we have just acquired the music only. And our music is doing well. It is trending on YouTube, Spotify. And I feel the next six months, it will really do well. And we will be on a plus side in long term.
- Ravi Naredi:** Okay. And last, sir, we already grew 74% in nine months in the bottom line. So, will you change our growth target for full financial year '24 and financial year '25?
- Kumar Taurani:** '25? This year you are talking about?
- Ravi Naredi:** Both, both. For financial year '24 and '25...
- Kumar Taurani:** Top line, as mentioned, 30% will achieve. And bottom line, this year, we will achieve more than 30%. I feel we will touch around 40%. So, this year is that. And next year, we will work very hard to achieve that 30%, 30%, what I always say. So, that's a projection you can say.
- Ravi Naredi:** But, sir, you are telling 40% in financial year '24. We have already crossed 74% in nine months. So, it will be very less figure.
- Kumar Taurani:** No, no. But last quarter, if you put together all the figures, then I think around 40%, 42% will be there.
- Ravi Naredi:** Okay. Thank you. All the best.
- Moderator:** Thank you. Our next question is from the line of Pallavi Deshpande from Sameeksha Capital. Please go ahead.
- Pallavi Deshpande:** How many films would we have acquired this year?



- Kumar Taurani:** Next year? Next year, we are targeting to acquire at least 10 films to 15 films.
- Pallavi Deshpande:** Okay. So, usually we acquire three films to four films a year. Is that right?
- Kumar Taurani:** Three films to four films in Hindi. If you combine all the languages, we acquire 10, 15, around 12 films, 15 films.
- Moderator:** Our next question is from the line of Dhananjai Bagrodia from ASK. Please go ahead.
- Dhananjai Bagrodia:** Hi, sir. Congratulations on a good set of numbers. This question might be actually a little more broad-based. We just wanted to understand now with, let's say, how we've seen that sometimes there's a distribution channel. Eventually, the players start squeezing them to gain their own profitability. Is that something which we could see on the movie side where, like what's happened to Inox PVR, where they eventually got loss of bargaining power, they've had that issues. Is that something which we could face also in the future? Like, obviously, the next few years we have good numbers, but eventually if the likes of Spotify or YouTube get bigger-and-bigger, is that a risk which we could see in the horizon?
- Kumar Taurani:** On the contrary, I don't feel that to happen to us. On the contrary, they need us because our content is exclusive content. They cannot get my content from some other player. So, they need all the companies to be with them. So, that has never happened to this. Theatre businesses, they are in a distribution business. So, they are at risk. So, in my case, then you can say that Spotify is actually Inox PVR. So, content companies are very, very safe.
- Dhananjai Bagrodia:** Okay. But then, is there a risk that some players might decide to get into content themselves? I'll tell you why. Let's say now, today Netflix also decided eventually to get into their own content versus vis-à-vis just taking content from producers of movies themselves. Is that something which could also happen?
- Kumar Taurani:** No, that will affect film business. Even if film business won't affect, I will tell you if you ask me this question in my film call, I'll tell you that. But music business has no issue because music business depends on a repertoire, catalogue. If your music is good, then also 85% of business comes from old music, catalogue music. So, from where they will get catalogue? It's very impossible. They will shut down in 15 days.
- Dhananjai Bagrodia:** Okay. So, how would you see this, let's say, in five years hence? What would be your vision for the company in terms of seeing as five years hence comes, our catalogue will get bigger-and-bigger and we should get more bargaining power? Would that mean we could take more money from YouTube and Spotify? Does our bargaining power increase?
- Kumar Taurani:** See, I feel that music industry in India has actually started growing last two years, three years. And I feel that today, our industry is around INR2,800 crores-odd. Plus, minus, little bit, INR50 crores, INR100 crores here and there. I easily feel that in three years to five years, this industry has potential to grow INR10,000 crores, INR12,000 crores.



- Dhananjai Bagrodia:** Okay. So then that's it. And so then, what is our plan? How much are we willing to do capex for the next three years to five years? How are we looking? Eventually, are we thinking of a system where we want to keep doing the same business? Or are we thinking of expanding our total addressable market by adding more lines of business? How are we thinking along those lines?
- Kumar Taurani:** No, actually, Dhananjai, we really love our business. So, we are very focused on our business. And we are not changing any new business or we are not starting anything new. We are very focused, we are doing well. And we want to continue to grow with all of you. And very, very focused.
- Dhananjai Bagrodia:** Okay. So then, would it be fair to assume that our cash flows will keep improving because our investment as a catalogue increases doesn't require more-and-more investment going ahead?
- Kumar Taurani:** Absolutely.
- Dhananjai Bagrodia:** Okay. So then, what would our plans be to do with the incremental cash flow because we have solid cash flow looking at the current numbers. What would we look to do with that?
- Kumar Taurani:** We will reward our shareholders. You know, we do buybacks, we give a lot of dividends. We keep on giving that. You see the presentation, you will see all these things mentioned. I think 60% something plus i.e 76% payout we have given this year also.
- Dhananjai Bagrodia:** Okay. We are really impressed that you have really rewarded shareholders. Thank you for that. Perfect, sir. Thank you.
- Moderator:** Our next question is from the line of Dinesh Kulkarni, an individual investor. Please go ahead, sir.
- Dinesh Kulkarni:** First of all, very congratulations, sir, on a good set of numbers. I have a question on the content cost here. Do we see these kinds of numbers going forward? Would they remain around 30% because this is very much low on the lower end for the nine months? But can we see around 30% as a revenue for the next three years, four years? Are we expecting that?
- Kumar Taurani:** Yes, I feel it's achievable and we are targeting to achieve that.
- Dinesh Kulkarni:** Okay. Because if I see the financials, in the other expenses, I believe this is part of other expenses, if I'm not mistaken. Because that's the largest cost on content cost? So my request is, if possible, and it's a suggestion, if you could just bifurcate that in the expenses, that would really help us. Because what else is driving the, say, like, if it is INR14 crores, INR15 crores this quarter, then what else is the remaining cost? You know, that question is still...
- Kumar Taurani:** If you see, investor presentation, I think you will get that figure. Plus, I think in the annual report, what we publish, we give all that.



- Dinesh Kulkarni:** Okay, that's great, really great. Thanks for that. And just one last question from my end. Do we expect this kind of margins, EBITDA margins, to stay around 70% or do we expect any probable incremental increase going forward, especially in the coming years?
- Kumar Taurani:** I can assure you that year-on-year you can keep in mind, 30% is our target and we'll achieve that, bottom PAT.
- Dinesh Kulkarni:** Okay, PAT. Sounds good. Okay, thank you, sir. Thanks for answering the questions. All the best.
- Moderator:** Thank you. Our next line from the question -- our question is Ca Garvit Goyal from Nvest Analytics. Please go ahead, sir.
- Ca Garvit Goyal:** Hi, thanks for the opportunity again. Are we looking for any inorganic opportunity to further improve our music library?
- Kumar Taurani:** Which opportunity?
- Ca Garvit Goyal:** Inorganic opportunities to acquire an entity?
- Kumar Taurani:** We are open to that, but I don't feel that there is any substantial or big label is already there. But if there is something, if we have an opportunity, we'll do that. We'll grab it.
- Ca Garvit Goyal:** Understood. And what are the new strategies on which Mr. Hari is currently working on in order to further improve on the growth trajectory?
- Kumar Taurani:** Give us one quarter, two quarters. Mr. Hari is really still new, three months, four months. Give him some little more time.
- Ca Garvit Goyal:** Okay, sir. Thank you.
- Moderator:** Our next question is from the line of Samyak Shah from Sameeksha Capital. Please go ahead.
- Samyak Shah:** Yes, hello. Congratulations on good set of numbers. So, here are some songs of Merry Christmas. Like except title track have been released in this quarter, fourth quarter. So, shall we be writing-off the same in this quarter?
- Kumar Taurani:** Yes, we 100% written-off this quarter.
- Samyak Shah:** Okay, so in fourth quarter, no?
- Kumar Taurani:** Yes. No, third quarter.
- Samyak Shah:** But all other songs have been released this quarter. If I'm not wrong?



- Kumar Taurani:** We follow that practice. Even one song or one promo will release, we write-off 100%. So, we follow that practice. I think you all know that. So, we have already written-off that cost.
- Samyak Shah:** Okay. And are we planning to build any partnership with new OTT platforms?
- Kumar Taurani:** Partnership with OTT platforms? For music, we have already partnership. We have Spotify, we are on Spotify, Apple, JioSaavn, we are already there.
- Samyak Shah:** Okay. And can you provide us with segmental bifurcation of revenue into like YouTube, OTTs, public performance, TV events? And publishing?
- Kumar Taurani:** I can give you two figures. One is digital, one is non-digital. Digital is 75%, 76%. And non-digital, which is live performances, TV, sync rights, all those is 24%, 25%.
- Samyak Shah:** Okay. That's helpful. Thank you.
- Kumar Taurani:** Thank you.
- Moderator:** Thank you. Next question is from the line of Surbhi from Bellwether Capital. Please go ahead.
- Surbhi:** Hi, thank you for the opportunity. So, my first question is that sequentially there is a decline in our YouTube views. While you have mentioned in the presentation that it is because of YouTube Shorts, but if you can throw some light on or if you can add some insights on why there is a drop in the viewership, that will be very helpful?
- Kumar Taurani:** Yes. Hari, can you respond to this?
- Hari Nair:** I think, you know, for the matter of fact, the YouTube views and the earning for views are steadily increasing for us. It's only aberration for the YouTube Shorts right now. And I think for the YouTube Shorts, we have a kind of fixed fee deal. So, revenue-wise, it's not impacting us, while view-wise, it can always go up and down. Does that answer your question?
- Surbhi:** Yes, to some extent, yes. At what stage of...
- Kumar Taurani:** Yes, I also want to add, see, please understand, for Shorts, that's a new thing for even YouTube. So, they are also experimenting many things... So, they are also trying to do something here or there. But as Hari mentioned, we are safe on our revenues because it's a lump sum outright deal. And so, that's that.
- Surbhi:** And yes, and just to follow-up on that, at what stage of negotiation or discussion are we to move to a way to kind of a model there? Because that will definitely change the game for us, right?
- Kumar Taurani:** Yes, Hari, go on.
- Hari Nair:** Yes, so, on this, actually, it is very evolving for YouTube Shorts. They are very new. If you compare that with TikTok and Instagram, YouTube is fairly new. So, I think it will take some



time for them to also settle in as they are trying to see. But I think overall, it will grow because Reels and YouTube Shorts are the only short video platforms that are actually growing. And they are trying out very new things. So, I think it's a positive thing for the music industry that way.

Surbhi: Got it. And second, just to clarify, Kumar sir, you just mentioned that we are targeting a 40% PAT growth over last year. In nine months only, we have reached around INR100 crores, which is a 32% growth. And 40% comes to a number of INR108 crores. We just wanted a clarification that, what is the very number that you have?

Kumar Taurani: Maybe, it's depending upon content. Surbhi -- it's, if we are acquiring one more film, so our content will be more and we will be -- because we write-off 100% same quarter. So, at present, I want to say 40%, but in case it's happening more, so I can't stop that. So, let's wait and watch.

Surbhi: Approximately, what would be the best case assessment of cost? For nine months, it is around INR30 crores. And, you guided, the same number, some INR70 crores....

Moderator: Hello, ma'am, your audio is not clear. Sorry to interrupt, but your audio is not clear.

Surbhi: Sir, let me get back in the queue questions. Or I'll take it offline.

Moderator: Okay. Thank you. Our next question is from the line of Mythili Balakrishnan from Alchemy. Please go ahead.

Mythili Balakrishnan: Congratulations on a very good set of numbers, sir. A couple of questions. One, what is the competition like for new content? While, you know, we have sort of been a little lower than expected in terms of content cost. Is it positive of good quality content at the right price or is it something else that we need to keep in mind?

Kumar Taurani: Yes, it's a, yes, you are absolutely right. Content acquisition is very tough. And, as mentioned in my earlier quarters, all the time I mentioned that if content deserves -- particular content, deserves INR5 crores, people are offering INR15 crores, INR18 crores. So, we are not following that path and we are not bidding anything. What we have a relationship in place. So, we are exploring those kind of opportunities and we are getting. And, we are not a heavy -- we don't want heavy content.

We are not here to invest all the moneys, whatever we are making in content. So, we have our own content also, which we are recreating, remixing. We are doing that. Plus, there is our own, you can say, Tips Films our another company. They are producing films and their target is four films, five films a year, going up to 10 films, 12 films a year. So, that content also we will acquire at arm's length.

So, I think we will have our places fixed, how we will get our content from different-different places. So, we don't want to bid that. And, we will follow that 30% on top line of revenue. Content acquisition will be in that much range. So, I don't feel that I will have any problem with that. So, we will manage.



- Mythili Balakrishnan:** Got it. This year it will probably be a little lower in terms of the content cost per se?
- Kumar Taurani:** Yes, this year, but, next year we will be more aggressive on acquiring content also and creating content also.
- Mythili Balakrishnan:** Got it. Also, I wanted to check with you. In 4Q, in terms of releases, we have Ishq Vishk and Crew, right? Buckingham would get pushed out to the next quarter?
- Kumar Taurani:** Yes.
- Mythili Balakrishnan:** And, there was also a Marathi movie, right, which we were expecting?
- Kumar Taurani:** Sridevi Prasanna. Yes, it's releasing on 2nd February.
- Mythili Balakrishnan:** So, that will also happen in 4Q?
- Kumar Taurani:** Yes.
- Mythili Balakrishnan:** Okay. So, only Buckingham Murders, which is getting pushed out into 1Q?
- Kumar Taurani:** Correct.
- Mythili Balakrishnan:** Got it. Also, I wanted to check with you that any progress on the discussions which were there going on with Meta in terms of the reels and other stuff?
- Kumar Taurani:** Fingers crossed. You will hear good news soon. Just wait for some more time.
- Mythili Balakrishnan:** Got it. And lastly, on the international revenue, have there been any more deals or anything else that needs to be sort of...
- Kumar Taurani:** As of now, nothing is there. But, I said that we always had discussions. Discussions keep happening. That's a regular practice of our business. So, as I said, fingers crossed. Just wait and watch what happens.
- Mythili Balakrishnan:** Thank you, sir. That's all from my side.
- Moderator:** Thank you. Our next question is from the line of Pallavi Deshpande from Sameeksha Capital. Please go ahead.
- Pallavi Deshpande:** I wanted to understand how many Hindi movies content have we acquired this year? I think our target is four a year?
- Kumar Taurani:** Yes. For this year, I think we have released Merry Christmas. And what have we released? This one, Ishq Vishk will come. And Crew will come.
- Pallavi Deshpande:** Right, that's the release schedule. So, I wanted to know the acquisition schedule. They will release maybe after next year?



- Kumar Taurani:** Next year, we have already, one, Buckingham Murder, as mentioned earlier by the lady on the call. And there is one movie, Tips Films is already producing two, three movies. Two movies, they are in discussion. And also, we are talking to one or two producers. And we will acquire that soon. You will hear that news very soon.
- Pallavi Deshpande:** Right, sir. And sir, how much in advance is the music right acquired? Like if a film is launched today, it will take one year to produce maybe. But when is the music right?
- Kumar Taurani:** You can say nine months, eight months to 10 months, 11 months, you can say.
- Pallavi Deshpande:** Eight months to 10 months. And sir, between in our music content cost of INR31 crores, how much would be the fair division between the music we create and the music content and how much on the movie side? Would it be 50-50?
- Kumar Taurani:** No, no. You can say, 40% -- 35%, of content we will acquire from Tips Films. And 30%, 35% content we will acquire from outside. And 25% we will create of our own.
- Pallavi Deshpande:** Right. So, this percentage has been same this year also?
- Kumar Taurani:** I feel so.
- Pallavi Deshpande:** Right, sir. And lastly, in terms of this -- between these channels you mentioned that about Wynk and Saavn and this. How much, like I understand they are all moving to subscription. But out of these, is Spotify leading in the race to move to paid subscription?
- Kumar Taurani:** Yes, they are trying. Spotify is very aggressive and trying that.
- Pallavi Deshpande:** And would it be fair to say, we are getting more from these rather than YouTube now?
- Kumar Taurani:** No, no. YouTube is 45% to 50% of our total business, top line. So, YouTube is still, you can say...
- Pallavi Deshpande:** As we move towards the subscription model, can this happen that, these other players will be a larger share as we go ahead? Because they are more aggressive on the paid model.
- Kumar Taurani:** Yes. Spotify is the biggest player, second biggest player in the world. I feel they will be in India also, that will happen. It's happening actually. It's happening. Already they are number two.
- Pallavi Deshpande:** They are number two, right.
- Kumar Taurani:** Yes.
- Pallavi Deshpande:** Okay, sir. Thank you so much, sir.
- Kumar Taurani:** Thank you, Sameeksha, thank you.



- Moderator:** Thank you. Our next question is from the line of Akshay Pawar, an individual investor. Please go ahead, sir.
- Akshay Pawar:** Congratulations for a good set of numbers. My question is, in case of buyback, is there any chance like promoter will increase their stake by not tendering stocks? Like we had lower promoter stakes. By using buyback, we increased it up to 75%. So, is that a chance again?
- Kumar Taurani:** Actually, nothing has been decided yet., At appropriate time, we'll take appropriate call.
- Akshay Pawar:** Okay. Thank you.
- Kumar Taurani:** Thank you.
- Moderator:** In the interest of time, that will be the last question. I would now like to hand the conference over to Mr. Nikunj Jain from Orient Capital for closing comments.
- Nikunj Jain:** Management for taking the time out of 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.