Ortel
Communications

Ortel Communications Ltd.

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Bringing Convergence to India

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Dalal Street, Mumbai- 400001
Scrip code-539015

Dear Sir/Madam;

Sub.: Conference call transcript of Q1 FY17 .

we are enclosing herewith the Conference call transcript of Q1 FY17 Pursuant to Regulation 30 (6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking You,

For Ortel Communications Ltd

Ortel Communications Ltd.
Bhubaneswar

Lalit Kumar Mohanty

(Company Secretary & Compliance Officer)

Encl: As above.

31st August, 2016

Ortel Communications Limited

Q1 FY17 Earnings Conference Call
July 29, 2016 at 02.00pm IST

Moderator Ladies and Gentlemen, Good Day and Welcome to the Ortel Communications Limited Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. If you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now like to hand the conference over to Mr. Nishid Solanki from CDR India. Thank you and over to you, Mr. Solanki.

Nishid Solanki Thank you. Good Afternoon, everyone, and Thank You for joining us on Ortel Communications Q1 FY17 Earnings Conference Call. Today we are joined by senior members of the management team, including Mr. Bibhu Prasad Rath – President and CEO, Mr. Chitta Ranjan Nayak – Chief Operations Officer, Mr. Jiji John – Vice President, Broadband Business and Mr. Manoj Kumar Patra – Chief Financial Officer.

We will commence the call with opening remarks from the management following which we will have an interactive question-and-answer session.

Before we begin, I would like to highlight that certain statements made on the conference call today maybe forward looking in nature and a disclaimer to this effect has been included in the Earnings Presentation shared with you earlier.

I would now invite Mr. Bibhu Prasad Rath to make his initial remarks. Thank you and over to you, sir!

Bibhu Prasad Rath Good afternoon, everyone. Thank you for taking time out to join us today on Ortel Communication's Q1 FY17 Earnings Conference Call. I would like to take you through the financial results and some of the key developments that took place during the quarter.

We demonstrated a healthy performance in the cable television and broadband business in Q1 FY17. Both these segments reported growth of 45% and 26% respectively. In addition, we maintained our healthy run rate of subscriber additions, adding close to 69,000 subscribers in the quarter under review. With this, our total subscriber base now stands at 770,141. It is important to note here that over 80% of the new subscribers were added in the markets outside Odisha that is Andhra Pradesh, Telangana, Chhattisgarh, Madhya Pradesh, and West Bengal. Furthermore, 65,782 subscribers are in the pipeline and will be integrated in the coming months. Higher subscriber base gives me confidence that we will be able to deliver far better performance in the current financial year.

On the flip side, our profitability during the quarter was affected largely due to lower quarterly execution in the infrastructure leasing business. As highlighted in the past, this is not a core focus area for us, but we will continue to leverage our infrastructure of fiber network to generate additional sources of revenue. Having said that, I believe that infrastructure leasing business will return back to normalcy and the execution will pick-up in the coming quarter.

Let me also share some key developments that took place during the period under review. To start with, we sealed a RIO, Reference Interconnect Offer based deal with two major broadcasters - Star India and IndiaCast, which means that we will be able to provide digital services to customers in its true spirit as well as give them the ultimate choice to select channels. We believe this development is a huge positive for the company as it will lead to lower content costs from Q2 onwards and over a period of time positively impact ARPUs. Ortel being one of the few B2C focused last mile players in the country is best placed to provide a-la-carte and tiering and packaging options to its subscribers.

We also seeded close to 69,000 Set Top Boxes thereby improving our digital penetration ratio significantly to 43.6%, as compared to 23.6% in the corresponding quarter of last year. This led to higher intercity bandwidth cost to carry digital signals which stood at Rs. 13 million, versus Rs. 1 million in Q1 last year. I expect this cost to get neutralized as we further increase our digital penetration. Overall, we have adequate STBs in place to implement digitization under Phase-III which will result in higher digital penetration.

Coming to our key focus area of broadband business, the net addition during the quarter stood at 5,127 subscribers compared to 2,381 subscribers in Q1 FY2016 translating into total broadband subscribers of 77,609. Broadband ARPU witnessed a slight improvement at Rs. 401 per month. During the quarter, we introduced a wide range of broadband plans including 100 mbps mega speed DOCSIS 3.0 broadband internet in Odisha. We expect these packages to help improve our broadband trajectory. Going forward, I am confident that broadband business will report value-led growth as a result of solid infrastructure set-up combined with strong team and attractive broadband packages for subscribers.

During the quarter under review, CARE rated the credit ratings of our bank facilities. I am glad to underline that CARE has assigned CARE BBB- and CARE A3 ratings to the bank facilities of the company.

Moving on to our financial performance during the quarter, we reported healthy growth of 23% in total revenues to Rs. 529 million mainly driven by robust traction in our cable TV and broadband segments, which reported growth of 45% and 26% respectively. This was further supported by strong momentum in subscriber additions. EBITDA stood at Rs. 139 million, down by 12% while EBITDA margin were lower at 26.3%. As highlighted before, profitability during the quarter was impacted mainly on account of lower quarterly execution in the infrastructure leasing business. Profit after tax stood at Rs. 9 million as against Rs. 24 million in the same period last year.

Revenues from cable TV segment stood at Rs. 412 million, higher by 45% year-on-year while the broadband revenues came in at Rs. 95 million an increase of 26%. On the back of weak execution, income from infrastructure leasing sharply declined to Rs. 10 million. I am certain that this trend will progressively improve in the upcoming quarters. Analog and digital ARPU stood at Rs. 141 and Rs. 169 per month while the blended ARPU came in at Rs. 152 per month.

Turning to our regional performance, revenues from Odisha stood at Rs. 422 million, up by 14%. EBITDA grew by 6% to Rs. 172 million while EBITDA margin came in at 40.8%. Total subscribers in Odisha stood at 546,734 against 483,940 in Q1 FY16. Net addition during the quarter was 11,608 while 18,277 subscribers are still in the pipeline and ready for integration to Ortel's last mile network.

Total revenues from Non-Odisha markets of Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telangana, and West Bengal stood at Rs. 97 million against Rs. 30 million in Q1 of last year. This is higher by 222% year-on-year. Losses have significantly narrowed in these markets due to higher subscriber base. I expect the losses to further decline and these markets will turn positive during this fiscal year. Total subscribers in these markets stood at 223,407, with net additions of 57,341 subscribers in this quarter. A total of 47,505 subscribers are in the pipeline and would soon be integrated to Ortel's last mile network.

To conclude, we are in the process of establishing a valuable high quality last mile infrastructure which has fiber as the backbone and coaxial cable in the last mile, that is capable of providing triple play services. The last mile network is capital intensive however, we are confident that these investments will deliver a payback of less than four years and over the long run these assets can create notable value for all stakeholders.

Thank you for your time and we will now be glad to take your suggestions and answer any questions that you have. Before I hand it over to the moderator for Q&A, I would like to make a small mention that in this quarter in the presentation format we normally submit to all of you, we have done minor changes and with an appropriate noting in respective pages and this was done with an intention to make the presentation more relevant and this was based on the feedback from some of you in the past. Thank you.

Moderator Thank you very much. Ladies and gentlemen, we will now begin with the question and answer session. The first question is from the line of Gautami Desai from Chanakya Capital. Please go ahead.

Gautami Desai I have a couple of questions; one is why have Odisha margins come down? I mean they are close to 40% but I think they have come down from the past quarter. Secondly, why our receivable days are going up? Then thirdly, you have about 43% digitization whereas as per the data that we receive from the ministry and other operators, I think 80% to 90% of Phase-III digitization is over, so out of your markets, should we assume that more are into Phase-IV, can you throw some light?

Bibhu Prasad Rath So the first question which you asked that why has the Odisha margin come down, I think it is 40% and earlier it was in the range of 46%-47%. It is in the same range but infrastructure leasing income has reduced by about Rs. 3 crore - Rs. 3.5 crore. Most of this was in Odisha and because of that fall, Odisha margin has come down. Now as far as the receivable days are concerned, it has actually not increased much during this quarter, it has marginally increased from 61 days to 65 days, but I have the break-up of various receivable days in different segments. The retail business which is cable TV and broadband, the retail business receivable days has actually not grown, it has actually marginal improved as compared to last year end. Whereas there has been a significant increase in the corporate income particularly carriage fee and those are the receivables which normally take time to collect and it should get neutralized and I see a significant improvement in the receivable days going forward because receivables in the corporate segment is never a headache. Receivables in retail is always a headache so, that is under control and that has not gone up. Now coming back to your third question, I actually do not want to comment on the data which has been given by MIB and others but as far as we are concerned, it is not correct that most of our pending digitization is in Phase-IV. In fact, to the contrary, if I have done 44%, than the balance 56% which is a vast majority of that, I can give exact numbers later but my estimates is, out of that say it is 55%-56% around 40%-45% of that is in Phase-III and may be around 10%-15% will be in Phase-IV. So, it is largely Phase-III and as I have seen in last quarter it has little bit gone up by 7% and we will keep doing it and we will try to finish it as soon as possible and this is of course subject to various litigations which are in the courts. But our pending analog is largely in Phase-III not in Phase-IV.

Gautami Desai So, we can expect most of it to come in the next quarter, especially on 11th August I guess there is a hearing for the Phase-III stay order. Then suppose if the stay order is lifted then do we have to do it everything in this quarter?

Bibhu Prasad Rath See I do not want to forecast on how the legal process will go, we will love to do it as soon as possible. So either you do under a legal processor or you do under management efficiency and the consumer offtake. So it is not just to be done by me, it is also the consumers which are playing a role, so we are continuing to pursue this and we are doing it and if there is a legal order to the contrary we will see how to handle that. But we will continue to pursue this and improve every quarter. I do not think everything can be completed in next one quarter but you will see significant improvement every quarter.

Moderator: Thank you. We have the next question from the line of Manoj Behera from PhillipCapital. Please go ahead.

Manoj Behera My first question is regarding the digital cable ARPU so, we witnessed sharp decline on Q-on-Q, so can you throw some light what was the exact reason for the decline?

Bibhu Prasad Rath So, the digital ARPU has come down over the last few quarters to Rs. 169 now, there are two - three components actually and let me deal with this in the context of the overall cable TV ARPU scenario.

See, there are two issues - three issues involved. The one is that we are a well spread out network in various markets now, when I do digital in a particular market in a more concentrated manner, the ARPU remains stable, it does not go down, but when we do digital in the different market, which is Tier III than the ARPU generally varies from market-to-market. So, this fall which has happen one of the reason is that we have spread digital into more geographies. So from the higher ARPU markets to the lower ARPU markets that is one of the reasons.

The other thing I think I had explained this in last one or two calls is that all the acquisitions market whichever acquisitions we do, in whichever market whether it is analog or digital, there are many new markets which we have also done digital so both analog and digital when you do acquisitions typically it comes to Rs. 20 to Rs. 30 lower ARPU then the company ARPU. So for example, if my analog ARPU in the older market is say at Rs. 150, then the new acquisitions come at around Rs.

125 and Rs. 130 and that is the process we follow almost in every market. The reason we do this is that when we do acquisitions and integrations, there is a whole lot of other work to be done so to lay the network to allow the customers to our network, our billing cycle to collect money, provide the right service, provide them the back end facilities, there are so much other things to do which takes time post acquisition which is a very complex integration process and that is the time when we normally do not fight the ARPU battle, we try to keep consumer price neutral at the time of acquisitions. So what it means whatever a consumer was paying to his or her LCO before acquisitions, the post acquisitions generally we try to keep at that and then from that the taxes go out and our ARPU calculation is net of taxes and just monthly it does not include activation fee and it does not include taxes. So, if the consumer was paying 'x' amount of rupees to his LCO, we try to keep it as our ARPU, the price neutral so, which means the ARPU will go down because you have to take 20% - 21% - 19% depending on the market the tax out of that and then after complete integration. Over a period of time, we take that ARPU increase normally and this has been our experience for last seven - eight years and also particularly in the last one year. So in that context, if you see the cable TV ARPU which is at Rs. 152 does include analog and digital, blended so what happens even when the digital ARPU has fallen from the reasons I explained, the share percentage growth in digital has helped to maintain the overall ARPU. Now if overall ARPU has been maintained and the new ARPU is lower what it means that the ARPU of my earlier customer base which is the older market not fresh acquired has obviously gone up so, if one dissects the ARPU into old and new, digital analog he will find that ARPU in the older market actually may not have fallen, it must have gone up because the new acquisitions are at a lower ARPU and blended more or less flat at the same ARPU that is RS. 150 - 152 - 153 in that range. So that is the reason why the digital ARPU has fallen, but the overall ARPU has been maintained.

Manoj Behera So will this ARPU inch up further in the coming quarter, once our integration process is in place?

Bibhu Prasad Rath Yes, it will increase significantly and there is one good thing, the one good thing is which I spoke separately about the RIO deals with the broadcasters. In the long run, the RIO deals with the broadcasters will help me to increase the ARPU. The other thing that our integration is not yet over, because we are still working on a 1 million target to be achieved by March 2017, which would mean that the impact of this year's Q2, Q3, Q4 acquisitions will still have a little bit of negative impact on the ARPU, but I do not see overall ARPU coming down during this year and may be towards early next year or end of this year the ARPU will start increasing.

Manoj Behera Okay, fair enough. Second question is regarding our infrastructure leasing business. You said that there was some problem in execution which has impacted the revenue. So can you throw some light what exactly was the issue and what is our long-term outlook for this particular business? I understand that it is not the core focus for us but your views on the future outlook would be helpful.

Bibhu Prasad Rath Okay. So let me explain, it may be little bit of repetition for some of you whom we have spoken in detail earlier but let me explain how this business essentially works. As I mentioned earlier, this is fiber infrastructure which is leased out largely by telecom companies but there are other companies also who take it from us and use it. We also lease fiber from telecom companies. Now in a normal situation one would charge a monthly rental for leasing out something. But the way we do here, there are two kind of contracts, there are certain contracts which is just monthly rent, so every month you keep getting that money kind of an annuity as long as the contract continuous. There are certain contracts where the revenue is split into two different components, one is in some kind of connection fees, that means when I hand over the lead to them they give me certain amount of money, and then there is a second part of the income which comes in recurring. Now typically the way we try to structure this, the negotiations that, in some cases I have to put some CAPEX into this, then I would not like to take a pure monthly rental contract because in few years, somebody can terminate this contract then I may be cash out because I have already laid capital into it. So wherever there is a CAPEX requirement, we try to structure in negotiations that some of the money is paid to us as activation and some of the money is paid to us on monthly basis. So the extent that activation income comes at the time of delivering the links that depends on the execution and to the extent that monthly recurring is there that is steady state every quarter.

So this quarter, unfortunately what has happened there has been no new execution. So that income which has come here this is entirely monthly, there is nothing relating to a new infrastructure leasing in this quarter. So what I expect going forward, I will not be able to give full clarity now because there are some orders in our hand and some orders are being negotiated. The income which are booked in this quarter this is a purely 100% recurring income, this is the bare minimum it will definitely not go down. Now going forward this will increase and there are quite a few orders which are pending for execution and there are few very large orders which are in the stage of negotiation. So what I see that now, Q-on-Q it will improve and if we get through one or two of those large orders which are being negotiated then it will give a significant boost to this revenue.

Now considering the stage where we are in, I expect that it will definitely improve and there is a possibility that at the end of the year my revenue from infrastructure leasing could be same or more than last year. But it could be something in between actually. It will be very difficult to give full clarity now. I think I will be able to give clarity at the end of current quarter. But it will not fall further I can guarantee that it will improve every quarter.

Manoj Behera Okay. So this new pending orders are primarily from the Telco's or corporate client?

Bibhu Prasad Rath Look when I say Telco's and other's, the other's actually not many corporate's, you know there are other kinds of companies for example there are infrastructure companies actually who take infrastructure and provide to corporate. We do not provide too much directly to the corporate. So for example, if I can just use an example, it is a RelTel for example so RelTel is not Telco but they release their own fiber, they also take fiber from us, so those kind of corporate, the orders which are under negotiation are both, this is largely with is Telco.

Manoj Behera My last question is regarding our quarterly run rate on the other expenditure side, so just wanted some clarity, which part of this other expenditure is actually inching up, whether it is receivable write offs or the commission part which is actually growing at a very fast rate so, if you can throw some color on this?

Bibhu Prasad Rath It is actually, if you see this other expense has three parts actually, offline I can give you the break-up but there is a significant increase which has happened in the bad debts and provisions and this I think I had also addressed in the last call, there are collection challenges in the newly acquired sites for initial one quarter or two quarters and there are collection challenges in the process while digitizing the network whereas it actually becomes much smoother and efficient once it is fully digitized. So there are like three markets - four markets where we have completely digitized and there is absolutely no collection challenges and it is highly efficient but even if you, so there is an increase in the bad debt provision, the commission part has not increased much in last three quarters - four quarters, it is pretty much steady marginal increase but even the other expenses what we are doing actually we are building an organization structure for ~1 million customer base so, this also can be related to the employee expenses which has gone up in the last two quarters. So we are talking of Q3 and Q4 and now Q1 these two quarters - three quarters we have completed the rest structure building and if you see this other expenses or even salary you will find that there is not much increase in Q4 as compared to last quarter. The real increase has actually happened in Q4 of FY16, from the earlier base last quarter was the maximum increase, this quarter is marginal increase so the increase has tapered down now, it will not further increase and we will see now efficiency taking place because we have pretty much built everything for a 1 million structure.

Manoj Behera One last question, what would be the impact of GST implementation for us?

Bibhu Prasad Rath That is a question nobody in this country will be able to answer. I do not know actually. See we are under the I think 14% or 15% is the service tax and entertainment tax is varies from state to state but on average it is coming around 5%. So, all that other small taxes included we are in the bracket of 20%. If all these are included into the GST we still do now know actually to be honest what is GST and that depends on what the final print is coming. If both service tax and entertainment taxes are included my guess it should be neutral, it should not affect us much either positive or negative. But suppose we are at 20% and it is capped at 18% like some of the demand so, may be to benefit us, benefit in the sense that it is pass through to the consumer but to that extent only. Not much benefit or disadvantage.

Moderator: Thank you. We have the next question from the line of Sachit Khera from Smart Equity. Please go ahead.

Sachit Khera Most of the questions have been answered, just one thing on the strategy of the company like for the past few quarters, the customer acquisition in the non-Odisha markets have ramped up and now, I think they are anywhere between 70% to 80% of fresh acquisition. I notice that although you were trying to make it negative breakeven but the negative number on the EBITDA has maintained, it has not really gone down. Now, I understand that the revenue base is also increasing. So, as a percentage the EBITDA is probably negative but considering there is also depreciation and finance cost or other opportunity cost to capital to be considered. Are you still as confident of the strategy as you were?

Bibhu Prasad Rath Okay, I will tell you. Here we report the overall outside Odisha combined that is Telengana, Chhattisgarh and Bengal and everything together. But as a management when you look at the nitty gritty and detail numbers we find broadly, it is not 100% true, but broadly, any site any market where I have done acquisitions it is not even negative, it is actually positive, it is actually positive in the first quarter itself. The negative is actually coming from those earlier markets where I had done organic in the past and one of the example is say Raipur and Vishakhapatnam where we have done organic in the past and I think I have explained this many times and even we had detail interaction in Bhubaneswar that any organic activity leads to higher losses in the initial period and it continues for a long period and that is the reason why we do most of our growth through acquisitions because if we do organic in every market and start competing with LCOs there will be huge cash burn. But as a strategy we have done organic in the past and we will not shy away from doing organic because I had explained in the past that the acquisitions do have some because I am strong in organic. So this is at a philosophical level. But coming back to these numbers, every acquisitions I do it does not make much loss, it is either marginally negative or marginally positive, there are few places where I had done organic in the past and there are some critical key developments also happening in those places because of so many years of organic now we are able to do acquisitions. So I remain fully convinced on the strategy we are following. And on this, anytime during this fiscal itself we will get to a positive EBITDA and then we will see what happens to depreciation may be next year.

Sachit Khera Okay, great. Just a small follow-up to that. Considering that you have a lot more acquisition in the pipeline, you are very marginally negative. Are you still confident that on an overall basis, Non-Odisha market will be able to do breakeven EBITDA this year?

Bibhu Prasad Rath Yeah, absolutely, that is exactly what I mean, the reason is all these losses which are primarily happening in the larger sums in the organic markets we are not doing cable TV organized in new markets, we have not done a single one in Andhra, Telengana or Chhattisgarh in last five years. All these are coming before that and I do not regret that because today we are able to do acquisition because I have gone with those grind in the past. So now, as I do more acquisition it will make it more positive and you can turn around those organic sides to positive then that will be great thing for me to do.

Sachit Khera Makes sense. Last question, this metric on the presentation pay channel cost per cable TV customer, actually I am not very familiar with the metric would you mind explaining it to me?

Bibhu Prasad Rath Pay channel cost that is the money which we pay to various broadcasters like Star, Zee, Sony, Colors, etc., so that cost has soften over the last two to three quarters and right now I think it is a Rs. 50 per customer per month. So if I am making an ARPU of Rs. 152 from my TV business out of that Rs. 50 goes to the broadcaster and that has improved it was around Rs. 62 - Rs. 63 last year, then in Q3 it came to Rs. 57, last quarter it was Rs. 56 and this quarter it is Rs. 50.

Moderator: Thank you. We have the next question from the line of Vishnu Ramanedi as an Individual Investor. Please go ahead.

Vishnu Ramanedi First question is, post digitization in the phase IV markets, what would you do with your analog headends, would you convert them into digital headends or would it be remain as such?

Bibhu Prasad Rath The analog headends?

Vishnu Ramanedi Yes. The assumption here is that after phase IV digitization, almost entire India would be digitized and eventually analog signal would eventually cut off. So these analog headends would you merge it with digital headends or would you phase them out, I just want to understand that.

Bibhu Prasad Rath See, the way it works, I am not 100% sure, but the way it works I think like this I will check with my technical team. So, when we talk about headend see, there is a set of equipments which gets signal. Now, I do not think analog headends are capable of being converted to digital. So that essentially not entirely but half of it gets scrapped. Actually to be honest, the headends comprises of many items there are certain items which get scrap but a large part of it which includes say UPS, genset and a channel receiver these are actually common for analog to digital. So I do not know how much of that to be scrapped and how much my guess is around 60%-

70% of those equipments will be reused even in digital otherwise and may be around 25%-30%, 30% of the equipments need to be scrapped but I can check with my CTO and get back to you offline. So that is to do with the specific equipments, I mean any case the headend is not a key part of our capital employed, headend is a very-very small part.

Now coming to how does it take digital signal, so there are three options for me to take digital signal, the one portion is I set up a digital headend, the second option is I lease out a fiber from one of those Telco's and the third option is I go to hits. These are the three options available to me. Currently, in the past we were setting up headends, for last year we are not setting up many headends we have set-up one or two. In most part of the market, we are actually leasing out a fiber from a telecom company and taking signal from our centralized headend to that. So we have a centralized headend in Odisha, we have one for Andhra Pradesh, Telangana and one for Madhya Pradesh, Chhattisgarh, so all the markets in Andhra Pradesh, Telangana will get signal from my centralized headend in Vishakhapatnam and all the markets in Odisha will get signal from my centralized headend in Bhubaneswar.

Vishnu Ramanedi Okay. And so basically you are trying to piggy back on the cable infrastructure being set up**,** right?

Bibhu Prasad Rath Yes, that is why the one new cost component which has come this time, that digital bandwidth so that is the money I pay to telecom companies use their fiber to carry my signal were piggy back on telecom companies.

Vishnu Ramanedi Okay, second question is Reliance Jio launch and also there is a news article about Vodafone and Huawei doing some 5G trials in Delhi though all this look very far off, I am just taking from a point of view of disruption. Are we in a position to update to DOCSIS 3.1 if necessary and if so what will be the cost required?

Bibhu Prasad Rath Okay. So before I answer, I did not quite understand the Vodafone, I heard of Reliance what is news about the Vodafone news.

Vishnu Ramanedi Okay. Vodafone and Huawei, H-U-A-W-E-I barring a 5G technology trial and the other one is Reliance Jio it is coming up with a launch.

Bibhu Prasad Rath I know it is coming I think in next two weeks - three weeks.

Vishnu Ramanedi Yeah. So do you see some kind of impact on our existing markets due to Reliance Jio launch?

Bibhu Prasad Rath Look it is likely actually, so whether it is Reliance Jio or anybody so, they are obviously our competitor. In every market they launch they will be our competitor, today we compete with Reliance, with Bharti, with Vodafone with Aircel and Tata and all of them so, there is a 4G product already available in the market with which we are competing whatever success or failure we are having in the market consider in the current level of competition. Now obviously there is a new entrant, there is a talk of disruptive marketing practices, etc., and the new entrants are disruptive they are not only going to affect me it is also going to affect other incumbents like Airtel, and Vodafone, etc., because we are all competing in the market. Now, coming to our preparedness whether we are ready to face it or not, we look at market in this perspective. Its the speed which finally matters. There is nothing which will define this. We are not targeting the mobile market, we are targeting the residence and office segments and if there is a speed which a consumer wants if I am not capable of delivering, then yes, it is susceptible to somebody taking it over. If the speed which the consumer wants if we are capable of delivering, then we are ready to face the competition.

So from a technology perspective, we are already in our deployment, I am not talking of the standard specification, standard specifications are much higher. What we are able to deliver to a customer through DOCSIS 2.0 is 10 mbps and what we are able to deliver to a customer through DOCSIS 3.0 is 100 mbps. So, one of the points I have written in my presentation that we have launched 100 mbps packs and then anybody now wants like we also few customers who want 200 mbps - 300 mbps in those cases we are doing FTTH. So between these three products, DOCSIS 2.0, 10 mbps; DOCSIS 3.0, 100 mbps and FTTH which is unlimited bandwidth delivering capacity, I think we are well-equipped to deliver the speed. And I do not think there is a need to push for DOCSIS 3.1 right now because DOCSIS 3.0 is delivering 100 mbps, 100 mbps in the retail segment is I think we have lease for a generation now with 100 mbps. What is now more important for me, is actually to deploy more and more DOCSIS 3.0 and that is exactly what we are currently doing in last quarter itself, we have expanded DOCSIS 3.0 to much more number geographies and we are going to continue push more of DOCSIS 3.0 and DOCSIS 3.1 whenever it is there we will keep trying our hand to learn and understand, but I do not think we will prioritize DOCSIS 3.1 commercial deployment. Our priority is to do DOCSIS 3.0 larger commercial deployment and improve the speed experience of the customers.

Vishnu Ramanedi Just one more question regarding the public Wi-Fi Hot Spots. As I understand, you have launched this as your own initiative in January of this year along with that you have also participated in POC tender for the coverage of entire Bhubaneswar participating with 500 vendors and I think that was going to launch in July of this month. So my question is, taking an example from US's Comcast, there also they actually try to install as many Wi-Fi Hot Spots available right now, there are around half a million in the entire US. So my question is, do you see this as a viable market or a customer application strategy by trying to install public Wi-Fi Hot Spots and right now you have 19 towns covered by the broadband, right, so are you planning to install more and more public Wi-Fi Hot Spots, not in Bhubaneswar but also in other towns and cities?

Bibhu Prasad Rath Yes, actually this is a strategy which we decided after studying the US markets carefully and I will ask my colleague, Jiji, to chip in a little later but let me give the matter to you, that we studied the US market very carefully and decided to adopt that in our markets. The philosophy behind this is that today the consumers differentiate on this strength of speed and when it comes to mobility, we are not the guys actually so it goes it the Telcos. So that is how the market is divided.

Now, we wanted to build in a little bit of mobility into life for two - three reasons: one is, there are places where people spend time outside their homes and if we can give them an opportunity to use the high speed service in those places just now at home but in few other places so, it gives them more time on our service, that is one. And the other one was to use it as a marketing tool so that we get new users and get their data base, mobile numbers, contact payment, do cross-selling, etc., and there is a far objective which we have not yet pursued is you can also do it in prepaid coupon. So we have done limited numbers, the response is very good, and we definitely want this to expand to more and more over a period of time. This is on a macro basis. May I request Jiji, to just share his experience on what we have already done. Jiji, if you can share with Vishnu a little bit of what has happened on the Hot Spots, how many users are using and things like that and what is your data base?

Jiji John

Sure, the trials which we have done in Bhubaneswar have yielded us good usage over the period of few months. So, if you see the limited places wherever we launched the Hot Spots we are getting more than 30,000 people in a month who are accessing the internet from the Hot Spots. Yes, that is the number of people who are accessing it on a monthly basis. So, definitely it will be a good tool for us in both ways, one on the marketing front where people see Ortel on their screens and we also are in a portion to target those audiences to be converted into a wireline customer. Since, we were people who actually use internet and have a mobile to access it. So, today we give connections at home then we access through the mobile also using Wi-Fi router. So both these gives us a good trend and going forward when we launch in other locations this can be replicated and used in both ways. Plus we give an offer to our existing wireline customers to use this account when they are travelling and when they are in the particular Hot Spot they can access their home account and usage at the Hot Spot location without paying anything additional. The home package whatever they have subscribed to, will be debited from that. So, that is a benefit which our customers will have.

Vishnu Ramanedi

Thanks, Jiji. Just one more question which is on the broadband aspect. I understand that Cuttack has been fully digitized right, so, with respect to that what is the broadband connection ratio for Cuttack in terms of number of subscribers?

Bibhu Prasad Rath

Cuttack as an example or even Bhubaneswar actually is also fully-digitized so, if you can give them Cuttack, Bhubaneswar, or say Rourkela these three markets which are fully-digitized, what is the broadband ratio to total subscriber. I think Mr. Chitta Ranjan Nayak can give this number. Bhubaneswar my total subscribers will be around 85,000, out of which 25,000 will be broadband so, that is almost like 30%. Total RGU will be around 55,000 in Cuttack. And broadband will be around 10,000 on 55,000 so, that is around 20%. Rourkela also should have similar numbers as Cuttack. I will give you the numbers separately.

Vishnu Ramanedi

And just one more thing, I have seen that the consumption of GB has increased by 1 GB compared to last quarter and compared to the previous quarter as well. So, it is just because of increase in people who have started taking in the new plans?

Bibhu Prasad Rath

There are two things that has happened in last three - four months actually, one thing is the people have started taking new plans of 10 mb, 50 mb, 100 mb. But there is another thing which we have very consistently done actually in last three - four months, we have actually tried to infuse more bandwidths into our network so that the customer’s experience actually goes up. Because we need to constantly work on this competitiveness of the product and particularly in view of Reliance Jio launch and others which we are cognizant about, because our USP is speed and I do not want to lose out on speed. So in last quarter and may be one month before that last three - four months, we have put a lot of more bandwidths in to the network where even a customer who was not subscribed to a higher plan, even in the same plan, his speed experience has gone up and we have consistently done this actually.

So that along with new plans and DOCSIS 3.0, this overall gives an impression in the market that our speed is much better. Today actually on the ground the speed is 20%-25%-30% higher than what it was one year ago. That is why you will see on the P&L side there is a 19% increase in the bandwidth cost actually. And that 19% increase is a combination of growth in customer base as well as the extra bandwidths I have given to the customers. But that will also let me answer another question which you have not asked that bandwidth cost increase will get neutralized over next two - three quarters because we have just completed a round of negotiation for bandwidth cost and I am expecting my bandwidth cost on per

STM basis to do down by around 10% in phases over next six months. So today I buy bandwidths on an average of 17 lakhs per STM**,** the new prices which we have worked out are in the range of 12 lakhs to 13 lakhs so, that cost will get neutralized so, there will be overall speed improvement at the customer end.

Moderator: Thank you. We have the next question from the line of Abhay Moghe from Bajaj Allianz. Please go ahead.

Abhay Moghe I just had a couple of questions on the cost side – it appears that there is a Rs. 13 million cost on the intercity bandwidth if I am right, so what is that pertaining to? And I think management explained earlier but I missed that. And also I think you mentioned that will be offset later on so, how that will happen that is one. And second is on the subscriber pipeline and acquisition, so how confident are you on your target of 1 million customers by March 2017?

Bibhu Prasad Rath Yes.

Abhay Moghe Yes, so just these two questions.

Bibhu Prasad Rath So the bandwidth cost is not Rs. 30 million, it is Rs. 13 million. Now we are going for the process of digitization which is mandatory by Government of India and like I explained earlier, there are some litigations happening but at some point it has to be done and I expect most of it to be done this year. Now when we do digitization in any market, we have to have digital signal and like I explained earlier we have three options to have a digital signal and the one option we set up a digital headend which is a one-time CAPEX. The second option is we do not set up a headend, wherever we already have a headend from that headend I take signal though a fiber cable to a new place. So this bandwidth cost is exactly that because of the CAPEX-OPEX parameters which I can approximately give you number a digital headend cost approximately Rs. 1 crore. That is the CAPEX model. If you do the OPEX model at the current cost it cost me around Rs. 10 lakhs per annum. So I have to make a choice whether I do a Rs. 1 crore CAPEX or I do a Rs. 10 lakhs per year OPEX. So we have chosen OPEX model so this is the money we pay to the telecom companies to take our digital signal from one place to another place and when I say that it will get neutralized what it basically means this cost is not per customer basis. This cost is per location basis. So for example if I am taking for say example Bhubaneswar to Berhampur so, that is a Rs. 10 lakhs per annum. Now in Berhampur whether I have a zero customer base or a one customer base or 10,000 customer base or 50,000 customer base my cost remains same.

So, what I mean actually that we have a digital penetration of 44%, at 44% this is the cost. If I am not having any new geography just the same markets I got from 44% to 100% then my cost will remain same. So on a per customer basis this cost will keep reducing that is what I meant when I say it will get neutralized.

Abhay Moghe Okay, just to understand this better, you have already done some digitization, right?

Bibhu Prasad Rath Yes, we have done close to 44%.

Abhay Moghe 44% you have done. So, if I see the same cost a year ago quarter it was 1 million only.

Bibhu Prasad Rath Yes.

Abhay Moghe Right. So, may be this cost has appeared so large because you chose that OPEX model for a completely new geography.

Bibhu Prasad Rath Yes.

Abhay Moghe Right. If I can understand which geography it is and are you not having customers as of now over there?

Bibhu Prasad Rath No, we have the customers there.

Abhay Moghe But digitization has not happened.

Bibhu Prasad Rath Digitization has not happened within the Government's deadline i.e. 31st December and in the 1st week of January there are court order which stay so, it essentially got started in the previous quarter, that is Q4 of last year. So towards the end of Q4, all these links got activated for the first time and significant cost has come in this quarter.

Abhay Moghe Sorry, to interrupt but if you have to suppose digitize 100%, this OPEX can increase to what level?

Bibhu Prasad Rath I will tell you, this Rs. 13 million is the money spend for 'x' number of locations. Now, I do not remember the exact number. I can offline give the exact number but it covers most of our existing locations not all. But there is most of existing locations.

Abhay Moghe It would not double in that case, this cost will not like a year from now we would not see this cost as Rs. 26 million per quarter?

Bibhu Prasad Rath Definitely not. This will increase in the proportion of number of locations not number of customers.

Abhay Moghe So 44% is digitized, for rest 56%, you have the bulk of it you have taken this OPEX model at Rs. 13 million, a minimal amount is remaining so, this may increase slightly this is the understanding I am getting.

Bibhu Prasad Rath Absolutely correct. And in a year from now also it may start reducing a little bit, these prices will also come down.

Abhay Moghe How will this price come down?

Bibhu Prasad Rath So all these prices get negotiated. But even if you do not assume, but you have got it absolutely correct for bulk of my market I have already build the cost and some of my markets I will build and with more customers it will not grow, with number of locations it will grow.

Abhay Moghe Okay. So now, coming onto subscribers, you have added close to 70,000 subscribes this quarter.

Bibhu Prasad Rath Yes, and your question was how the integration and acquisition happening and whether we are confident of 1 million subscribers or not. So, may I request my COO to answer his question Mr. Chitta Ranjan Nayak if you are there?

Chitta Ranjan Nayak As of now, we are keeping that 1 million target by March 2017, we are almost on track and we have a healthy pipeline now and the team is already working on to improve upon the pipeline so that the same run rate can be maintained by end of this financial.

Abhay Moghe So in this case while you are acquiring subscribers and doing everything, in this case the costs are generally front-loaded right. So when do you think your optimal or higher profit margins you will be able to achieve in FY17, towards Q4 only or it will be more towards end of FY18?

Bibhu Prasad Rath This is a continuous activity. Now by the time the older acquisition, older inorganic market becomes mature say one year plus they will become profitable. Profitable in the sense they are already profitable, we are talking of a decent EBITDA margin.

And by that time I will continue with my newer acquisition. So the moment the acquisition becomes old, that gets stabilized and gives us a better margin and simultaneously I am adding newer market where my margins are low. So that activity will continue. Now to exactly know what will be my run rate on a steady state basis then if you can bifurcate the acquired markets or we stop acquisition and the market gets stabilized then we know the exact number that this is where we are getting stabilized.

Abhay Moghe Going by the subscriber additions that has happened, bulk of the subscriber additions will happen in this year FY17, a large proportion. So maybe the net profit margins would dip in FY17 and FY18 they may pickup again?

Bibhu Prasad Rath Like I explained earlier to another participant, we have two models of growth-organic and inorganic. In inorganic market, the gross margin and everything is positive from day one actually. Only in organic market, we make a lot of loss. So even if the losses which we are making in the emerging markets if we dissect that we will find that most of that losses are actually coming from the organic markets and the inorganic markets are always profit making. And like I clarified earlier we are not undertaking much new organic market as part of the space whatever organic we have done two, three years before those are continuing to give us losses but they were done for a strategic reason and it has given us good result. And right now we are focusing on inorganic so there is no question of making losses and pulling it down. The only point which I was telling earlier and my colleague was trying to explain is that even in inorganic market, it is profitable but the margins are lower, because ARPU is a little bit lower when we acquire, so that when we said that one-year-old so it takes around two to four quarters to stabilize the ARPU levels. So something which I acquire one year ago will be normal now so something which I acquire now will be normal next year.

So considering that we have already done more than half of our target and what we are left to today is less than half I do not think it is going to deteriorate any further, it will only improve.

Moderator Thank you. We have the next question from the line of Sameer Pardekar from B&K Securities. Please go ahead.

Sameer Pardekar My question is regarding the other expenses, the other expenses have shoot up sharply for the last three quarters. So where do we see this other expenses to be stabilized, probably next three four quarters?

Bibhu Prasad Rath It is here, wherever it is now, I think I explained this little bit earlier. This is broadly divided into two components. So one I was answering to the other question in relation to the collection issues and the bad debts but the most part of it is actually to do with the administrative setup to handle the organizational growth. And we were in the process of building. We have now completed five quarters and we are hardly left with anytime to get to our target and manage. The organization building was happening for 1 million customer base, that is largely completed. I do not see this cost going up in any significant way. Even if you see this quarter, it is not a big increase it is a small increase. The real big increase happened in the Q3 and Q4. So the increase has started narrowing down and it would stabilize at this levels.

Sameer Pardekar And, the CAPEX guidance for FY17?

Bibhu Prasad Rath Well, whatever was my guidance for two years that is FY16 and FY17, that holds good.

Sameer Pardekar Any ballpark number that you can share.

Bibhu Prasad Rath Yes the ballpark number was, if I give for next three quarters will be if I have 230,000 subscribers at the rate of Rs. 4,000 per subscriber, this is my upfront capital, Rs. 3,000 on organic and Rs. 1,000 paid to the LCOs on an average. So Rs. 4,000 is my upfront capital, so 230,000 subscribers into Rs. 4,000 which is around Rs. 90 crore capital. Plus there will be some additional capital to complete the old analog to digital, so that could be another 300,000-odd analog, so that could be another Rs. 30 crore to Rs. 40 crore. So my capital guidance will be something in the range of Rs. 120 crore to Rs. 130 crore.

Sameer Pardekar And this excludes broadband business, right?

Bibhu Prasad Rath No, includes everything.

Sameer Pardekar So Rs. 120 crore is your total CAPEX guidance?

Bibhu Prasad Rath Yes.

Moderator Thank you. We have the next question from the line of Gautami Desai from Chanakya Capital. Please go ahead.

Gautami Desai Going forward, with your new acquisitions and the business getting better with digitization, do you anticipate your churn coming down?

Bibhu Prasad Rath Yes, definitely because we have experienced this in full digital markets, the life is much smooth and more disciplined. But, I want to explain what I have been explaining over the last so many quarters and now I have some statistics to show. If you remember I was telling in most of the calls in the past that part of this churn is actually a rotational churn in the sense that from a particular address one customer has moved out and another new customer has moved in, so it is a name churn and not an address churn but we report it as churn. And I have done a sample study of three months' data on this and my guess was almost correct, around 45% of the churn is actually coming in the address churn but has not started reporting that because we need to map every customer. So I may start reporting it at some point of time but that is what. If I am averaging at say 5% a quarter, almost like 2% to 2.5% of that is rotation, so the real churn seems to be in the range of 2.5% to 3%. But when it is fully-digitized, it will be much, much better because I will be able to deactivate the customers promptly on non-payment so that the outstandings go up and it can be much more effective and efficient.

Gautami Desai And you have guided for a CAPEX of Rs. 120 crore so, would our internal accruals and the current debt be enough or we would need more equity or debt?

Bibhu Prasad Rath I do not need more equity. We have a lot of inventory in stock actually since most of our capital items are imported and it has a lead time of say minimum three months and sometime more, so we have a lot of stock in place. If you look at the CWIP in the balance sheet, it is I think around Rs. 70 crore out of which at least Rs. 50 - 60 crore will get used off and normally you remain with around Rs. 10 - 15 crore of inventory.

So there is a Rs. 50 - 60 crore of materials available with me and the balance money has to be funded. But we have no plans to raise equity for this but yes we will raise some debt. If you go back to my original funding guidance and for this two years I had always told that we raised Rs. 100 crore equity and we would raise another Rs. 100 crore of term debt to fund that total 1 million plan. And out of that, Rs. 100 crore debt plan, we have only raised around Rs. 40 crore - Rs. 45 crore and the balance around Rs. 50 crore - Rs. 60 crore debt we will raise this year. That plus the materials available will take care of this, I do not plan to raise equity to get to 1 million.

Gautami Desai And last thing is on programming cost, your per subscriber cost has come down but your overall cost, you think that you will still stick to your 10% to 15% kind of guidance, how do you see this year and next year?

Bibhu Prasad Rath This is one area where lot of activities have happened in last few months and I have also given in my key developments. So one of the things we have done in the last three - four months in April and in the month of July. As you know there are four big national and there are one or two regional broadcasters and out of those four, two of them we have sealed our deal on a Rio basis. So Rio basis basically means that there will be no fixed payout. Earlier all our broadcaster deals were fixed payout irrespective of what customer base I have, irrespective of which customer is watching or taking which channel. Now there are two broadcasters where we have sealed the deal on a Rio basis where we have free hand to offer various channels to various customers on their choice. That means, I can give a-la-carte, I can give bouquet, I can tier it, or I can give lump-sum and all the options. And since we are on the last mile B2C model, we are in a position to do this because we have cash for every customer. We have every customer number linked to every set top box and the card. We have the database with us, we have the call center where customers call and we have all the back-end facility. So this will fundamentally re-define the way the programing cost was working.

Gautami Desai Actually it will be an advantage for us, right?

Bibhu Prasad Rath I will have huge advantage on this but I just want to give you a little bit of sense, so to start with immediately starting from Q2 this will reduce my cost. But that is not the ultimate objective, the ultimate objective is which could happen in next three years for example, the ultimate objective is to give the consumers a right to chose, consumer should say that I want channel ‘X’ or channel ‘Y’ and I am happy to pay less if that is what where I land up and I think immediately I will pay less. But in a long run, I am happy to even pay more because that is what will be a pass-through and consumers will pay for it. And it will benefit in many ways actually, it will have benefit and penetration because I can give low-end packages at the lower price. It can have benefit on ARPU because I can give high end packages at a higher price and it will take out all the uncertainties of negotiations. It will be absolutely transparent, professional dealing with the core philosophy that consumer should decide.

Gautami Desai And now actually the last one, so until now you were reporting 27,000 kilometers of your fiber network, now this time I think it has doubled. Can you throw some light here?

Bibhu Prasad Rath	You know there is a network, the network relates to the homes passed. Now when you lay the homes passed, we only put the network. We lay that drop cable only when there is a customer. So there is a drop cable which goes from the network to the customer's house. So earlier we were reporting the network length that did not include that drop cable. Now when I was reviewing the format this time so I thought it will be important to give the overall sense of kilometers of cable we have which includes cable inside of customer premises. So it is not a change number it is just a different number.
Gautami Desai	So now I guess you have more cables than all the national MSOs put together?
Bibhu Prasad Rath	Actually to be honest I always had, but for some reason I was not reporting that part and I think it was going back to my DRHP which was filed at that time in my wisdom I had decided to report only the network and not the drop.
Moderator	Thank you. Our next question is from the line of Manoj Behera from PhillipCapital. Please go ahead.
Manoj Behera	My question is regarding our broadband RGU addition, we have been stuck at 3,000 - 4,000 RGU additions on a quarterly basis, so can you give us some sense on when we will see a significant uptick in the broadband RGU addition, now that we have a separate team who looks after the broadband business?
Bibhu Prasad Rath	We stopped at 3,000 - 4,000, but it is actually 5,000 this quarter and 5,000 is not a big number but it is the highest in the history of the company and it is more than double of what we were doing one year ago. And like I have mentioned earlier, our is a convergence model, we lay network, we put on the door through a television set and then immediately after that we start broadband, so broadband generally follows cable. Now when we had a steep growth in cable TV last year and I always said that the broadband will follow, the last two quarters, broadband has been following the trend and we are now at 5,000 net add per quarter. I also foresee that this will improve every quarter going forward. The only question I want to give that we are not a pure broadband player like many other players those who rollout pure broadband and get some big numbers in some big market, we are not in that league. We are a convergence player so there will be a TV and there will be a broadband following this. And this is at a general level, Mr. Jiji John or Mr. Chitta Ranjan Nayak if you want to make any point. Any of you please?
Jiji John	I guess you have covered it what we have seen in the last two quarters is wherever the cable has been rolled out, broadband has followed and that has been our case, broadband has more than doubled compared to the last year Q1. And going forward this will be increasing on a quarterly basis.
Manoj Behera	But if I look at the broadband penetration both wireless or wireless in the market where we operate, it is very low. So in that way the opportunity is very huge and since we have the infrastructure ready can we see significant uptick or J-Curve kind of a change in terms of subscriber addition or that is not the focus at this point of time?
Jiji John	See, what you said is right, there is a lot of opportunity. The networks which we have, have to be made two-way network which is being activated, thereafter we acquire a market. So that is the lag period which you are seeing from the cable numbers and the broadband numbers. So the moment we go into a market we have the cables made two-way and then only the broadband rollout happens. So over a period, definitely the numbers will go up comparing two, three numbers which we have now.

Moderator Thank you. We have the next question from the line of Vishnu Ramanedi as an Investor. Please go ahead.

Vishnu Ramanedi Basically I was looking at your Twitter handle of Ortel Communications and I see that most of the customers, follow us on Twitter first time and try to raise complaints. And I also appreciate the fact but you yourself also take a time to respond to those customers even though some of them may not be in good tone. But my question is why do the customer have to respond their compliant first time on Twitter? And also if I see the response from Ortel Communication Customer Care, normally standard responses are you give me your customer number and your phone number and we will raise your complaint. So don't you think it is kind of raise a negative feedback, I am asking how is your Customer Care system?

Bibhu Prasad Rath This is a complete paradigm shift happening for last one or two years not only to Ortel but to all the service providers. The earlier paradigm was that there is a call center and the customers are asked to call the call center and lodge a complaint. Today the customers are of a different genre, the customers are of different mindset, now you cannot restrict as a service provider that did not call my call center. The customer has the right to complaint through any means whichever he has. Even somebody can walk into my house and tell that I am not getting my service. Now social media has given a big opportunity to most of the people to ventilate their grievances against anything whether it is a service provider or whether it is a politician or any other subject actually. I would actually request you and encourage you to go through Facebook and Twitter handles of many other service providers and the big ones and the good ones, there is a shift happening in the customer behavior pattern that he does not want to call, he wants to write it on Twitter, that is easier. Even I feel myself that writing on Twitter is easier. So what we have done we respect the customer's psyche we have given them all options and today Twitter is officially part of my customer care department, Facebook is officially part of my customer care department. So the customer can call the call center, the customer can send IVR message through call center. The customer can do through SMS code, customer can do email, customer can do Twitter and Facebook, I actually encourage the customers to write it on Twitter because he is comfortable writing on Twitter we should not be telling him that look Twitter is public and let's handle the grievances separately, grievance is a grievance. And every service provider has grievance. I think this is new shift happening in market place, the organizational structure we have done is all these are part of customer care it is not only call center is customer care and Twitter is private and Twitter is CEOs. All these are official mode of communications and I encourage customers to lodge their compliant on Twitter. I would request you Vishnu please go through the Twitter and Facebook handle of Airtel, Tata Sky and all the good service providers which are in the country, everywhere this is now a trend that people write on Twitter and Facebook. I think I am nobody to restrict it. And just one last comment on that, when I personally respond because I am a little bit active on Twitter, so sometime I see, but there is a dedicated team in the company to respond to complaints on Social Media but whenever I see I enjoy interacting with the customers actually even if some of them are not good.

Moderator Ladies and gentlemen as there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments. Thank you and over to you.

Bibhu Prasad Rath Thank you for joining us on the call. Hope we were able to answer all your questions. In case you have any more questions or you need any further information on the company, please feel free to contact us or CDR India. Thank you very much.

Moderator Thank you very much. Ladies and gentlemen, on behalf of Ortel Communications Limited, that concludes this conference. Thank you for joining and you may now disconnect your lines.

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