



May 2, 2025

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: **TIPSMUSIC**

Sub: Transcript of Earnings Conference Call

Dear Sir/Ma'am,

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 Audited Financial Results for the quarter and year ended March 31, 2025 held on Thursday, April 24, 2025.

You are requested to take this information on your record.

Thanking you,

For TIPS MUSIC LIMITED
(Formerly known as Tips Industries Limited)

Bijal R. Patel
Company Secretary

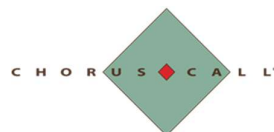
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TIPS MUSIC LIMITED
(Formerly known as Tips Industries Limited)

601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai - 400 052.
Tel.: +91-22-6643 1188, Email: info@tips.in, Website: www.tips.in
CIN : L92120MH1996PLC099359



“Tips Music Limited
Q4 and FY '25 Earnings Conference Call”
April 24, 2025



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

MODERATOR: **MS. AYUSHI GUPTA – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Tips Music Limited Q4 and FY '25 Earnings Conference Call. As a reminder, all participant line 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 phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Ayushi Gupta. Thank you, and over to you, ma'am.

Ayushi Gupta: Thank you. Good morning, ladies and gentlemen. I welcome you to the Q4 and FY '25 Earnings Conference Call for Tips Music Limited. To discuss this quarter's performance, we have from the management, Mr. Kumar Taurani, Chairman and Managing Director; Mr. Girish Taurani, Executive Director; Mr. Hari Nair, Chief Executive Officer; and Mr. Sushant Dalmia, Chief Financial Officer.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. 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 remarks, and then we will open the floor for Q&A. Thank you, and over to you, sir.

Kumar Taurani: Thank you. Good morning, everyone, and welcome to the Q4 FY '25 Earnings Call of Tips Music Limited. FY '25 has truly been a landmark year for us.

Our CFO, Sushant brought to light an interesting financial fact, which I want to share with you. In FY '23, our revenue was INR187 crores. And now in FY 2025, our profit is INR167 crores. So after every 2, 2.5 years, our profits are equivalent to our past revenue. He also informs me that Tips Music is one of the few listed companies in India to have seen this kind of a strong financial growth. With God's grace and your support, we hope to set new records. We have distributed INR136 crores in FY 2025 in form of buybacks and dividends.

Moving forward, Tips will always focus on acquiring and delivering high-quality music content. For financial year 2026, we plan to invest in the range of 25% to 28% of our revenue in new content acquisition.

With that, I now invite our CEO, Mr. Hari Nair, to share his thoughts. Over to you, Hari.

Hari Nair: Thank you, sir. Good morning, everyone. I'm happy to state that we have delivered a 29% growth in revenue and 31% growth in PAT for the year 2025. The growth in our revenue has been across digital and non-digital segments.

We have seen a healthy consumption of our content across YouTube, Spotify, Meta, Amazon, Apple, Gaana, Saavn, Snapchat, public performance and witnessed new partnership deals via our newly created brands division.

In Q4, we announced an extension of our deal with Sony Music Publishing, adding YouTube as a platform for international publishing exploitation. Going ahead, we are committed to a strong growth across platforms driven by our catalog and new content acquisition from films and independent music.

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

Girish Taurani:

Thank you, Hari. Good morning, everybody. In Q4, we saw strong traction across platforms, both from new releases and our catalog. We released 105 new songs in Q4 FY '25, including 37 film songs and 68 non-film songs. This year, our focus has been more on delivering quality content over quantity.

Two songs from the film Hari Hara Veera Mallu, Telugu film released in Q4 crossed over 50 million views on YouTube. Our catalog continue to perform well too. The song Taaron Ko Mohabbat Amber Se from Shaadi Karke Phas Gaya Yaar movie, which was released in 2006 became a viral sensation in Q4 FY '25 with over 9 million reels created and 2 billion views on Instagram.

Another classic Badal Gayi Duniya from the film Andolan movie, which was released in 1995, saw more than 100 million YouTube views in FY '25 alone. This validates the quality of our catalog we hold. Additionally, we now have 117 million subscribers on YouTube with a cumulative aggregate growth of 22% over the last 3 years.

Now I will hand over the call to Sushant, who will take you through the company's financial performance. Thank you.

Sushant Dalmia:

Thanks, Girish. Welcome to the Q4 FY '25 earnings call. I'm pleased to share the financial highlights of this quarter, reflecting strong performance of the company. Our revenue for the quarter amounted to INR78.5 crores, resulting in Y-o-Y growth of 24%. The content cost during the quarter have increased by 25% on a Y-o-Y basis as we had huge releases in regional languages such as Telugu and Punjabi.

Secondly, please note that employee expenses during the quarter includes ex gratia provision of approximately INR1 crores and a variable pay provision of INR70 lakhs, while other expenses include a provision for doubtful debt amounting to INR2.5 crore, which is done on a conservative basis. Factoring the above, the operating margins came in at 47%, while PAT for the quarter was at INR31 crores, resulting in a Y-o-Y growth of 19%.

During FY '25, the company has declared a cumulative interim dividend of INR7 per share and a buyback for non-promoter shareholders amounting to INR46.6 crores, which brings the payout ratio for FY '25 to around 82%.

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

- Moderator:** We have our first question from the line of Harsh Shah from Dalal & Broacha.
- Harsh Shah:** A few questions from my side. So firstly, on the revenue part, right? So could you quantify the amount that we have received from Warner in FY '25?
- Kumar Taurani:** Okay. So whatever Warner do business, we account that in the business. And I think Warner must be in the range of say around 25%.
- Harsh Shah:** Of my full year revenue.
- Kumar Taurani:** Yes, full year revenue.
- Harsh Shah:** Okay. So that would be around INR70-odd crores, INR60-odd crores?
- Kumar Taurani:** Yes, must be.
- Harsh Shah:** So then a follow-up on that. So if I look at my 6-monthly balance sheet and compare it to the full year balance sheet, it seems that the collection from Warner in H2 has been a bit lower - as compared to H1. So any specific reason for that?
- Kumar Taurani:** No, it depends upon many things. Sometimes we have a few deals in advance or payments coming late. So this happens. You can't compare our business as a quarter-to-quarter basis. Maybe Sushant, you can clarify further.
- Sushant Dalmia:** So Harsh, , there would be a few deals which we did in Q4, like SMP or TikTok, so there will be some advances coming in from that. And Warner deal, as you are aware, we booked the revenue basis the consumption report. And what Kumarji has said that it is in the range of around 20-25% of the overall revenue.
- Harsh Shah:** Got it. Okay. And secondly, if I had to kind of get a ballpark figure in terms of what would have been our growth in the YouTube revenue. Do correct me if I'm wrong. Our assumption says that the growth for the full year in YouTube would have been around 14% to 15%. Is that correct? if you could give some color on that front?
- Kumar Taurani:** Sushant?
- Sushant Dalmia:** So, Harsh, oYouTube revenue would be in line with what the company's growth rate is. And we don't provide any individual breakup customer-wise
- Kumar Taurani:** Also, please, we can't give you this information because it's a competitive world. So we can't give you a client-wise breakup. So please excuse us for that.
- Harsh Shah:** Yes. No worries. And last question from my side. So basis your opening commentary, you shared that the content cost for next year would be around 25% to 28% of our revenue. So is the

assumption correct that the absolute amount could be in the range of around INR95 crores to INR120-odd crores in terms of content acquisition?

Kumar Taurani:

Yes, we are targeting that.

Moderator:

We have our next question from the line of Sagar Jethwani from PhillipCapital.

Sagar Jethwani:

Can you help me with the amount of this doubtful debts included in the other expenses?

Sushant Dalmia:

Sagar, it is around INR2.5 crores

Sagar Jethwani:

And what was the reason for same?

Sushant Dalmia:

So a couple of things in this. There were certain old content advances, which were more than 3 years. So we had done a provision on a conservative basis. And second, there was a loan given also to one of our erstwhile landlord, which was outstanding for more than 3 years. So we have provided it also on a conservative basis.

Sagar Jethwani:

Is there any need for the further provision going further?

Sushant Dalmia:

No,

Sagar Jethwani:

Okay. So other expenses would iron out, right, going ahead?

Sushant Dalmia:

Yes,

Sagar Jethwani:

Okay. And second question is, as per the last 4 years trend in Q4 quarter, your content cost is typically highest and therefore, the margins in Q4 is lower. So what's the logic for the content cost being highest in Q4?

Kumar Taurani:

See, it is not in our control, as and when producers gives us the track and tells us the release date, we have to release the content.

Moderator:

We have our next question from the line of Saket Mehrotra from Tusk Investments.

Saket Mehrotra:

Great set of numbers. Just wanted to understand what's our guidance and what's our outlook for the next year? And how are we looking at it? Is it consistent across what we've been talking about for the last few years?

Kumar Taurani:

As you all know, the industry is growing by 15%- 20%. And as our commitment, we will definitely expect we will achieve 30%as that we have achieved inlast few years. And because we have a lot of new releases coming up and a lot of deals already signed, we still target we will achieve that 30%. Plus our 90s repertoire is really doing well, if you see this year as well. And plus this year, we have a stronger new releases. So we will hopeful achieve that number, 30%.

- Saket Mehrotra:** So we are confident of our 30% growth guidance for the next year as well, right? That's what you're saying.
- Kumar Taurani:** Yes.
- Saket Mehrotra:** Great. Also, you've been mentioning about this flow of premium coming through very sharply. And maybe, Hari ji, you can comment on this. How are we seeing that landscape evolving? Are we getting the benefit of these increased paid subscriptions on Spotify, YouTube? How does that landscape look like?
- Hari Nair:** so every year-on-year basis, the paid subscriptions are increasing. If you see the platforms like Spotify, they are putting in more restrictions and they are pushing the consumers towards paid model. So overall, it's a very promising and a positive thing for the entire industry. That's all I can say right now.
- Saket Mehrotra:** Looking at these collection societies, is that still a growth engine for us? Has that space consolidated further? Or is it going to be similar to what we've seen in the last few years?
- Hari Nair:** No. what we have done is, our publishing deal with SMP is looking very promising. And we expect a lot of growth coming in from that. And yes, IPRS and other societies are continuously growing in India, thanks to the consumption that happens in India.
- Kumar Taurani:** Saket, hello?
- Moderator:** Yes, sir, he is connected.
- Kumar Taurani:** Yes. Saket, the worldwide total streams happened is around 7 billion. USA alone did 1.45 trillion streams. And we in India, in 2020 did 0.5 billion. And last year, we did 1 billion -- sorry, 1 trillion. So still there were lot of scope there to increase our billions streams in trillions and plus revenue also. So I think there is a -- that's a very, very big thing for Indian industry for our music business, which we expect we will have a very good business for the next 4 to 5 years.
- *Error ta -** Worldwide total streaming volume reached approximately 7.1 trillion in 2023. During that time, the USA alone accounted for 1.45 trillion streams. In 2022, India recorded 0.6 trillion streams, and in 2023, India's contribution to the global total music streaming volume was 1 trillion.
- Saket Mehrotra:** Okay. Yes. I mean that's what we are betting on, and thanks for that insight. I don't have any other question.
- Moderator:** We have our next question from the line of Ravi Naredi from Naredi Investments.
- Ravi Naredi:** Thank you Taurani Ji as well your fantastic result. Our profit margin for whole year is 53.6%, while in quarter 4, it is 39%. So can you guide margin projection for financial year '26 onwards?

- Kumar Taurani:** See, as I told you earlier also, please don't look us at a quarter-to-quarter basis. Please see us on a yearly basis. We have achieved our 31% growth and we are targeting ourselves for 30% top line, 30% bottom line, we will grow. So that is our target. And we are working hard towards that, acquiring new releases, new content, our 90s repertoire doing really well. All the platforms, we are touchwood doing well. So that's our target for this coming year also.
- Ravi Naredi:** Two of your songs Taaron Ko Mohabbat Amber Se and Badal Gayi Hai Yeh Duniya, these songs are again famous. So what is the reason for that and has such a thing happened in past also?
- Kumar Taurani:** See Ravi Ji, this happens, that somebody likes the song and he just made a reel or something and then suddenly, it catches on. So these things happen in our business. There are many Tips songs as I told you our repertoire -- 90s repertoire from '88 till 2020, whatever we have acquired is really doing so well. You can count as best-selling catalog today. So that's the reason and can pick up any time.
- Ravi Naredi:** Sir, you have shown global music label revenue only 2%. So what is music label at global level? Can you describe this?
- Kumar Taurani:** Sushant can you take that?
- Sushant Dalmia:** Ravi Ji, we are saying India share in the global buy is around 2%. And globally the music label is around \$29 billion.
- Ravi Naredi:** Right. So what is this music label?
- Sushant Dalmia:** Music label in the music companies globally the bigger ones and the smaller ones all put together.
- Ravi Naredi:** So you mean to say India will grow definitely in comparison to \$29 billion, right?
- Sushant Dalmia:** In terms of overall volume-wise, India has a much larger share, but -- its only 2%. That will grow substantially given that subscription is now picking up in India. So that's the underlying message
- Ravi Naredi:** Okay. And one more thing. We bought less song in this year from 730 songs to 443 songs, we paid INR 71 crores. In last year, we bought 733 song and paid INR 56 crores. So can we treat this now the song cost is costly or what is this?
- Kumar Taurani:** See, we are acquiring films, and we are focusing on a quality content. As I said earlier in earlier call also, we will be releasing less and less quantity. These are the old songs we have acquired, which we are releasing. But going forward, we are targeting to release 100 -125 songs but we'll invest 25% to 28% of our top line. That is our updated thinking -- we should do that for quality over quantity.
- Ravi Naredi:** Right, right, right. And one last, what about the Bollywood's scene currently going on?

- Kumar Taurani:** Yes, it's happening. We are looking for a good music. And whenever we have an opportunity, we acquire, good music, we are doing that.
- Ravi Naredi:** Okay Taurani sir, thank you very much.
- Moderator:** Thank you. We have our next question from the line of Kavish Parekh from B&K Securities. Please go ahead.
- Kavish Parekh:** Thanks for the opportunity. I have a few questions. So firstly, on growth, while you have managed to end the year with 29% Y-o-Y growth, this also included benefits to the tune of about INR12 crores in the first half on account of Wynk Music. Excluding the same growth was about 24%. So I understand that you've mentioned that you still stick to your 30% growth guidance. What exactly will be driving this growth?
- So is it solely in terms of deals, your numbers from the Warner deal are already in the base. Short format platforms moving to consumption-linked models is at least a couple of years away. Catalog music, which is about 85% of our top line is growing at 15%, 17-odd percent. So is it solely the new deals that we source that will contribute to this growth? What really gives you the confidence on this aspiration?
- Kumar Taurani:** See, my content is really doing well and short content are also giving us good money. Streaming is happening. So overall, same drivers, but not a major change. And content plus this year though, we have a lot of good new releases. So I feel we will achieve whatever we are saying. And as far as Wynk is concerned, see, earlier years, we don't have any -- on the contrary, if you see Wynk, we have suffered big time for 6 - 7 years, we are fighting with them. And ultimately, we got settled with INR12 crores, what we have declared earlier.
- And earlier, we have not recognized that. So somewhere we have to also take that into an account. But if you deduct that, then even I think 24% is also good. I don't feel it's bad. So what -- as you want, you can calculate.
- Kavish Parekh:** No, no. I mean I understand that, that 24% is also a fairly healthy number. My only question was this ramp up from this 24% to 30% with your Warner numbers already being in the base. But understood, I think it will largely be driven by new content that we acquire, quality -- more quality content coming out and us acquiring that.
- Kumar Taurani:** Yes.
- Kavish Parekh:** Understood. And secondly, could you explain the working capital movements in this fiscal? So does it pertain to timing differences in receipt of advances from Warner and that the amounts were received in maybe April this time, which is why they are not reflecting in FY '25, something different from last year, anything that you would like to highlight?
- Kumar Taurani:** We have received one instalment in March, I feel. And another one we are going to receive in October. So we are receiving whatever -- commitment was there that's happening.

Kavish Parekh: Okay. So this dip in CFO, the reported CFO, that is on account of this very Warner deal?

Sushant Dalmia: Kavish, on this Warner deal, what Kumar ji said is one tranche is expected in October. So that's why you see that when you compare it with last year, you will see that dip. Otherwise, there are no other dips on the cash flows.

Kavish Parekh: So in FY '24, the amounts were received, the advances were received in March '24 or April '24?

Sushant Dalmia: So, the first tranche we received at the end of March '24.

Kavish Parekh: Understood. So that is a part of your FY '24 numbers

Sushant Dalmia: FY '24 numbers, that's right.

Kavish Parekh: That's right. And the second tranche, it came in April '25?

Sushant Dalmia: The second tranche was divided into two parts. So, one came in, , April '25, right And the second tranche will come in October 2025

Kavish Parekh: Understood. So April, it was not March. Had it been in March, I think numbers would have reflected in our FY '25 reported numbers itself.

Sushant Dalmia: Yes.

Kavish Parekh: Understood. Thanks a lot.

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

Jyoti Singh: Thank you sir for the opportunity. Sir, my question is on the vertical side, like we are doing a lot of things. But are we open for the podcasting also going forward? Any visibility on that side?

Kumar Taurani: Actually, we don't have any immediate plans. We are focusing on music. Music is a big business. But if there is any opportunity or we feel we have to necessarily go for that, so maybe we can do that. I feel music businesses are better than this podcast.

Podcast is a onetime listening. If you've seen that podcast, it's a long, long podcast, you even don't listen entire podcast. So we feel music business is better. So our major focus is on that.

Jyoti Singh: Okay. And sir, like in the opening comment, we mentioned on the 2bn reels and all on the song side. So are there any efforts to improve monetization on the Meta side? And what kind of revenue we are seeing? I know because of the competition, we are not able to discuss on the number part. But at least if you can give us a little visibility on the Meta monetization, how it is happening? And what kind of visibility we are seeing going forward?

- Kumar Taurani:** Yes, I have always mentioned 3, 4 things, which can really give us a boost or we depend on them. One is absolutely streaming and subscription business. We are very, very hopeful it's going to increase. Number two, reels and if TikTok settles in US, so it will be coming to India also. This short content will also get us a huge revenues and we are seeing the difference.
- You must be knowing I think 1 year back, we were not giving our content Instagram. But last year, we added Instagram also in the Warner deal, and we are really getting good revenues from that service. And we are very hopeful it will be very huge for us.
- And number three is public performance, that events happening and our big business in India, we are getting royalty from their licensing. Plus we have given the Sony publishing deal has happened for us. So publishing also giving us good revenues. So I'm quite hopeful this will give us good revenues and we will achieve our targets.
- Jyoti Singh:** Thank you so much.
- Moderator:** Thank you. We have our next question from the line of Garvit Goyal from Nvest Analytics Advisory. Please go ahead.
- Garvit Goyal:** Congrats for good numbers. My questions are already answered. Just one question left. In this quarter, content per quote has increased significantly if we are comparing it with its last 3 quarters. I agree we are focusing on quality of the song. But considering that our growth for next year is particularly driven by the new releases.
- So don't you think it is going to impact our margins and thus, our PAT growth is somewhere like underperforming our top line growth?
- Kumar Taurani:** How come that happen -- I don't think. Sushant, please clarify this.
- Sushant Dalmia:** Garvit, what we have said earlier also, we are targeting that content budget of 25% to 28%. And , we will be targeting that growth. But depending on the releases, how it comes up in which quarter and everything, so there could be minor variations.
- Garvit Goyal:** what I mean to say is are we going to sustain our PAT margins in the upcoming year as compared to this year despite releasing these higher quote of quality song? That's what I'm trying to understand.
- Sushant Dalmia:** So Garvit, , this year, our operating margins were around 66.5%. So next year also, , it could be in that range of, , 64% to 67% depending on how the content gets released,.
- Garvit Goyal:** Understood. And sir, secondly, on our CFO EBITDA ratio, this year I think it fell down to 58%, mainly because of some decrease in financial liabilities and current non-current liabilities and further there is some increase in the other current assets. So, can you highlight like what are these items and why these are reducing our cash flow?

Sushant Dalmia: So if you compare it with last year, the last year, let's say, the ratio was higher because we had received certain tranches in advance, , at the end of March. This year that tranche has come in April. So that's why you see that cash flow from operations, the percentage which you are comparing with EBITDA on the lower side.

But in our business, we get the money in advance or in some cases the credit cycle is for 30 days only. So, whatever on a longer-term basis, whatever we are earning on EBITDA or a PAT basis, that directly reflects in our cash flow. You have to see it on a 2 to 3-year average basis rather than a single year.

Garvit Goyal: Understood. And sir, can you please share any stats on how subscription or revenues are going on at industry levels? How these things are shaping up, whether the people are very much open to it or how the industry data is looking like, which is giving us the confidence that we are going to be the beneficiary in the upcoming years of this trend?

Hari Nair: No, the industry data is very positive. If you see the year-on-year consumption that happens in India for our Indian content, it's growing very rapidly, thanks to Spotify, YouTube and the short-format video apps like you heard how the older content is suddenly picking up. So, content consumption is exploding for us.

the revenue equally must explode, but the explosion may be in a slower manner, but I feel that overall, the paid ecosystem everything is growing. So, I think India is a great market to be in for music.

Garvit Goyal: Okay. Thank you very much, sir. All the best for the future.

Moderator: Thank you. We have our next question from the line of Abhishek Sengupta from AB Capital. Please go ahead.

Abhishek Sengupta: Hello, I'm audible.

Moderator: Yes, sir. Please go ahead.

Abhishek Sengupta: First of all, congratulations on a great set of numbers. Now we have been growing at around 30% as you had guided. I just wanted to know at the broad level, how long do you think our -- this 30% growth journey can continue like do you think we are gradually reaching a saturation point and growth will gradually slowdown in next 3- 4 years or you think we can continue at a broad level?

Kumar Taurani: I think if you see the overall industry, our total industry is around INR3,500 crores, INR4,000 crores in that range. And we have a potential to grow around INR10,000 crores in the next 4 to 5 years. So, I feel we can really grow, maybe after 2 years, maybe there is some dip or some minor thing will happen. But again, it will compensate for next 1 or 2 years, it will compensate.

So I feel we are in a very, very right time, right content. Really, we are in the best place I feel. I strongly believe this business we are the lowest if you see compared to U.S., U.K. and all those

markets. Let me tell you, subscription, people doubt if subscription will grow or what will happen to subscription, what we again and again mentioning. In 2007-08, there was a business called CRBT, Caller Ring Back Tone.

On that, when I call you, you have some tone and I'm listening to that music. Actually, you are keeping that music for me and that is also only 30 seconds. And that time, you were paying INR30 as a subscription and INR15 you are paying for a download of any new song. If you download three, four songs in a month, so you are paying another INR15 per transaction. So if you download three songs, you are paying INR45 plus INR30, INR75.

And that time that mobile companies used to recover INR5,000 crores from subscription and INR3,000 crores from downloading. So that is a business. And music companies used to get only INR700 crores, INR800 crores. So, I think that time is coming back. People will subscribe and it will be a big business and Indian consumer at that time also everybody was feeling where is the money coming from.

It was from small towns, Lucknow, Kanpur, Pune, Sangli, Kolhapur, Solapur, all those small town people were paying. If you remember I think our business has a huge capability. INR10,000 crores is becoming a I feel, and it will happen actually.

Abhishek Sengupta:

Okay, sir. Thank you.

Moderator:

Thank you. We have our next question from the line of Pallavi Deshpande from Sameeksha capital. Please go ahead.

Pallavi Deshpande:

Yes, sir. Thank you for taking my question. Just wanted to understand like this TikTok deal for international and even the Sony publishing for the international side. So how much percentage of revenue can it be in 3 to 5 years for you, the international side?

Kumar Taurani:

You understand what is the deal plus Sushant then you give the new numbers for guidance.

Hari Nair:

So first with Sony Music earlier,. What we did in the Q4 was adding YouTube. Sony Music Publishing is the number one publishing house in the world with more than 31% market share control. So, they are integrated with most of the societies and collection agents. So, with us adding the YouTube into their kitty, we feel that our publishing revenues will drastically increase because we were not able to reach to a certain society, they will reach out.

Also, Sony Music Publishing has a better, , rates or negotiated rates with the global societies than what we could do ourselves. So I feel overall, we'll have a good increase in the publishing revenues.

Sushant Dalmia:

And Pallavi, , the first deal we did with SMP was two years back and, we had recovered the advances. Now in Q4, we have renewed this deal, given them YouTube and the deal size is 4x bigger now for us. So, there is a lot of potential in terms of the revenue growth from this deal?

- Pallavi Deshpande:** Right. Got that. And my second question would be on regard to the movie side. You mentioned about some more big movies coming up. So, which one would that be for next year the in house?
- Kumar Taurani:** Talking about in house movies, we are only dealing with them for music. So, now there is a movie called Malik that is coming in the music release in the last week of May or June and then there is a Punjabi movie called Sarbala ji that will also release same time and then we gave a movie with David Dhawan and Varun Dhawan and there's another movie Siddhant Chaturvedi and Wamiqa Gabbi, Jaya Bachchan all those actors are there in the movie.
- So then there is a No entry Mein Entry and also we are negotiating with two, three other banners. Also, there's one big Punjabi movie releasing on 30 May, Saunkan Saunkney 2. Any time we will be releasing music. So, we have quite big films this year. Also, we are talking to two, three other people. In totality, we will release around 12 films this year.
- Pallavi Deshpande:** Okay. Right. And what was this number in FY '25...
- Moderator:** Sorry to interrupt ma'am. Can we please request you to rejoin the queue? There are several participants waiting for their turn.
- Pallavi Deshpande:** Okay. Thank you.
- Moderator:** Thank you so much. We have our next question from the line of Ben Smith from Cusana Capital. Please go ahead.
- Ben Smith:** I was just wondering, could you please explain why you have decided that 25% to 28% of revenue is an appropriate level of reinvestment into content? So, for example, why not say 35%, 40% plus if this is a growing industry, you've got cash on the balance sheet, etcetera. Why not a higher level of reinvestment? Thank you.
- Kumar Taurani:** See, it's a very competitive market. In India, we need 2 or , 3 companies in the content business, particularly I'm talking about Hindi Music. And we are already now 5 people fighting for the content. All the producers, are also really charging more than what they deserve.
- So, we are very cautious in our approach, and if you see the success ratio is only 10%, 15%. So, we are INR1,000 crores industry, maybe success ratio is around INR150 crores, INR200 crores. So, we want to just focus on that amount as we want to have a maximum good titles from that category.
- If we succeeded for 60%, 70% in acquiring those content, it will be enough for us. So if we be greedy and we go more than 30% or 25%, 28%, than there will be higher chance of getting a bad products and higher chance of doing many flops. So we are very, very cautious and very careful. And we feel the number is absolutely correct. INR100 crores is a big money. We can get a really good content.
- Moderator:** We have our next question from the line of Aditi Nawal from RSPN Ventures. Please go ahead.

- Aditi Nawal:** We've just recently started tracking the company. So I had a few questions regarding the company and the industry in general. So first, I wanted to understand that you said that around 75% of your revenue is from digital sources. I just wanted to know is what is the proportion of revenue that you're getting from the music OTT players? And if you could provide like excluding YouTube music kind of a figure?
- Kumar Taurani:** Sushant, can you please answer this?
- Sushant Dalmia:** Yes, Aditi. Let's say, what you said is 75% is from digital, 25% non-digital. Within digital, YouTube is a bigger for us. And then the OTT platform comes, that is Spotify, Amazon, Saavn and Meta. We generally don't give a detail breakup, but, YouTube would be the bigger and then, , Spotify and Meta would be there.
- Aditi Nawal:** Okay. And so how many are the total subscribers in India for music, excluding YouTube Music? And I'm guessing around 4% to 5%. I mean, what is the percentage of paid subscribers in that, if you could quantify that as well?
- Sushant Dalmia:** So I, total music listeners in India, excluding YouTube would be around 180 million to 200 million. And paid subscribers, the actual count would be roughly around, let's say, 5%. But in terms of revenue, that could be roughly around 10%.
- Aditi Nawal:** Got it. And any back of the envelope calculation if you have done, let's say, the 2 bigger players going behind the paywall completely, then what could be the conversion in the free subscribers becoming paid subscribers? Like what proportion of freemium subscribers could become paid subscribers?
- Hari Nair:** This data point this will change from a platform-to-platform. So YouTube might be having a different conversion ratio than Spotify. So the platform can only reveal, as labels we won't have detailed data points for this.
- Aditi Nawal:** Yes. But I mean, majorly, everybody in the industry is talking about the 2 bigger players like the Saavn and the Spotify going behind the paywall. So any calculation done on that
- Hari Nair:** No, we don't have it. But if you see the worldwide numbers, it's more on the paid side. If you see Spotify globally, I think they have more than 60% of paid subscribers or probably near to 70% and the rest is free users. So I think it should follow the same format. And they know their business, right? They know how to push the consumers to the paid wall.
- Aditi Nawal:** And is it a fair assumption that...
- Moderator:** I'm sorry to interrupt, Aditi...
- Aditi Nawal:** Just one last question, if that's okay. Just a -- what is the proportion of Spotify and JioSaavn in India, like market share?

- Kumar Taurani:** We don't know that exact numbers, but Spotify claim to have about 99 million users and Saavn, I don't know the numbers today. They have never publicly disclosed any numbers like this.
- Aditi Nawal:** Got it. That will be it from my end. Thank you so much.
- Moderator:** Thank you. We have our next question from the line of Karan from Keynote Capital. Please go ahead.
- Karan:** Can you share what technological initiatives Tips has undertaken to, let's say, enhance analytics and optimize the monetization of music library apart from the passive revenue stream from YouTube and OTTs, like what proactive steps are being taken to push music discovery and engagement?
- Hari Nair:** So to answer your question in 2 parts, music discovery and engagement is a platform's job. But for us to engage with the consumer and make them discover our songs, we are doing a lot of marketing activities with the platforms. That is one.
- On the technology side, we are upgrading and developing our own systems. It's called Pulse. So we used to use a system called FUGA. Very soon, we will be displacing that and using our own system to distribute our content metadata with highly or newly tagged data about the song, which will enable us to get better into the algorithms, so that's going on right now as a project.
- On the analytics side, we are far ahead in terms of the data that we get. We have data lakes up of our own. We have tons of servers in cloud, and we do a lot of data processing more than, I think, 10 to 15 GB data daily processing happens.
- And that gives us a lot of data points, insights, whatever the platform gives us. So we are getting there. I think in the next 6 months to 8 months, we will be far more better than what we are right now.
- Karan:** Understood. And can you share a bit more color on like what specific metrics or performance indicators you guys track internally for, like a growth in platform or specific streams? If you can share some specific methods?
- Hari Nair:** I can't share the specific methods, but every platform has its metric. Like on a video platform, there will be something which is how much is the duration, consumer watch or in the audio platform, it must be similar metric. So every platform has their own metric of measurement, and we will see it in a different way and the platform will see it in a different way. I cannot disclose further because that would be our trade secret.
- Karan:** Okay. Thank you so much.
- Moderator:** Thank you. We have our next question from the line of Siddharth Purohit from InvesQ Investments. Please go ahead.

- Siddharth Purohit:** Sir, just one clarification. Sir, let's say, when we invest in any content and we spend, let's say, INR100, normally monetization will be front loaded, and we must be getting the revenue in the first year itself majority. So what percentage normally we see coming in the first year and how that number normally has been flowing in, in your case in the subsequent years?
- Kumar Taurani:** We can't give you that exactly. But as we mentioned earlier, Our target should recover over the revenue in 4 to 5 years' time.
- Siddharth Purohit:** So is it fair to assume that at least half of the potential revenue will be monetized in the first year?
- Kumar Taurani:** It's depending upon title-to-title basis. Sometimes it happens, sometimes it won't happen. We calculate as a whole, whatever we invest in this year, we must overall recover in 4 years to 5 years' time.
- Siddharth Purohit:** Okay. And sir, one more just a clarification. The cost per song when I calculate based on the number of songs released has gone up substantially compared to last year and particularly this quarter. So will it be the new trend that probably the content cost will be per unit will be higher and the absolute number of releases will not be the benchmark to purchase the kind of potential revenue?
- Kumar Taurani:** As mentioned earlier, we are going for a quality and Film Music. So it will be more expensive. Focusing on quality over quantity.
- Siddharth Purohit:** Okay, sir. Thank you. That's from my side.
- Moderator:** Thank you. We have a next question from the line of Lokesh Aggarwal, our Shareholder. Please go ahead.
- Lokesh Aggarwal:** Congratulations for the wonderful results of 2025, sir. I'm really a big fan of your business. And my first question is, see, I read an article last month in Economic Times that live shows industry in India is expected to grow by over 18% in the next couple of years.
- And so my question is, how much percentage of revenue of ours is coming from live shows? And are we planning to increase that in the next couple of years? And are we also planning to enter directly organizing the live shows where our own music can be used?
- Kumar Taurani:** No, we don't do that business. But immediately, we don't have any plans, but maybe in future, we consider. So at present, we don't have any plan.
- Lokesh Aggarwal:** Okay. And how much percentage of revenue is coming from live shows? And are we trying to increase it?
- Kumar Taurani:** For music revenues, yes, we collect a lot of public performance wherever it happens. So we're getting money, yes.

Lokesh Agarwal: Okay. Not a specific number you can mention?

Kumar Taurani: We can't mention that, please.

Lokesh Agarwal: Thank you.

Moderator: Thank you. We have our next question from the line of Jayesh Shah from Ohm Portfolio Equity Research. Please go ahead.

Jayesh Shah: I just have one clarification. In terms of content cost per unit, while you are saying it's going up, is it true that the content cost for non-Bollywood music is also going up? Because what I noticed is that the mix for non-Bollywood music is actually increasing in the overall pie?

Kumar Taurani: I feel ultimately, Bollywood will be biggest. Our focus is on that. This year also, we are doing a few good artists and if we have a bigger artist, so we have to pay more and the cost will increase and which we don't mind, if we are getting quality, we don't mind paying more. That's our plan this year.

Jayesh Shah: I see. So in your case, it will be Bollywood music will go up and with all the senior artists?

Kumar Taurani: Yes.

Jayesh Shah: Okay. And secondly, when you talk about acquiring or releasing, say, 100 songs to 125 songs in a year, what is the industry number? I'm just trying to get some idea on the incremental market share?

Kumar Taurani: They say around 1,000 films release every year in all the individual languages, calculate around 5 songs per film making up to 5,000 plus songs. – Year after year songs will be releasing from 5,000 to 7,000 to 10,000 to 12,000.

Jayesh Shah: Thanks a lot and best of luck.

Moderator: Thank you. We have our next question from the line of Vaibhav Muley from YES Securities. Please go ahead.

Vaibhav Muley: Good afternoon, sir. Congratulations on a very good set of numbers. Just a couple of questions on the Warner deal, first of all. So what is the tranche amount received in April and what will be received in October 2025?

Kumar Taurani: Can't give you the exact number, but its 2 tranches, whatever deal is its online happening properly. Can't reveal the number, please.

Vaibhav Muley: Okay. And for the last year, then compared to the advance that you had received, what was the actual revenue book? Have we recovered all the advances and revenue has exceeded?

Kumar Taurani: No, we have not recovered. But Sushant. Can you please clarify this?

- Sushant Dalmia:** So Vaibhav, we have booked the revenue basis the actual consumption. And the recovery of advance would be happening on a gradual basis.
- Vaibhav Muley:** All right. So recovery will happen over the coming year -- but advance was higher than the revenue recovery? Sorry?
- Sushant Dalmia:** Yes, recovery would happen over the period of the contract.
- Vaibhav Muley:** All right. And can you just elaborate more on the current monetization of short format? What was the contribution of revenue and where do we expect over the next 2 years?
- Kumar Taurani:** I can't give you exact number. World is very competitive. So please bear with us. But we hope it will be a very huge number.
- Vaibhav Muley:** All right. And coming to the non-digital part, sir, about your licensing and Sync Deals segment. So how has been the performance of licensing segment, especially I wanted to know about the current penetration at the industry level? And where is the penetration can go to over the next 2 years, 3 years period? And on the Sync Deal side, what are the new deals that have been done or what kind of pipeline is there for Sync Deals as well?
- Kumar Taurani:** So many questions in one question you have integrated. But overall, for last few years, we have seen we are gradually increasing our revenue from both our businesses, non-digital and digital, 75%, 25%. That is happening, and we are very happy with that. I think even going further -- future, it will happen similarly.
- Vaibhav Muley:** Thank you so much.
- Moderator:** Thank you. We have our next question from the line of Yash Poddar. Please go ahead.
- Yash Poddar:** I just had a couple of questions related to the strategy behind the increased per content cost. Now I'm trying to make a sort of strategic sense on this. So given that the total, say, volume of content has reduced and per content cost has gone up, and you've already mentioned that the focus is more on the quality side.
- I'm trying to understand that does this directly correlate to the content having a higher probability of being hit or having a higher level of virality? And does a higher per content cost ensure that the specific acquisition will play out much better than the current, say, library that we have. Is that the thought process behind it?
- Kumar Taurani:** Absolutely. Yes.
- Yash Poddar:** Right. So if you can just maybe help explain like what are the elements here that will ensure for us that the higher cost of acquisition will create a bigger virality? Is it only a factor of channel? Or is it a factor of certain metrics that you are trying to achieve through this? If you can just help us understand better?

- Kumar Taurani:** Yes, I can't do that because please understand it's a competition world. How can we open our strategy in the open forum can't do that, please.
- Yash Poddar:** Sure. So on the other side, my question was that from the sense of going forward as a product portfolio, for us is this going to be a continued trend that we are going to be focusing more and more on the quality side and we want to reduce the failure rate of content. Is that the thought process? Or the thought process is to say, as a company further on strategy-wise, integrate more libraries and focus on the volume element. If you can just give us a sense of understanding?
- Kumar Taurani:** Absolutely. Our focus is on getting more hits from when the music business was down from year 2003 to 2015-16. We have focused on a less number of songs, and we had 85%, 90% of success ratio. We are somewhere going that zone where we reduce number of songs, but we want the quality, maybe 50% of our success ratio should be there. That is our target, you can say.
- Yash Poddar:** Right. And just a corollary question to that is the content that does not become necessarily a hit as per our standard. What is the kind of monetization or, let's say a onetime monetization or a continued amount that we are able to salvage from it? Just to understand how the business works?
- Kumar Taurani:** I think I mentioned earlier, our target is to recover whatever we invest in the next 4 years to 5 years' time. So that will continue. And you know, we are the only company which rise of the content cost in the same quarter. And this fact is we are doing it since the inception of the company.
- Moderator:** Ladies and gentlemen, that would be the last question for today. And I now hand over to Ms. Ayushi Gupta for closing comments. Over to you, ma'am.
- Ayushi Gupta:** I would like to thank the management for taking the time out for this conference call today. And also thanks to all the participants. If you have any queries, please feel free to contact us. We are MUFG Intime India Private Limited, Investor Relations Advisors to Tips Music Limited. Thank you so much.
- Kumar Taurani:** Thank you.
- Moderator:** Thank you. On behalf of Tips Music Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.