



October 21, 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**

Dear Sir/ Ma'am,

Sub: Transcript of Earnings Conference Call

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of earnings conference call on Unaudited Financial Results for the quarter and half year ended September 30, 2025 held on Wednesday, October 15, 2025.

You are requested to take this information on your record.

Thanking You,

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

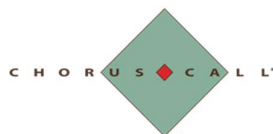
Bijal R. Patel
Company Secretary

TIPS MUSIC LIMITED
(Formerly known as Tips Industries Limited)

601, Durga Chambers, 6th Floor, Linking Road, Khar (West), Mumbai - 400 052.
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CIN : L92120MH1996PLC099359



**“Tips Music Limited
Q2 and H1 FY '26 Earnings Conference Call”
October 15, 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 the Q2 FY '26 Earnings Conference Call of Tips Music Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing 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 from MUFG Intime Private Limited. Thank you, and over to you.

Ayushi Gupta:

Thank you. Good evening, ladies and gentlemen. I welcome you to the Q2 and H1 FY '26 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 detail, kindly refer to the investor presentation and other filings that can be found on the company's website. Over to you, sir.

Kumar Taurani:

Yes. Good evening, everyone, and welcome to the Q2 and H1 Financial Year 2026 Earnings Call of Tips Music Limited. Thank you all for taking the time to join us today. Before we begin, I would like to extend my warm wishes to everyone for a joyous and prosperous Diwali in advance.

Despite the challenging industry environment, the company's revenue grew by 15% in the first half year of financial year 2026. Over the longer term, we expect a strong business momentum supported by sustained paid subscriber growth, beginning of ad revenue sharing from short-form content platforms and robust expansion in the public performance segment.

We will pursue a disciplined and selective content acquisition strategy, ensuring each investment meets our payback and return threshold. I am also pleased to share that the Board of Directors has cleared a second interim dividend INR4 per share for the financial year 2026. With that, I would now like to hand over the call to our CEO, Mr. Hari Nair, who will provide more insights.

Hari Nair:

Thank you, sir. Good evening, everyone, and Happy Diwali to all. This quarter has seen a revenue growth of 11%. We continue to see growth in content usage and monetization across platforms. We also expect a strong traction in second half of financial year 2026. I will request Girish to share insights on the content business across platforms. Thank you, everyone.

Girish Taurani:

Thank you, Hari. Good evening, everyone. Talking about our content business, we released 133 songs in Q2 FY '26, including 76 film songs and 57 non-film songs. During the quarter, the song, "Vibe Undi", from the film, "Mirai", which is a Telegu film, crossed over 69 million views and is among the top 5 music videos on YouTube. Another release, "Raaj Karega Maalik", from the film "Maalik" crossed 25 million views on YouTube. Additionally, our YouTube subscriber base has continued to grow impressively and now stands at 134 million collectively.



Our catalog performance on Meta is very heartening. The songs “Tere Aane Se” from the movie “Run”, did 1.5 billion views, while songs “Saajan Saajan” from the film “Dil Ka Rishta” and song “Kahin Aag Lage Lag Jaaye” from the movie “Taal” did 850 million and 700 million views, respectively.

I will now hand over the call to Sushant who will present the financial highlights to everyone. Thank you all. Wish you a very Happy Diwali.

Sushant Dalmia:

Thank you, Girish, and welcome, everyone, to the Q2 and H1 FY '26 earnings call. Let me take you through the financial highlights of the quarter gone by. Our revenue for Q2 FY '26 was INR89.22 crores, reflecting a year-on-year growth of 11%. Operating EBITDA for the quarter stood at INR67.9 crores that is year-on-year growth of 14%. Operating EBITDA margin throughout the quarter was 76%, and our PAT for Q2 reached around INR53 crores, representing a growth of 11%.

Now looking at the highlights of first half FY '26. Our revenue was INR177.3 crores, which represents a growth of 15% and our PAT for the first half was INR98 crores, showing a growth of 8%.

With that, I conclude my opening remarks. I did like to wish you all a very Happy Diwali in advance. I'll now open the call. Thank you.

Moderator:

Thank you. The first question is from the line of Kavish Parekh from B&K Securities. Please go ahead.

Kavish Parekh:

Good evening, team. Thanks for the opportunity and wishing everyone a very happy Diwali in advance. Team, my first question pertains your growth plan. So earlier, you aspire to deliver 30% top line growth. However, that was brought down to around 20%. I assume largely due to one-offs from Wynn in the first half of FY '25 plus consolidation in the industry. Where do things stand now? What is your growth guidance? And what levers will drive the same? And how does the risk calendar look like for the second half of the year?

Kumar Taurani:

We are sticking to that 20% growth, what we have projected and told all of you. So we are sticking to that, we will grow by 20% this year, 20% top line, 20% bottom line. And we have signed many non-film artists, and we are releasing many songs. You will see every 15 to 20 days, you will see a song coming from Tips. So that we have planned.

Also, we have 2, 3 films, but for films we don't know whether it's depending upon the release of the films. Any film is releasing before March, so music will come this year. Otherwise, it may go into next year. So films, we are not sure about the timing of release but for non-film music, we have a proper line-up for our songs.

Kavish Parekh:

Could you name these films?

Kumar Taurani

Films, we have one, “No Entry”. But I think that will come next year. And we have signed one film directed by Imtiaz Ali, Music by A.R. Rahman and Diljit Dosanjh and many other actors



are there in the films, so we have signed that. And then there is another there is a Tips film, we are making “Hai Jawani Toh Ishq Hona Hai”, Varun Dhawan is acting in it, and David Dhawan is the Director of the film. Also, there is another film, Vikas Bahl is directing and actress is Wamiqa Gabbi, that film is also there. So we have 4, 5 films. Plus we have a few films in regional language, Telegu. So we have quite a few films.

Kavish Parekh:

Understood. Sir, with respect to the industry dynamics, post consolidation on the OTT side, how do the yields look like? So are they still stable at around INR0.10 for free OTT users and INR0.20, INR0.25 for paid OTT or have you seen some pressure there?

Kumar Taurani:

There is overall pressure because we've seen in last 1, 1.5 years, many people have shut down their businesses or they have gone behind the paid 100%. That pressure is there. We all see that and that pressure is not only on us, it's on all the music players. But I feel this is a temporary phase. Subscription is growing, so I feel the subscription will give us a big boost. We will make more money in coming months. So I feel it is a temporary phase, maybe 6 months to another 1 year, it will take, so let's see.

Kavish Parekh:

Understood. And last question from my side. So where do discussions stand with respect with short format content platforms with respect to sharing of ad revenues? Today, what kind of revenue contribution does it account for? And with pickup in ad revenues going in, where do you expect this number to reach, short-format content?

Kumar Taurani:

I think short format is still not sharing the revenue . It's lump-sum kind of a deal. But what we see, quite a bigger jump in the revenues of that because our content is really doing very well on that short ad. But if you see overall catalog of Tips, the catalog is doing really well. So last 4, 5 years, whatever growth we are seeing, it is because of that also. And even this year, our catalog is doing really well.

– And actually even these ads on the platformlike Spotify or JioSaavn, they are not allowing free stream. Basically, they are pushing for a promotion or if you are a subscriber and you don't want to subscribe, you want to just listen music free, so they will push you first for the ads and also, they will trouble you. They will not allow you to listen your favorite songs again and again, they are pushing all of the people to go for a paid wall. So that's really hurting business.

Maybe we will have a difficulty for a few quarters. But long term, it is beneficial for the business. In the 2006-'07, there was a service called CRBT. That time, the telecom companies was making money from subscription and downloading of content. That's only 30-second content. And that also you're keeping on your phone for others to hear. And those mobile companies used to make INR8,000 crores.

So we have many people who can subscribe, who can pay money. So it's a temporary trouble we have. But I think in the entire industry, all music labels, are facing the issue and we feel we will overcome soon. It will take 3 quarters or 7 quarters, but will come through from this.

Kavish Parekh:

Sir, if I can squeeze in one more question, one last question. On the content acquisition side, content cost as a percent of top line was slightly on the higher side in the first quarter. I think



into the release of Maalik, this quarter, again down to 15%. So what is the plan for the second half in FY '27?

Kumar Taurani:

So overall, we feel this year 23% or 25%, we will invest in content.

Moderator:

The next question is from the line of Ravi Naredi from Naredi Investments.

Ravi Naredi:

Thank you very much to give me opportunity. Sir, our net profit margin for 6 months are low by 350 basis points. This is worrisome?

Sushant Dalmia:

Raviji, it's primarily on account of content only. So nothing to worry about the margins.

Ravi Naredi:

And second, we do not get in 30% growth as we promised last year also. So this time, we presume lower side?

Kumar Taurani:

For this year, we have said we will grow by 20%, instead of 30%. There's a lot of changes happened recently, as I earlier mentioned, many, many OTT has closed down, shut down their businesses and many has gone behind the paid walls. There was an app called Resso, they got shut down 1.5 years back, and they in the last year, when they were there, they paid us USD 2 million.

So we expected next year they will give us at least \$3 million. But because of this India-China issues, they had shut down their business and gone back to China. But I feel if USA settles, India will again, see the come back of TikTok and they will again enter into business, and we expect big money again will be given to us.

Ravi Naredi:

Sir, film industry, this song industry, are you getting new songs which is costlier than last year or anything is going like this?

Kumar Taurani:

I think it is stable now, because there have not been many successes in the industry. So buyers are there, but it's stable. And we are, as mentioned earlier, many times, we are not into that rat race or a competition or a bidding process where we don't enter into that. I can tell you 1 film recently, there is a producer, he called me, that this is my film and this is my composer.

So what should be the price? So he asked me, so I said, I can give you INR3 crores to INR5 crores, you sit on the table like this. He said, I already have an offer of INR14.5 crores and INR2.5 crores promotion, INR17 crores I'm getting, what should I do? I said, immediately run and give it to them. It is good that if we finish our competition early, then we will get an opportunity to buy the material. So we also do that.

Ravi Naredi:

And any website we are having where our Tips Music's, total songs are available?

Kumar Taurani:

Our songs are available on Spotify, JioSaavn, YouTube, everywhere. But not official website from Tips Music, right?

Ravi Naredi:

But not official website from Tips Music, right?



Kumar Taurani: Yes, everything is available on Tips.in.

Ravi Naredi: On which?

Kumar Taurani: On Tips.in. You will see songs. As soon as you punch, it will take you to Spotify.

Moderator: The next question is from the line of CA Garvit from Nvest Advisory LLP.

Garvit: My first question is on the consumer preferences. The average cycle for which song is typically in trend, it seems like itself is getting reduced. I agree that at the same time, biggest hit now has longer on traditional charge. But the point is formality is also a fact. So I just want to understand what exactly are we doing to identify the trends, number one. Which are extremely dynamic and changing in the modern world. And what exactly are we doing to give the short-term goal sir? So that's my first question.

Hari Nair: Let me answer that. So on the trending part, right, so our teams daily monitor on the particular platform like Instagram or YouTube. And also, we get daily reports, so where we also have analytics teams sitting in here who try to get what song is picking up on Instagram or TikTok. So we do that on a daily basis, morning, we have set up alerts for ourselves and basis that, we start working and pushing the sound more.

So that's the reason you see a lot of catalog songs, getting picked up on Instagram, I think 2, 3 examples like "Saajan Saajan" and "Kahin Aag Lage Lag Jaaye", even Madhuri Dixit was dancing on to that. It is a great song. So I mean, it picks up any time. There is no specific, what do you say, time line to it. It is just a trend that the platform shows and we latch on to that trend. Did I answer your question?

Garvit: Yes. That makes sense. And sir, you mentioned like our songs are getting good traction, right? But at the same time, we are saying like platform, specifically these short-format content, they are not ready to share on a variable basis. So can you let us know like what is the reason, if our product is good, right? And why they are not paying us on a variable basis because ultimately, the negotiation power should be with us, right?

Hari Nair: Yes. I think you're very right on that. But overall, if you see the short format video apps, they're all new to the market. Though they have been there, they are still yet to establish themselves. And all these deals, right, basically are done by the global majors first with the platforms, and it's all on a lump-sum basis right now, the revenue share model will also be kicked in once the platforms and the labels, both agrees on sharing that. And some of the guys have already done that, but it's just that the revenues on the ad side is not so great and the new value for them, the ad side.

Garvit: Yes, I think last part I missed that, maybe because of poor voice, I think maybe, network.



- Hari Nair:** So I was just saying that the deals are right now all fixed deals not based on advertisement, and it will change over a period of time, like how it did with YouTube, right? Initially, YouTube was fixed deals, then it moved on to ad revenues or fixed fee, whichever is higher. So it will move. So I think the short format video apps also will move in that direction. It will take some time for that.
- Garvit:** Understood. And sir, in PPT, we mentioned like our YouTube views are going down. And the reason we are giving is the YouTube Shorts. So what is our exact plans or strategy to monetize our IP on the YouTube Shorts because if that is going to be the case, maybe like the target we are setting, 20% growth, I think it will be difficult to achieve, right?
- Hari Nair:** So YouTube Shorts again, is a fixed fee deal, but the larger YouTube is an ad sharing deal, and it is stable and it is growing. So what we see in the first week of October, it has just picked up. So I'm very positive about the growth from YouTube also.
- Kumar Taurani:** And it is not having any revenue impact or a profit impact. It's a lump sum deal.
- Garvit:** Understood. Sir, like in order to grow 20% on a full year basis, second half, we have to grow significantly well. So what is giving you that confidence like we will be able to do? Because last con call also our target was like minimum, we will be growing by 20% and we target of 30% was still intact. But now we are speaking about like 20% target only.
- So like what has changed over this period of time? And what is giving you the confidence that we will be able to grow on a full year basis by 20% because first half the growth is not that good, specifically on the bottom line side?
- Kumar Taurani:** We are working very hard on our content, whatever content we are making, we have confidence in, we will make such a good content that will give us good numbers and good revenue.
- Garvit:** Okay. And lastly, what is our content growth going to be for second half in absolute term?
- Kumar Taurani:** As I told you, we are not sure if there is any film to be released in the music side. But we are sure we have made some non-film music. We have signed many, many individual artists. We have 2 songs, 4 songs, 3 songs deals.
- And by March, I feel around 15, 20 some of all the big artists, good songs will be released. So that can really give us a bigger review. I think I mentioned in my earlier calls, we are now focusing on the quality rather than the quantity. So that is we are working on.
- Garvit:** Thank you very much, and wishing you happy Diwali.
- Moderator:** Thank you. The next question is from the line of Deepak Ajmera from IGE India. Please go ahead.



- Deepak Ajmera:** So we have done an acquisition of Studio Radha's culture music legacy of Gujarati and Kutchi songs. So what is the rationale behind our acquisitions? And what are our expectancy as we are trying to move into new, new geographies?
- Sushant Dalmia:** We have acquired and we've got that 4,000 songs, Gujarati songs and that is at a very reasonable price. Currently, we are digitalizing that asset, and it will take around six to 12 months to post it on various platforms. Going ahead in terms of strategy, we are looking at inorganic growth and wherever we see value, we'll go and acquire it.
- Hari Nair:** And also to add in, if you see the devotional content also has a lot of monetization, a longer monetization and a better monetization than the normal one. So it is very sticky, and it just keeps on giving revenues on YouTube or Spotify, any platform you take.
- Deepak Ajmera:** Okay. And my next question is on, do we have any new collaborations with any artist or exclusivity with any artist upcoming maybe?
- Kumar Taurani:** Yes. We have many, many songs coming up with many artists. You must have seen that Aparshakti Khurana, we have released a song, then our next releases of Aditya Rikhari, again, big artist, then there's Lucky Ali, then there is Paradox. So we have many songs, it's coming.
- Deepak Ajmera:** Okay, got it. And last one is what is our growth in the subscriber base via comparison to other competitors? If you can compare it to industry growth wise?
- Hari Nair:** Industry growth-wise, see, we will not be able to tell you exact numbers because we may not know the numbers of competition. We just spoke about the YouTube subscriber base. I think that's growing healthy for us, across our channels.
- Deepak Ajmera:** Okay got it. It's done from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Mehrotra from Tusk Investments. Please go ahead.
- Saket Mehrotra:** I was going through your deck, you've mentioned about royalties coming in from AI where WMG and UMG, there's some agreement in the works. Like can you tell us something more about this? What exactly is happening here? And is this something that you guys are excited about?
- Hari Nair:** I think that's a very positive news if UMG and Warner, both are getting into an agreement with the AI companies, it's a very positive sign. In India, we are also having similar conversations with the AI companies. There is already seen OpenAI. I think we have some case also going on. So I think it's overall positive if the global majors end up with a deal with Suno AI. I think it will have a positive impact on us also in India.
- Kumar Taurani:** Saket, it will take a little time, but that's the opportunity what we have mentioned, that in the world it is happening. In India as well it will happen and we are talking about it as well.



- Saket Mehrotra:** And sir, like circling back on growth, in case we want to achieve that 20% growth number, in H2, we have to grow by 27%, 28% over last year. So is that something that we are confident on? And if yes, what will drive that for us? Is it like new launches? Yes, are we expecting some sort of pricing flow through, what exactly gives us that confidence and how confident are we doing this full year number?
- KumarTaurani:** See definitely confidence is there and good songs are being made. Number one. Number two, I think even YouTube will perform better in, because if good songs are being made and December is a seasoned month, I feel the performance will be good. And on YouTube there was something about UGC, we are sorting that also. So around 2-3 small things that are there and plus we have increased the price of Spotify, so we will get that benefit as well. I feel this 20% should be achieved. I do not see any difficulty there.
- Saket Mehrotra:** And sir in this one last question is that like in terms of we have our contract with Warner, where does that stand like is it up for renewal this year or is it up for renewal next year?
- Hari Nair:** No, that is locked till 28, till 28 we have done the deal whatever will happen will happen in 28.
- Saket Mehrotra:** Thank you, sir and wish you all the very best.
- Moderator:** Thank you. The next question is from the line of Akshay Kolekar from Dalal & Broacha. Please go ahead.
- Akshay Kolekar:** Good evening, everyone. Two questions from my side. So first is about the dividend amount declared as, we see last 2 years the dividend amount has declared exceed the company's expenditure on content acquisition. Does this reflect the lack of growth or investment opportunity in the market, like management's priority in distribution of dividend rather than investing in a new content cost. Could you please elaborate on this?
- Kumar Taurani:** Akshay you see we have a lot of spare money. It's not that we're not buying content and giving dividend. After giving such a huge dividend, we have a lot of money lying still. We are not getting content at the right price. If we take this content with INR10 crores and only INR1 crores, INR1.5 crores first year it has to come and if in 3 years, 4 year there is a recovery of INR3 crores, INR4 crores.
- Money will not come out and for the money to come out it takes around 15 years. So there is no benefit of that content and sometimes it will not work. Initial it has not worked, so how does it work in future it is doubtful. And success ratio for new releases was hardly 10% to 12%. So according to that we are very cautious that we shouldn't take such content that we have a trouble in recovery.
- Our target is that in next 4 years, 5 years our money should come back and you know that we write off in same year. So we have sufficient cash. The content what we are investing today 25% and we can do 50% there is no issue. We have lot of cash, but we are very selective and we are doing a good content and we are saying this from last three, four quarters that we are focussed on the quality.

So dividend has nothing to do with this. So what should we do keeping with the company that we will take content and by doing this I am sitting at INR250 crores and after that we will reach INR400 crores then will reach to INR500 what will be use in that. So it's better that if we are rewarding the shareholders then shareholders can invest, they can plan that money better and they can make more money from that also, that's the idea.

Akshay Kolekar:

Got it. My last question is on like classification based on that. When we calculate the content, we include the advertisement cost, so my concern is the advertisement cost is generally expensed out, that impact the top line immediately, like without building future economic benefit. So the same way as we acquired the content, so can you please explain on this scenario?

Kumar Taurani:

Akshay, we write off promotion costs as well as content cost, same quarter. So we don't have any of that burden that we have to do. If we release one song then we write off the entire content and one song if we release then the promotion has been done in that quarter we write off that and in next quarter the spare songs promotion cost which arises and promotion bills we do in next quarters. So as and when it gets written off immediately.

Akshay Kolekar:

Okay. Got it. That's it from my side.

Moderator:

Thank you. The next question is from the line of Bhargav from Ambit Asset Management. Please go ahead.

Bhargav:

Yes, good afternoon team and thank you for the opportunity. Sir, my first question is that we have seen Spotify increase their subscription prices for the first time. So do you see this a yearly phenomenon and obviously we are reading, what benefit can we get out of it?

Kumar Taurani:

Yearly phenomenon is there or not it's very difficult to say, that Spotify people will tell, but we will see how the market is there. If they think that the growth is very good. So their total industry next target is 10 crores to bring in paid wall, but if they reach the target they will give more and once subscriber is done they never exit.

And if we do the subscription then we get the habit of using that app so we do. As far as our revenue is concerned, it's a percentage. They give us 55% and if it gets 20% then that also is 55% all levels will get and level in pool the money will come. So then whatever music has been consumed then that money they will get. So absolutely safe and sorted.

Bhargav:

Does Spotify increase the price of subscription globally?

Kumar Taurani:

Yes, it increases a lot. If you go to London, there are GBP10, \$10 in the US, AUS\$10 in Australia, SGD10 in Singapore. So, it's very expensive. And how many people do I meet? 90% of the people are in subscription.

Bhargav:

And he must have increased the price after a long time. So it must have increased by thinking that maybe it is getting confidence that people are now coming to pay. Maybe that's why it increased.



Kumar Taurani:

So, Bhargav, you understand that Spotify has an experience of 150-250 countries. So, he has been doing business for the last 10-15 years. So, he is a big player. And they know how to lower the market, how to raise it, how to give it free, how to get the customer to paid.

Last year, there was an event of Spotify. So they said that in the first year, in the first 5 years, we got the customer used to Spotify. Today we are in that situation that in the next 5 years, our emphasis will be on taking money out of the customer's pocket. So they are on it. It's like a mission. Otherwise, they will not last.

They have come here to do business for 50-100 years. So, they have a long, long phase. And you won't believe that they have 15 billion streams per month. If they let everyone listen to it, then they can do a market of 25 billion today. And if they distribute money to the industry according to 25 billion, then the growth will be 40% immediately. Because they are controlling the free consumption of music.

They have to pay the label. So, they are controlling. And we can't take an objection there. They are trying to improve their margin and they are trying to improve our margin. So, we all invest in the music business or content business, so we have to really see. You will have to see the perspective of 2-4-5 years, what is this?

And if you look at our industry, we have also put it in our presentation in international comparison. Consumption wise, we are equal to the US. But money wise, we are only 2%. So, what is 2%? If we are 10%, then think what will happen. So, I will advise my shareholders, please treat us as a long-term partner or long-term company. Think about it and keep a vision on it. So, I think it will be very beneficial to everyone.

Bhargav:

Sir, can you tell about our revenue?

Moderator:

Sorry to interrupt, Bhargav. Sorry to interrupt. May I request you to please limit your questions to two only. If you have a follow-up question, please rejoin the queue again.

Bhargav:

This is the last question. I have no further questions. Can I go ahead with the last question?

Kumar Taurani:

Yes, yes. Okay, go ahead. Go ahead.

Moderator:

Sure.

Bhargav:

Sir, is it possible to share what is our revenue from Spotify or we will not be able to share?

Kumar Taurani:

No, Bhargav, we can't do that because see, it's a competition world. We can't give you details. So, please bear with us.

Bhargav:

No problem, sir, and have a happy Diwali to your team as well. Thank you.

Kumar Taurani:

Thank you. Thank you.



Moderator: Thank you. The next question is from the line of Vaibhav Muley from YES Securities. Please go ahead.

Vaibhav Muley: Hello, team. Congratulations on strong set of numbers. My first question was on our balance sheet. There has been a significant reduction in current and non-current other liabilities. Is this pertaining to the advance received from Warner?

Sushant Dalmia: Hi, Vaibhav. It is pertaining, , to advance received from Warner, SMP and other customers. And as we said earlier, , for the second year, we have received the first tranche from Warner. And the second tranche is due in October end, so we will receive that also.

Vaibhav Muley: Understood. And in terms of number of teams for apps operated by Warner, how has been the overall revenue collection over there? So are we surpassing the overall advance that we are receiving? And when do we expect the overflows to start flowing in?

KumarTaurani: Overflows, we have a total term of 4 years. And we have sufficient monies of Warner with us as an MG. So, the overflow will be in the last quarter or before that one or two quarters, then we will know where we stand.

Vaibhav Muley: So, it will be in FY '28, sir?

KumarTaurani: Yes, it will be in FY '28.

Vaibhav Muley: Okay. And just from the guidance, 20% revenue growth guidance we are still maintaining. So if we do the calculation, what we understand is around 25% on an average revenue growth is what we will require for Q3 and Q4 just to achieve 20% revenue growth.

Kumar Taurani: Yes, yes.

Vaibhav Muley: So, are we confident to see a sharp pickup in Q3 and Q4? And what would be driving this immediate pickup in the numbers?

Kumar Taurani: As I said earlier, we are very confident. We are going to get very good songs. Spotify has increased the price, we will get the incentive for that. Plus our short content is also doing well. Even on YouTube, we feel that we will have a lot of growth. So, I feel that yes, it will be achievable and we will achieve it.

Vaibhav Muley: Okay. And regarding this live performance and public performance rights, in the presentation you have said industry is growing at 40%-50% CAGR. So, is it fair to assume that Tips should be benefiting at the similar growth rate for these two segments?

Kumar Taurani: We are not in event business, but whatever our music consumption happening in those events, we are making money and we are making good money from there. But we have a lumpsum deal with the party who takes our license. But we are having a very good deals with them. We have a sufficient growth every year-on-year basis.



Vaibhav Muley: Okay. And regarding this YouTube Shorts, sir, when is it current fixed deal going to expire? And do we expect the renegotiations to happen towards revenue-sharing model?

Kumar Taurani: Yes. It will come to an end in June. We will definitely try and our vision is that we should have a sharing basis.

Vaibhav Muley: Understood. Okay, sir. That's it from my side. Thank you so much once again and all the best.

Kumar Taurani: Thank you.

Moderator: Thank you. The next question is from the line of Naitik from NV Alpha Fund. Please go ahead.

Naitik: Hi, sir. Thanks for taking my questions. Sir, my first question is, you know, last year, in the second quarter, we had some one-offs income from Wynk. So if I exclude that, we have grown at approximately, say, 20% give or take, so is that understanding correct?

Hari Nair: Yes.

Sushnat Dalmia: Yes, Naitik.

Naitik: Right. And sir, the second question is, if you could just let us know in our current revenue, what percentage of our revenue will be from paid subscribers and what would be from advertisement?

Sushant Dalmia: Can you repeat your question?

Naitik: What percentage of our revenue in this quarter would be from paid subscription?

Sushant Dalmia: I can give you on an industry basis, , around 10%, would be paid subscription.

Naitik: 10%. Got it. And just one clarification. You mentioned the current YouTube Shorts deal is going to expire in April next year, right?

Sushant Dalmia: June next year.

Naitik: June next year. Got it. Got it. That's it from my side. Thank you.

Moderator: The next question is from the line of Akshay Jogani from Xponent Tribe.

Akshay Jogani: Sir, the digital revenues that you mentioned in the presentation, so last year, this quarter, our revenue from digital was 75% of INR81 crores. And this year, it is 71% of INR89 crores, right? So, if I just match this with digital, then our growth is sitting at 4%, 5%. So, can you explain to us a little bit where this has hurt specifically on digital, firstly?

Secondly, every quarter, we give a guidance on the basis of, what I'm trying to understand is that this guidance, we don't have an order book. So, what is our general science for giving guidance?



On what basis do we arrive at this 20% number? Can you give us a little colour? I know you have answered this two times, three times that our pipeline is good.

But our pipeline is good, our growth does not come alone, right? It is a function of what else is happening in the market in terms of other people's pipeline, ad spend, everything, right? So, it would be helpful if you could give us your thought process/mathematics behind arriving at a 30% number or a 20% number or a 15% number. So, yes, these are the two questions.

Sushant Dalmia: Akshay, on the first question, the digital, , last year in the September quarter, there was a one-off revenue of Wynk of around INR7 crores. So you need to factor in that to adjust your growth rate. And ...

Akshay Jogani: Okay.

Sushant Dalmia: What we said that we have seen a slower growth on the YouTube, so that would be the second reason.

Akshay Jogani: Sure. And on the growth rate general.

Kumar Taurani: Yes. Growth rate, Akshay. Akshay, from when we have understood that our due diligence is, YouTube is, as many as our players are, we calculate that how is their behaviour or how their behaviour is functioning and accordingly that we estimate. And as we saw in the first quarter, we thought it would be 20% this year it will be 20%, so we have immediately reported that, no, this year 30%, please don't expect it will be 30%.

Plus if you see our record from five years, six years, what we have committed in investor calls, 30%, so we have achieved. Our science is working right till present and hopefully this year also we will achieve what we are saying. So from last five years, six years, if you check Tips record, so whatever we have said, earlier we use to give guideline, 30% top line and 15% bottom line PAT. But we always have gone up. But this is the first year which we are facing challenges because of various factors.

It's not one factor, it's a combination of three more factors. But still, we are hopeful that our industry has a lot of potential because today every customer has a music system. Your mobile is your music player. So, it will not happen that we will degrowth. So somewhere, who are our players, who sell our music, problem is from their side, it is not a problem from our side. So they will also...

Akshay Jogani: Correct.

Kumar Taurani: They also have billions of dollars of business. And they are – today our economy from INR4 trillion – we are estimating that INR4 trillion, INR10 trillion, so we will also have a benefit, if there is more money in customer pocket.

Plus one more thing I would tell you that, last month government less the GST, so the product business, it will going to increase. So, there will be business increase. So, advertisers, they will



put more money in advertising. So, it's going to be a benefit for advertising. Music is the main segment where people do advertising. So, I think our next two quarters should be very good.

Akshay Jogani:

Right. Right.

KumarTaurani:

We will have combined effect.

Moderator:

The next question is from the line of Shrenik Mehta from IndoAlps Wealth.

Shrenik Mehta:

Hi. Good evening. Sir, my question here is more about long-term. How do you see this company evolving over the next three years? Would you have similar drivers in the business? Would you have some more new lines of business or new channels that you would see in the next three years?

KumarTaurani:

I think three years is a good time. But if I say three years to five years, then it will be better.

Shrenik Mehta:

Yes.

KumarTaurani:

We have a lot of plans. One major focus is absolutely on the creation of music, music and music. So we are not entering into event business or all those kind of businesses, but there is a business, artist management. So maybe we are looking at tying up with some company and maybe that company, we are partnering with them, they handle artist management. And the artist they signed, we will do music part of those artists.

So we have those plans. It's not a major investment or anything like that. But if we have our own artist, so we can really plan business more organized and more better way. We can get 10, 12 songs, 15 songs a year. So we have those plans. But absolutely focus only on music, music and music plus good quality music. That is our focus.

Shrenik Mehta:

So you see this INR800 crores business, INR1,000 crores business, what will be the digital part of it, how do you see this company in next three years to five years? What kind of domination will it have?

KumarTaurani:

I feel the industry can grow, industry can become in the next five years, around INR10,000 crores to INR12,000 crores industry can happen and should do because of this three major things are there. One is that subscription. Second is short content, Instagram Reels, TikTok. TikTok will come back and this YouTube Shorts, they will do some profit sharing, some revenue sharing with us, they will also start a model where advertisers can advertise.

So I think industry can be INR15,000 crores also. So if we have around 7%, 8% share, so you can estimate what can be our business, we can achieve easily INR7,000 crores, INR8,000 crores, not a big deal. Third thing, I mentioned three, but I forgot to mention that public performance, is now this business is around INR350 crores. It can easily become INR2,000 crores business.

Shrenik Mehta:

Okay.



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Moderator: Ladies and gentlemen, due to time constraints, this will be the last question for today. I now hand the conference over to Ms. Ayushi Gupta for closing comments. Thank you and over to you.

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 Private Limited, Investor Relations Adviser for Tips Music Limited. Thank you so much.

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