

9th June, 2025

To

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot No. C /1, G Block, Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051, Maharashtra, India.

(NSE Symbol: PHANTOMFX)

ISIN- INE0MLZ01019

Subject: Submission of Transcript of the Earnings Conference call held on Wednesday, June 04, 2025 at 11.30 A.M

Ref: Regulation 30(6) read with Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

Dear Sir / Madam,

With reference to our intimation dated 31st May, 2025 related to the Earnings Conference call, we hereby submit the transcripts of Earnings Conference call of the analyst/investor conference call which was held on Wednesday, June 04, 2025 at 11.30 A.M to discuss the Audited Financial Results (Standalone and Consolidated) of the Company for the Half Year and Year ended 31st March, 2025. The transcript is also available on our Company’s website and can be accessed on the following link.

<https://www.phantomfx.com/investor/investorpresentation.php>

The Nature of the Meeting is: Group meeting.

You are requested to kindly take on record the above-said information.

Thanking you,

Yours faithfully,

For **Phantom Digital Effects Limited**

Poornima Raghu

Company Secretary & Compliance Officer



“Phantom Digital Effects Limited H2 FY '25 Earnings Conference Call”

June 04, 2025



MANAGEMENT: **MR. BEJOY ARPUTHARAJ S — CHAIRMAN,
MANAGING DIRECTOR AND CEO — PHANTOM
DIGITAL EFFECTS LIMITED**
**MR. BINU JOSHUA S — DIRECTOR AND COO —
PHANTOM DIGITAL EFFECTS LIMITED**
**MR. ANANTHARAMAN S — VICE PRESIDENT
(FINANCE) — PHANTOM DIGITAL EFFECTS LIMITED**

MODERATOR: **MR. SAHIL PATIL — AKMIL STRATEGIC ADVISORS**



Moderator: Ladies and gentlemen, good day and welcome to the Phantom Digital Effects Limited H2 FY '25 Earnings Conference Call hosted by AKMIL Strategic Advisors.

As a reminder, all participant line will be in 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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sahil Patil from AKMIL Strategic Advisors. Thank you, and over to you, Mr. Sahil.

Sahil Patil: Good morning and thank you. On behalf of AKMIL Strategic Advisors, I welcome you all to the Conference Call of Phantom Digital Effects Limited.

From the Management side, we have with us Mr. S. Bejoy Arputharaj – Chairman, Managing Director and CEO; Mr. S. Binu Joshua – Director and COO; Mr. S. Anantharaman – Vice President (Finance).

Now, I hand over the call to Mr. S. Bejoy. Over to you, sir.

S. Bejoy Arputharaj: Thank you, Mr. Sahil. Good morning, everyone. So, let me start my introduction. So, I am Bejoy Arputharaj, Managing Director and Founder.

Good morning, ladies and gentlemen. I extend a warm welcome to each of you to the FY 2025 Earnings Conference Call for Phantom Digital Effects Limited. Thank you all for joining us today. It's a pleasure to welcome our investors, analysts and stakeholders to this conference call.

I am Bejoy Arputharaj – Managing Director and Chairman of Phantom. And I am joined by members of our leadership team.

We are here today to walk you through our recent performance, strategic developments, and our outlook going forward. It's a true pleasure to have you with us as we gather to highlight the significant accomplishments and strategic advancements that have defined our journey this past fiscal year.

Phantom Digital Effects Limited, founded in 2011, is a leading provider of visual effects or VFX services for commercials, feature films, and web series. With over 20 years of industry experience, we offer secure and advanced solutions, and we are proud to be backed by our TPN certificate.

Our main operations are strategically located in Chennai, Mumbai, Hyderabad, Bangalore, and we have global marketing teams in USA, Canada, Dubai, and UK, and an office working studio in San Francisco. This wide network, along with our fully owned subsidiaries in China, And Bengaluru supports a dedicated team of over 600 highly skilled professionals. We are proud



to work with clients like Disney and Netflix consistently creating amazing visual experience by blending computer generated imagery and live action.

Now let's delve into the highlights of FY '25:

Fiscal Year 2025 has truly been a period of significant strategic advancement and exceptional performance for PhantomFX. I am genuinely delighted to share more about these results with you today. These results clearly show the strong dedication of our entire team along with the deep trust of our valued clients continues to play in us.

While we continue to strengthen our global footprint and operational capabilities, expanding our reach and enhancing our service offerings, this past year saw a strategic incorporation of our wholly owned subsidiary in China, Hangzhou Huantong Digital Technology Co., Ltd., a move that reinforces our position as a key player in the global VFX industry and enhances our ability to serve the rapidly expanding Chinese VFX market as well.

This new hub is already enabling deeper market penetration and enhanced service offerings for regional and international clients within this significant 4 billion APAC market.

In parallel with these initiatives, we also proudly established Spectre Post Private Limited in Bangalore, India. This strategic expansion allows us to fully leverage Bengaluru's thriving film industry and its abundant talent pool.

Crucially, in addition to our core VFX services, Spectre Post has enabled us to introduce a digital intermediate, otherwise called as color grading, a valuable new offering that opens up exciting opportunities for our business. We are delighted to report that Spectre Post has already made a significant contribution undertaking work on nearly all the notable domestic block vessels.

Our commitment to excellence drives our continuous rapport to attract world-class talent. We are truly proud to have recently welcomed several distinguished professionals to our U.S. office, significantly enhancing our leadership and creative teams. This includes Mr. Ian Unterreiner, our new Executive Vice President located in Los Angeles, who brings nearly two decades of deep expertise in VFX, corporate strategy and leadership.

We are also thrilled to introduce Ms. Christina Weiss. She is also located in Los Angeles as our Vice President of Business Development, Sales and Executive with extensive experience with feature film development and VFX.

Joining her is Mr. Hayden White, based out of Los Angeles, again, our new Executive Producer, who has led global creative teams on major Hollywood projects and Mark Rays as Skilled VFX Supervisor known for his expertise in AI and compositing.



Additionally, we brought on board our global Director of Marketing and Communications as well, who brings strong strategic insight and storytelling expertise from diverse industries. Together, these individuals and our other veteran VFX supervisors strengthen our capabilities across business development and creative leadership.

As many of you know, a true landmark moment for PhantomFX in Fiscal Year 2025 was the strategic acquisition of Tippett Studio. The Chapter 11 restructuring proceedings in the U.S. for this acquisition received final court approval on March 26, 2025. This means Tippett's financials and revenues will be fully consolidated into our books in the coming current year, that is FY '25-'26. It's important to note that Tippett Studio generated US\$7 million in revenue in last year already, reinforcing their significant strategic value to our group.

This acquisition marks a major step forward for PhantomFX. With Tippett, we have brought in a beacon of creativity, a studio known for its incredible mark on film history, pioneering work in iconic movies like Jurassic Park and Star Wars. This move doesn't just add a well-known brand to our company, it also gives us access to a rich source of expertise, great talent, and a long history of excellent work.

Looking ahead, Tippett Studio projects revenue of 12 million to 15 million in the current year. With the added support of PhantomFX resources and brand value, this synergy is poised to significantly increase our overall revenues. Furthermore, this growth will enable us to expand our workforce by an impressive 250 to 300 employees across key regions, including India, the U.S., China, and Canada.

Whereas in the past financial year, PhantomFX played a pivotal role in numerous international and domestic productions, delivering thousands of VFX shots, this year, some of the notable projects from PhantomFX, including those with Tippett Studios, include major international titles like Tension 2, Creation of the Gods, and Marvel's Ironheart series.

In India, we contributed to major blockbusters such as Pushpa 2, IC 814, Kalki, Thandale, Devara. Among others, from Spectre Post, we worked on films like Amaran, Good Bad Ugly, Sikandar and Game Changer, and many other blockbusters.

Our combination of in-house tools and software, along with the strong efficiency of our technical team, was essential in bringing these ambitious projects to life within remarkably short timelines throughout the year.

Now, let's turn to our financial performance for the Year 2025:

This year, we have achieved strong outcomes, especially considering the various industry challenges we faced. Despite temporary disruptions caused by the actor strike, the continuous ripple effects from the writer strikes, and the resulting industry-wide production halts last year, we navigated these hurdles at a peak. Our strategy and execution within both the Indian and international markets have been pivotal in achieving these exceptional results.



Looking at the numbers:

Our total income surged by 14.36% year-on-year, reaching a revenue of Rs. 102.16 crores. Our overall income Inclusive of other income reached Rs. 104.37 crores. It is a significant increase from Rs. 90.43 crores in FY '23-'24. Our EBITDA increased by 2% year-on-year to Rs. 39.69 crores, translating to a healthy EBITDA margin of 38% further more. Our net profit was maintained at Rs. 20.20 crores with a net profit margin of 19.36%. Our earnings per share for this year, 14.88.

For context, in FY '24, the company maintained its momentum with a total income of Rs. 90.43 crores. EBITDA standing at Rs. 39.2 crores, net profit at Rs. 24.11 crores and EPS at 26.90.

These financial highlights underscore the company's resilience and effective operational strategies in navigating through a dynamic business environment, positioning it for sustained growth.

Moving on to our operational highlights:

In the first half of Fiscal Year '24-'25, we had outstanding receivables of Rs. 60.09 crores at H1 closing. During this period, specifically from October '24 to May 2025, we successfully collected Rs. 38.77 crores, that is 58% from that balance, leaving us with approximately Rs. 32 crores remaining.

For the second half of FY '24-'25, we had receivables of Rs. 26 crores. Against this, we have already collected Rs. 22 crores, with a balance of just Rs. 4 crores remaining. As of today, our total outstanding receivables from FY '24 to '25 stand at Rs. 36 crores. These are expected to be collected in Q2, with a potential spillover into Q3 of the current fiscal year. Going forward, our aim is to collect invoices within 90 days of billing, as the industry is getting better.

Now turning to our project pipeline:

We are entering this new fiscal year with a very strong order book. As of now, we have Rs. 72 crores in confirmed orders split between Rs. 38 crores domestically and Rs. 34 crores internationally. Beyond this, we have a healthy pipeline of potential projects valued between Rs. 270 crores to Rs. 312 crores, with 60% of this coming from international opportunities and 40% domestically.

We have already shared this positive outlook with NSE. And it positions us well to capitalize on upcoming opportunities. Looking ahead, we anticipate a 30% growth over our FY 2025 performance for PhantomFX standalone operations. With the imminent consolidation of Tippett Studio, which we expect to contribute up to Rs. 70 crores, our combined operations project a significant 100% increase in overall revenue, potentially taking us close to Rs. 200 crores.



Now as we look ahead to PhantomFX's future prospects, we are committed to our vision of becoming a comprehensive media group offering a wide range of services and we are working toward this objective.

In summary:

The strategic initiatives of the past year, including our expanded international presence, strengthened client's relationship and the successful integration of key acquisitions like Tippett Studio, and new services such as DI color grading have decisively positioned PhantomFX for accelerated growth. The solid order book, a resilient team, and the forward-looking strategy, we are confident in our ability to continue shaping the future of visual storytelling and delivering world-class VFX to audiences around the globe.

Thank you. We now welcome your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.

Shikhar Mundra: Hi, so for the Rs. 85 crore receivables we have on books, can you give me a break up how much is it less than 6 months and how much is more than 6 months?

S. Anantharaman: Hi, good morning. I have Rs. 85 crores which I have a split of Rs. 43 crores which is unbilled, yet to invoice. Okay? In that, Rs. 42 crores we have an outstanding and from there we have around Rs. 28 crores more than the 6 months we are holding a receivable value.

Shikhar Mundra: I am sorry, I didn't get it. So, if they are unbilled yet to invoice, so they have not flown through the P&L, we have not booked a sale on this?

S. Anantharaman: We booked the revenue. It is consolidated as a revenue. But it is not in, it is a part of debtor. But it is yet to invoice.

Shikhar Mundra: So, that is Rs. 43 crores. And the rest Rs. 42 crores, what is the split between more than 6 months and less than 6 months?

S. Anantharaman: Rs. 28 crores is the more than 6 months, which we are planning to collect in Q1 and Q2. And the balance is less than 180 days.

Shikhar Mundra: And for this Rs. 43 crores, why are they still unbilled? I mean, why have we not invoiced? And when did we execute these works?

S. Anantharaman: These are all executed as a milestone we have completed, and we considered the cost in the financial year, and we considered as an unbilled and which is invoiced in Q1 as well. So, these are all which is under the approval where we have completed the work, and it is under the quality approval as of March and which we have got the approvals, and we billed it in April itself.



- Shikhar Mundra:** So, we have billed it in April itself. So, in this Q1, we will be reflecting all this Rs. 43 crores, the entire revenue will go to P&L.
- S. Anantharaman:** Not the entire, basically Rs. 23 crores is billed already. So, we are expecting and following with our clients which will spill over some of them into Q2 as well. So, minimum of Rs. 20 crores only balance is there. So, that might be billed in Q1 or might be go to Q2 upon the approvals.
- S. Bejoy Arputharaj:** Basically, all these are milestones that we need to achieve. So, it is just like how you build a house. So, if you are building a basement, that is one milestone achieved, and the first floor is the second milestone achieved. So, we have certain milestones in our working style. So, if we have to achieve that milestone, then we can raise the invoice. So, probably most of the shows that we are working on are close to milestones. So, that cannot be billed yet for some reason. So, these are all accounted in that way.
- Shikhar Mundra:** And when do we expect the cash payments from this to flow in?
- S. Bejoy Arputharaj:** So, In H1 we will be collecting this payment basically.
- Shikhar Mundra:** And for the Rs. 200 crores, how much are we expecting in H1 versus H2 for this year? So, the Rs. 200 crore revenue which you are targeting, what will be the split between H1 and H2?
- S. Bejoy Arputharaj:** Yes, we will get back on that. I don't have that information right now with me. I will get back to you on that.
- Shikhar Mundra:** And these project wins of Rs. 72 crores will entirely be realized in this year itself?
- S. Bejoy Arputharaj:** Can you come back again on the question?
- Shikhar Mundra:** The project wins of Rs. 72 crores which we have mentioned in the press release, will they be entirely realized in this year itself?
- S. Bejoy Arputharaj:** Yes, yes, yes. In the FY '25-'26, we will be realizing the entire Rs. 72 crores.
- Shikhar Mundra:** And for the last FY '25, how much of the revenue was from Tippett and how much was from the Phantom standalone?
- S. Bejoy Arputharaj:** We didn't consolidate Tippett's revenue last year because we got the court order by March 27th only. So, we didn't get enough time to get FEMA approval for sending in the money and consolidating the results. So, we are doing it this coming year. The consolidation will happen the coming year. But as of Tippett, last year they have done around 7 million as revenue which is not consolidated unfortunately because the court proceedings took a lot of time than expected. So, what they announced were entirely standalone of Phantom and Spectre Post, the Group companies.



Shikhar Mundra: And how much are we getting this year for FY '26 from the China operations?

S. Bejoy Arputharaj: The expected revenue you are asking?

Shikhar Mundra: Yes.

S. Bejoy Arputharaj: We are expecting around 5 million to 8 million from China alone as revenue this year, in which we have already backed in around 1.2 million already from China.

Shikhar Mundra: I will join the queue back for further questions.

Moderator: The next question is from the line of Arnab Bhattacharjee, who is an individual investor. Please go ahead.

Arnab Bhattacharjee: Hi, Bejoy, how are you?

S. Bejoy Arputharaj: Hello, I am good. How are you?

Arnab Bhattacharjee: Yes, I am doing good. I had a small query regarding that audited financial report reported. So, over here, there is something of the section emphasis of matter where it mentions that a payment of around Rs. 14 crores made to overseas parties. Can you explain this line item further for me? I do not understand this line item.

S. Bejoy Arputharaj: The Rs. 14 crores which we paid to the international companies where we have not received the cost of it and we have not yet been billed because since we have outsourced a few jobs there and in turn inside floor also we are doing some of them. So, we have not achieved to that extent. So, that revenue is not recognized. The cost and the revenue is not recognized which will be recognized in FY '25-'26. So, that's the reason the note has been put on.

Arnab Bhattacharjee: So, this is an outflow, right? So, if you are giving contracts.

S. Bejoy Arputharaj: This is an outsourced job.

Arnab Bhattacharjee: And can you briefly tell us about what is currently happening in the VFX business? You are based on China. Can you explain how the geography functions, whether it's in line and if the business over there is as transparent as it is in the U.S., and you think of China as a strategic position, and I think you are very positive about it, even in your presentations. Can you speak more about it?

S. Bejoy Arputharaj: Yes, I will give you an insight on that. So, the last 1.5 years have been really challenging for everyone across the globe. There have been many companies who are severely hit by all these repercussions of actor strike and the writer strike.

But fortunately, Phantom had its foothold on both domestic and international. And not just, we were not completely there relying on the Hollywood market. So, we were able to successfully



overcome the challenges, whatever happened in the past. And this year, again, even though the writer strike got over by last August, the percussions were there.

So, now people are coming out of it and the production houses are quickly getting into new productions which were all pending long back. And so, there are so many bids and so many projects coming in and we have very great visibility. In fact, in the last 3-4 months, we have got a number of bids for projects to be done. So, this itself is a very good example that the industry is coming back.

So, as far as the movie making business and the content making business, we are seeing a very good growth compared to the last year. So, this year is going to be very good. As we see, as a standalone company, we are getting to bid on a lot of projects and the same is being discussed across the globe also. And I have been to a lot of international conferences where I meet a lot of potential, similar to the business vendors also. Everybody are mostly busy or bidding on interesting projects.

So, industry is getting better and that's where we are trying to sail across the globe with more global expansions. Especially on China, we have a very high potential. We are expecting a very good business. Maybe it can open a potential business up to 20 million to 30 million also. We are now successfully negotiating with a lot of major production houses in China, including Alibaba and everyone.

So, it's very, very potential. The coming year is going to be very prospective and bright is what I would say. And the Chinese government is also very much supportive in case of Phantom. They have offered us free space, they have offered us free housing, so that we are continuously involved in the Chinese business as well.

So, it's very prospective in China and we are also looking at the European business as well. And always, as always, Phantom has diversified our business platform so that we are not completely relying on one country or one production hub. So, we are actually concentrating more and more on Middle East and Australian production houses also. So, this year is going to be very bright is what I could say.

Arnab Bhattacharjee: Thank you, Bejoy. I wish you guys all the very best.

Moderator: The next question is from the line of Agastya Dave from CAO Capital. Please go ahead.

Agastya Dave: Thank you very much for the opportunity. Sir, I have one request. If you guys can start doing quarterly updates now, because we are most likely in an infection point for the entire industry and also for the company, it would be very helpful for us to get more regular updates from you. It's a small request, sir. If you can consider it, it would be great. Sir, my question was on the Chinese acquisition. So, when is the date of consolidation? When do we start consolidating this entity?



S. Bejoy Arputharaj: The Chinese entity you are asking, right? It's already a subsidiary.

Agastya Dave: Right, sir.

S. Bejoy Arputharaj: It's a wholly one subsidiary. It's already consolidated. I mean, this year only we have started business. So, it is not reflecting.

Agastya Dave: What was the date, sir? When did we start it?

S. Anantharaman: It's the 13th of March 2025 we registered, incorporated. But there was no much revenue as such there. So, it is started from April only effective. So, you can see the revenue in the...

Agastya Dave: Were there any startup costs also included in the P&L this time around?

S. Anantharaman: No, no.

Agastya Dave: No significant startup costs, right?

S. Anantharaman: No.

Agastya Dave: So, basically this is a fresh year for us from day one.

S. Anantharaman: Yes, from the day one, it will be starting from April effective.

Agastya Dave: Sir, you mentioned that a lot of new projects are coming in. So, what kind of pricing are we seeing as of now? Is it matching the previous peak pricing that was prevalent in the industry?

S. Bejoy Arputharaj: Can you come again with the question, please?

Agastya Dave: Sir, the new projects which are coming up for which you are bidding, how is the pricing environment? Is everyone compromising on pricing just to fill up their order books or these projects that you will be now executing, they will have those old margins right from the book?

S. Bejoy Arputharaj: So, it's definitely better than last year because the last 1.5 years have been very bad, and there is so much of competition and we have to compromise a lot in the profit margins as well. But this year it's getting better as I said. We are looking at a couple of projects which we were able to even achieve more than 25% of profit, 25%-30% also. So, it's getting better as we speak.

And when it comes to major film productions, they don't look at small petty institutions or small boutique studios to award their work. You know, they will trust on very well-established organizations with a great track record like Phantom because we have been in the creative industry right from the very beginning of the inception of the company.

So, they don't just award anyone those projects. They are completely, they do their due diligence, they come out and check our background, check our financial health and the



headcount and everything and the infrastructure and the kind of security that we have. They do their own audit. So, based on that only, they will award the project.

So, it is not for everyone to bid on those projects. But of course, we are right now having competitions, but it is in a very healthy way. Going forward, we are looking at improvement in the profit margins as well.

Agastya Dave: So, sir, can we consider, so if we look back pre-2024 or the '23 and the good period of '24, you used to be around 40% EBITDA margins and sometimes even surpassing that. So, what kind of margins should we consider for this Rs. 200 crore number that we are expecting this year?

S. Bejoy Arputharaj: We are expecting around 38 to 45.

S. Anantharaman: EBITDA.

S. Bejoy Arputharaj: EBITDA.

Agastya Dave: And the Chinese operations will be breakeven, sir, in the first year itself or will you have any drag on the overall profitability because of China?

S. Bejoy Arputharaj: It is definitely going to be profitable. The reason is we are going to keep our workforce very small there and most of the execution will be handled by the Indian division only. So, we are looking at a very profitable margin and we are also using Tippett's name to pitch on projects as well. So, through Tippett also we will be handling some projects. So, we are definitely looking at a very profitable margins here.

Agastya Dave: Sir, one last question on the investment side, both on the P&L side. So, if you are hiring more people, you mentioned a list of the number of people who have joined you. And also in terms of any investment you will do in fixed assets, what is the outlook for the next couple of years? Do you need to invest in certain capabilities further from here?

S. Bejoy Arputharaj: Of course, definitely there will be investments in the coming years, because since we are expanding across the globe, we will be needing high-end servers to be installed and infrastructure to be done. So, that is definitely there. I don't have the definite number right now with me, but I can get back to you on that if you want.

Agastya Dave: Please do, sir. That would be, at least the scale and magnitude of the investments, that would be something of interest. Sir, kindly do consider the quarterly updates, sir. That would be very helpful.

S. Bejoy Arputharaj: Of course, we will consider.

Agastya Dave: Thank you very much, sir. And I hope we see more pickup in business, sir.

S. Bejoy Arputharaj: Thank you so much.



- Moderator:** The next question is from the line of Anil Kumar Sharma, who is an individual investor. Please go ahead.
- Anil Kumar Sharma:** Yes, sir, my question you have already answered. My question was regarding margins that you have already mentioned. So, my next question is can we expect any dividend this year?
- S. Bejoy Arputharaj:** We are actually working on that. We will get back to you on that.
- Moderator:** The next question is from the line of Mahesh, who is an individual investor. Please go ahead.
- Mahesh:** Hello, Bejoy, I hope you are doing well.
- S. Bejoy Arputharaj:** Hi, I am good, I am good. How are you?
- Mahesh:** Yes, I am good, I am good. So, Bejoy, my first question is, so the Tippett, I heard about the order and everything, so the revenue for the last year and the upcoming year, so that will be consolidated on the balance sheet and the financial statements, right? Like from this year.
- S. Bejoy Arputharaj:** This year. Last year we cannot consolidate because the financial year is over already. The coming year, '25-'26 will be consolidated.
- Mahesh:** Done. Perfect. And about the Tippett thing, so last year you told that the \$7 million revenue has been realized, but it is yet to be added to the financial statement. So, can you tell me the PAT percentage on that \$7 million revenue?
- S. Bejoy Arputharaj:** 22%.
- Mahesh:** So, you actually in the H1 earnings call, we had a PAT percentage of 18%, and you gave a guidance of 35%, and we were expecting Rs. 30 crore order from Tippett to be executed and that increasing the PAT percentage to 35% guidance that you gave. So, this 22% also, if you add, it won't get us anywhere above 20%. So, there is almost a 15% gap. Can you shed some light on that?
- S. Bejoy Arputharaj:** No, we were expecting actually, see, these orders are like mostly handled by Tippett itself. So, if we would have got India outsourced, we would have achieved those margins as well. But unfortunately, the consolidation was not possible due to the court order delay. And because it's still a different company from Phantom, they were not able to show their government also that they are outsourcing into their own company. So, they have their own restrictions when it comes to the Canadian market that they have to withhold some work to avail certain tax benefits. So, they were not able to do that because this consolidation didn't happen. So, that was one factor. But otherwise, we were actually on track and there were certain things that we were expecting to happen that also got delayed.
- Mahesh:** So, it is just because of the court order, you were not able to go ahead with the...



S. Bejoy Arputharaj: Yes, that was an unexpected delay. We were not able to rush their government's process. Like everybody took their sweet time and a lot of holidays came in and there are so many unexpected delays actually. We didn't expect that to happen. Otherwise, this number should have been consolidated in...

Mahesh: So, the whole Rs. 30 crores, not even a single rupee was executed here in India.

S. Bejoy Arputharaj: No, it is not like that. We have done it. But there are certain norms that we were not able to comply because it is not yet completely taken over by Phantom. That's it.

Mahesh: Done. And another thing, so I can see that the Board had passed for QIP and convertible warrants. Convertible warrants, if I am not wrong, was passed for Rs. 60 crores and you have raised almost Rs. 10 crores of convertible warrants already, out of which Rs. 2.5 crores has been received by the company. And the QIP was for almost Rs. 80 crores, if I am not wrong, which was rejected by the NSE. So, what was the reason for the QIP and for the convertible warrants?

Because even proceeds from this thing, IPO has not been completely utilized yet. And before that, you were raising convertible warrants in QIP and that too almost Rs. 100 crores, which you passed with the Board. I know you won't be raising the whole Rs. 140 crores, but a part of it. But what is it for and why are you raising it even before the IPO proceeds has been completely used? Can you please tell me something about that?

S. Bejoy Arputharaj: Actually, as you said, we were not very keen to raise the full numbers that what we asked for. But we have just opened up the QIP and warrant. And yes, we are actually planning for more expansions in the near future. So, we wanted to be ready with our investment capabilities, especially on the Chinese and the European market. In Europe, we are working on something, which I cannot reveal right now. I will let you all know when it comes to the right time. So, we wanted to be ready with funds so that it doesn't affect our future endeavors. We are also looking at investment in Middle East also.

Mahesh: So, you are not planning to raise the whole Rs. 140 crores?

S. Bejoy Arputharaj: No.

Mahesh: The thing I don't understand is, you have been saying like people have already asked questions about the trade receivables. I am sorry that I am going back and forth about it. But one thing I don't understand, you are saying that you have collected. Like even in H1 you said the Rs. 10 crores has already been collected but not reflected in the financial statements. But here in the free cash flow, I don't see anything coming inside the company.

I see company running on borrowed money. And at the same time, you are trying to raise money also. So, technically, the company is not making any free cash flow and you are relying on borrowed money and raised money. So, I don't think it's a good way for you to expand.



Like, obviously, you know better. But still, this is my consideration. So, what do you think on that?

S. Anantharaman: It's basically, it's not the collection what we have not collected yet as such. It is collected and we have been utilizing that for our working capital. And if you see maximum collections we have done, as Bejoy have noted earlier itself, right. So, we are trying, there is no free cash as such right now, but in future what we are expecting, it's going to flow maximum because we have considered our revenues maximum to that extent. That will be billed and we will be collecting it.

Plus, the QIP what we are working on, that will be on the tranches basis only upon the requirement. It's not on the money we are utilizing for our process. It's on the investment perspectives only we have planned it. And whenever this requirement comes on, we will be taking in the tranche basis. That's the actual plan of it.

Mahesh: No, so what you are saying is the money is coming into the company, but at the same time you are using it for working capital?

S. Anantharaman: Yes. It's not that. It's not that. The money is coming in and for the investment purpose only. Whenever the requirement is there, we will release it on the tranche basis.

Mahesh: No, I am not talking about the QIP. I am talking about the money collected from the receivables. Because in the cash flow statement, I am not seeing any money flowing at all from operating activities. That is why.

S. Anantharaman: Can we get back to you on this?

Mahesh: Yes, okay, I will join back the line.

Moderator: The next question is from the line of Rahil from Crown Capital. Please go ahead.

Rahil: Good morning, management. So, firstly, this Tippett studio, it's a wholly owned subsidiary, right?

S. Bejoy Arputharaj: No, not yet. You know, by March 27th only we got the court order clearance, which allows us to take over. And we are only going to own 80% of Tippett.

Rahil: 80%?

S. Bejoy Arputharaj: Yes.

Rahil: And so when you said, it did \$7 million last year, I think you also mentioned it projects \$12-15 million in FY '26?

S. Bejoy Arputharaj: In the coming year, yes.



- Rahil:** In the coming year. So, 80% of that we will see on our P&L, correct?
- S. Bejoy Arputharaj:** Yes.
- Rahil:** And then you also mentioned that the standalone business you expect it to grow at 30%. So, I think you clocked Rs. 99 crores or Rs. 100 crores in FY '25, if I am not wrong. So, Rs. 130 crores, you expect it to be in FY '26. Am I right?
- S. Bejoy Arputharaj:** Yes.
- Rahil:** So, let's say, 12 million, that's like another 100 crores from this Tippett Studio, Rs. 130 crores. So, is your Rs. 200 crores guidance a bit conservative side? I am not able to add up because you also said China business will also add another \$5 million to \$8 million. So, can you just explain?
- S. Bejoy Arputharaj:** Yes, it's conservatively 200, yes. 200 conservative.
- Rahil:** But based on the figures you mentioned, it definitely will be able to cross.
- S. Bejoy Arputharaj:** Definitely will be able to. Yes, we are. But we wanted to be on the conservative side of this, yes.
- Rahil:** That was my confusion. And you mentioned EBITDA margins expect 38% to 45%, correct?
- S. Bejoy Arputharaj:** Yes, it is expected, yes.
- Rahil:** Perfect. Thank you for explaining. All the best to you.
- Moderator:** The next follow-up question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.
- Shikhar Mundra:** Just wanted to understand what was the PAT margin for Tippett this year?
- S. Bejoy Arputharaj:** 22%.
- Shikhar Mundra:** 22%, okay. So, they are in line with Phantom's standalone operations? And going ahead, do you see similar kind of margins?
- S. Bejoy Arputharaj:** Of course, it will increase because in the coming year, we will be enforcing more of the Indian workforce into Tippett's pipeline. So, we are pitching on more projects based on the Indian workforce as well. So, the profit margin is expected to grow.
- Shikhar Mundra:** And so, now, as on date, Tippett is fully consolidated in our company?



S. Bejoy Arputharaj: Yet to be, yet to be done, because the proceedings came later, and so we are right now waiting for the FEMA approvals and everything. So, it's happening.

Shikhar Mundra: So, how much time? So, what is the procedure? Like, except from the FEMA, what is the FEMA approval exactly? And after that, what is the other formality which will be pending?

S. Anantharaman: It's basically the ODA investment. We need to take an approval from the RBI for the investment in the foreign country. Once that is done, so on that day we can do the consolidations from that date. So, that's a policy we are following it. And we will be completing in this H1 itself. So, most probably you can see the numbers in H1 and the current financial year itself one total.

Shikhar Mundra: And so the transfer, the money which has been for the acquisition, that has already been paid, right?

S. Anantharaman: No, no, no. We are waiting for the approval from the court and it is under the approval of RBI. Upon the approval only, we will be transferring the funds.

Shikhar Mundra: And how much is that fund amount which needs to be transferred?

S. Anantharaman: It's \$3 million.

Shikhar Mundra: 3 million dollars?

S. Anantharaman: Yes.

Shikhar Mundra: So, follow -up question on this, I have like, I mean a company doing 22% PAT margins, which we are expecting \$12 million, and how did we manage it to get it for just \$3 million?

S. Bejoy Arputharaj: This happened during the downtime. So, all the term sheets and everything signed one year back. So, that time, they were in a tight position, so they had to go up. And the founders are all a bit older and they wanted a good management to take over, and I am in very good rapport with them. So, they want us to run the company in the future and they want to retire in the future in another five years or so. So, that's one reason.

S. Anantharaman: And adding to that, during this 12-15 million of this, what we have projected for this year, for Tippett, so that definitely they need the Phantom support and Phantom resource support to be engaged because every projects we are supposed to show our resource availability regarding each and every project. So, the small team they can't do that.

So, definitely they need a support to achieve these numbers or more than these numbers. If they want to achieve, they definitely need to show the resource availability from Phantom and Phantom also giving a good support to the client and as well regarding this resource and the technical ability what we have. So, regarding both together we can do that numbers.



S. Bejoy Arputharaj: Yes, what he is trying to say is, Tippet cannot do without Phantom support is what exactly it means. Because our execution power and the manpower is highly required when it comes to achieving that kind of numbers.

Shikhar Mundra: Sir, now one basic question I have. So, we are planning to double our revenues, more than double our revenues this year. But if you see our cash flows, I mean this has been covered in the call previously, I mean, other participants were also asking, have still not turned positive. I mean, even this year if you see, our operating cash flows are like Rs. 20 crore negative. We are just basically, till now we are doing business basically on borrowed money. Either it is from the issue of equity shares or borrowings.

And so, first of all, for this Rs. 100 crore to Rs. 200 crore jump, how much money do you think you have to raise just for these business operations? Secondly, if you can answer this question, then I can follow up with my other questions.

S. Binu Joshua: Yes, let me add one more point. So, these receivables, whatever we are seeing, as Bejoy rightly mentioned, due to the previous year's strikes and we are supposed to give some leverage to the clients who are our regular clients. So, that's what the outstanding has been gone bit high and receivables got slower for the collections.

And now the market has been revived. Based on that the existing clients as well as the new clients are coming following us, and we are in a good pipeline where we have a strong going to collect the outstanding in between 90 days, first of all. And the existing receivables also falling in the right time and we got the confirmation.

So, regarding that one, we didn't see any tough time this year, first of all. Because we are overwhelming with the bidding process and now we are choosing the right input from the client where we are doing much profit out of this. And even the existing years what we have left out with the receivables, that also we got the confirmation. These are two things which I want to insist now.

And apart from this, what we are saying regarding this Rs. 200 crores what Bejoy mentioned for this year to be achieved, this is the resource what we have right now in hand. We are capable to do. Maybe like 15%-20% we might require a resource support outside to achieve these numbers probably. But what we are planning based on our resource availability and in close what we are planning, that is completely fine.

But when we say 200, it is not only for this year. We are planning something with the new clients. So, when we say the project it's always like to be 2 to 3 years of control with the productions. If we are missing out some project this year, we might be reaching that client after 2 to 3 years. We are talking about top 10 production in the Hollywoods. So, we should be always ready with the future for '25-'26 and '26-'27 as well as '27-'28. We are supposed to be equally ready with the clients for the inputs as well as the projects.



So, we might be, as Bejoy well said, we need to be well-prepared for the future projects as well as the technical development, we have to be ready. So that was the thing we are planning for the QIP fundraising or any other borrowings. I am just giving phone over to Mr. Anant.

S. Anantharaman: And also, in the H1 we are expecting the positive since we are collecting the old debtors and that will be realized in the H1. So, we will be seeing the positive cash flow in '25-'26 in H1. And also it is topping up the revenue of unbilled which we are going to collect by going forward in the H1 itself. So, that also will give the positive scenario in H1. And by going forward, we will have a better operating profits will be there in the cash flow.

Shikhar Mundra: Secondly, I mean, you talked about the Europe and Middle East acquisitions. So, again the same question. I mean, we are coming out of a crisis situation. So, don't you think we are doing too many things too soon? Because Rs. 140 crores we are raising in Middle East and Europe, it's too big for a company of our size. And I mean, till now our cash flow from operations are yet to become positive. This year we are anticipating them to break even and become positive. So, don't you think we are doing too many things too soon?

S. Bejoy Arputharaj: No, no, see the numbers that we have given is the maximum, you know, Rs. 140 crores is not what we are raising immediately. We have just got approval for that, but we will be ready if there is a need only. So, even for the Middle East, we are looking at a very, very small investment, which is not even that big.

So, we are having a few very good potential and clientele who are willing to award us work. But they want our presence there. So, these kind of clients we cannot forego because in future we need such relationships to be built to expand our presence in all these areas. So, that is the reason we are right now working on all these new projects.

But any big investments we will think twice or thrice before doing it. So, all the numbers that we have got approval for the QIP, and the warrant is just on the safer side. We are not going to raise the money immediately for everything.

Shikhar Mundra: And apart from the Tippett acquisition, \$which is 3 million of outflow which is to be incurred, what are the cash flows on investing activities which we will incur this year? Like, for example, something intangible assets or capital work in progress which we are expecting this year, anything specific for this year?

S. Bejoy Arputharaj: Can you come back again?

Shikhar Mundra: So, apart from the money which is to be paid for the Tippett acquisition, what are the cash flows from investing in the outflows we are expecting this year, whether it is intangible assets or capital work-in-progress?

S. Bejoy Arputharaj: Basically, what we are seeing is on the CAPEX part, like around Rs. 10 crores to Rs. 15 crores we might go on the investments in the foreign countries like the assets what we are planned



for. Okay, approximate. as of now. The detailed work has not been done. And on the workflow side, working capital side, we do the process where we can at least have a reserve of two to three months of cash outflows. That's what we planned as of now.

Shikhar Mundra: Thank you for answering my questions.

Moderator: The next question is from the line of Pradeep, who is an individual investor. Please go ahead.

Pradeep: Good morning, sir.

S. Bejoy Arputharaj: Good morning.

Pradeep: Sir, first, can we expect the monthly update in the tabular form basically which is properly having what is the order received in this month? What is the basically cash received or trade receivable received in this month? What is the revenue executed in this month? And that is a tabular fashion basically because the investor confidence has gone very low because of whatever we have committed and we are suffering. And this year is going to be good.

So, if we can have the monthly tabular-based proper thing like the way you told just now the Rs. 30 crore order basically we gave update that Rs. 30 crore order we have received from Tippett in the month of November. And now, in the month of May, we are saying that the order did not realize. And we did not get any update in between regarding this. If we can have the monthly basically proper updates, that will at least help the investor confidence.

S. Bejoy Arputharaj: No, no, we are not saying in the month of May that the order is not realized. The order was realized by Tippett. But it is not consolidated into Phantom's account. I am sorry if there is a miscommunication.

Pradeep: Sir, it is not coming in the numbers ultimately.

S. Bejoy Arputharaj: No, if it is consolidated, it would have reflected in Phantom's balance sheet. But unfortunately, the court orders came by March 27th only. So, that is the reason it was not reflecting in our account. Otherwise, it is till Tippet has done 1 million is what I am saying.

Pradeep: Yes, sir, but the updates should have been given. That is what I am trying to say.

S. Bejoy Arputharaj: Yes, definitely we will try to do a better update.

Pradeep: Monthly updates basically if we can have, it will be really required.

S. Bejoy Arputharaj: We will definitely try to do that.

Pradeep: The transparency will help the investor's confidence.

S. Bejoy Arputharaj: Sure. We will definitely try to do that.



Pradeep: The second question is, sir, the Tippett acquisition. For example, the Chapter 11 proceeding has been happened. So, how is the reputation recovered, basically? Because due to the Chapter 11 proceeding or the bankruptcy proceeding, the reputation of the Tippett or in general would have gone down. And are we basically now, are we getting projects from the big players like Amazon or Disney or things like that? Or still, we are basically relying on the second basically sub-contracting thing?

S. Bejoy Arputharaj: No, no. So, this is when it comes to Chapter 11, it is not a bankruptcy, exact bankruptcy filing. It is a filing for restructuring the company. So, it is, you know, I am not sure about it here, but in the U.S., they have this option for restructuring. So, they are basically restructuring with the support of the new investor. This is what we have informed the bank and everybody knows it. And a couple of other major two VFX houses have done this in the past and they are still one of the leading houses in the global market. So, this is nothing, you know, this will not definitely impact Tippett's reputation.

When it comes to Tippett's reputation, we have recently worked on this Marvel show called, what is that? Ironheart, right? Ironheart. And this is a recent award and we recently worked on the Star Wars show also. So, there is no such question to be raised about the reputation because it is still there, and they are very much intact and in a very good books of the major production houses.

Pradeep: Sir, just the monthly order update basically we need.

S. Bejoy Arputharaj: Sure. We will look into it.

Moderator: The next question is from the line of Mahesh, who is an individual investor. Please go ahead.

Mahesh: Hi. So, just a follow-up on the trade receivables. So, the only thing I don't understand is in the first half, Rs. 66 crores was said to be the trade receivable at the end of H1. You said Rs. 10 crores was already collected. And in the operational highlights, I didn't quite catch the figures, but you said a lot of amount was already collected. But it wasn't reflected in the cash flow statement. So, can you just tell me about it?

S. Anantharaman: Basically, the outstanding what we had around Rs. 66 crores in H1 closing of last year, right? In that, we collected almost 58% of the collections. And the balance is carry forwarded. It is 36 crores for this financial year. That's what he was explaining in the operational highlights. Understood?

Mahesh: Yes, understood. And for the second half, how much is the trade receivables then?

S. Anantharaman: Rs. 26 crores we have invoiced and we collected around Rs. 22 crores. Only the Rs. 4 crores were outstanding, which is adding up from 32 to 4. It's Rs. 36 crores.



- Mahesh:** But like Rs. 85 crores is the remaining. I mean, Rs. 85 crores is what you have shown in the balance sheet for the whole year. So, the remaining Rs. 40 crores?
- S. Bejoy Arputharaj:** In that Rs. 85 crores, we have an unbilled of Rs. 43 crores, which is unbilled yet to invoice, which will be billing in the subsequent month, like April, May, June. Okay? And balance Rs. 42 crores where we had a Rs. 42 crores, in that we collected around Rs. 6 crores also. So now, as of now, he was representing Rs. 36 crores.
- Mahesh:** Yes, it's much clearer now. So, one more thing that Rs. 40 crores which you are saying is unbilled. How is it unbilled? I don't understand. Did it flow through the income statement? Or I guess the previous gentleman also asked this question. But can you explain that?
- S. Anantharaman:** Okay, basically unbilled is how it is basically more than the percentage of 25% whatever the working is being done on the milestone but not reached to the milestone of 30%. For example, I have a first milestone of 30%. More than 25% I have completed. That goes into unbilled. And upon the confirmations and the milestone achieved, it will be converted into the revenue in debtors basically. And then the invoice will be flowing to the customer. Less than 25%, this will be sitting in the WIP work in progress which yet to work on for the milestones or yet to go on the unbilled. I think I'm clear.
- Mahesh:** Yes, I understood it now. Thank you very much. And one more thing. So, our QIP was rejected by the NSE, right? So, what was the reason for that?
- S. Anantharaman:** Actually it is not rejected. As Mr. Bejoy clearly mentioned, we are planning to get this QIP fundraising in multiple tranches based on their recommend. And first tranche, which has been planned for Rs. 16 crores. And through that Rs. 16 crores, it has to come from two different investors, not more than 50%. But due to the technical problem, they have sent that entire money through one account as 90% and 10% from the other account. So, it is not valid, and it has been received in our escrow. And when NSE has been enquired, it is supposed to be not more than 50% from one account. So, that has been returned to the particular investor and that was the technical issue happened. It is not rejected actually.
- S. Bejoy Arputharaj:** So, basically the money was received. They were supposed to send it not more than 50%, but the one investor, he did nearly about 85%-90% by himself. So, that is the only technical error which happened.
- Mahesh:** So, that was the reason the whole thing got rejected, is it? Or invalidated, whatever it is?
- S. Bejoy Arputharaj:** Yes, that is the reason, yes.
- S. Anantharaman:** It's not the whole thing is rejected because the QIP approval is still there. Only for that application, first tranche which we are looking for, only that is being rejected. It's not the rejection it says. It isn't a technical issue from the investor side. So, the investor will be coming



back, and we will be getting the funds as well when we are going forward for the QIP application. It's not the rejection.

- Mahesh:** Yes, I get it. So, what's the technical error for one investor? Or is it like...
- S. Anantharaman:** One investor have sent a fund more than 50%. There was a two allottee was there, okay, more than 40%, 50%-50% only to be allotted for the 2 persons. But one allottee have sent more than 85% of the fund. So, that is the reason it has been rejected. It has been not rejected. It has been shown as a technical issue. Then they have told us to send back the funds to the investors. So, these people are going to participate in the next tranche.
- S. Bejoy Arputharaj:** So, basically we got the money in the escrow.
- Mahesh:** So, there are two investors. Yes, I understood that. I understood that. What I am asking is, were there two investors in the tranche, first tranche?
- S. Anantharaman:** Yes.
- S. Bejoy Arputharaj:** Yes.
- Mahesh:** So, both of the things got like disorganized and so both the investors will have to apply for the QIP again. I mean, pay the money...
- S. Anantharaman:** Yes, in the next tranche, when we open it.
- Mahesh:** In the next tranche. And does this affect our operational capabilities because the money is not raised?
- S. Bejoy Arputharaj:** No. No, it's not going to affect anything because these are all planned for investments and expansion perspectives only.
- Mahesh:** So, the expansion is getting delayed, right?
- S. Anantharaman:** Yes, the expansion is little getting delayed whenever the requirements comes on. We are under the process of expansion. Whenever the funds is required, we go for the tranches and we get the funds out. It's not related to working capital anymore, yes.
- Mahesh:** And what were the figures for the first tranche of the QIP?
- S. Bejoy Arputharaj:** 80.
- S. Anantharaman:** 80, no, it's for Rs. 60 crores.
- Mahesh:** Rs. 60 crores.



- S. Anantharaman:** 40 for QIP and 20 is from warranty.
- Mahesh:** Yes, the warrant has gone through, right? QIP is the only thing which has remained.
- S. Anantharaman:** Yes.
- Mahesh:** The Rs. 40 crores worth of capital expansion has been delayed, is what you are saying?
- S. Anantharaman:** We cannot say it is delayed. It's because of the technical issue. It was cooling period. It has been for three to four weeks as per SEBI norms. We are just in the cooling period. So, upon the expansion requirements, we will be going at it. It is not the delay we can say that. It's a cooling period where we are there in the technical issue.
- Mahesh:** No, but ultimately the Rs. 40 crores will be used for the expansion, right? That is when I am saying it's a delay. If the QIP has gone through...
- S. Anantharaman:** No, this is all going as per plan only. We wanted to be ready with the investments, and we still have time. So, it is not going to get delayed.
- Mahesh:** And regarding the expansion, so China and U.S., you had those in figures which you are expecting in FY '25. So, can you give us a breakdown of PAT margins from each of the regions, like from China or from the Middle East or from the USA?
- S. Anantharaman:** We don't have that information right now. I will ask the IRPR team to reach out to you with a proper response on this.
- Mahesh:** Yes, please tell them to do because last time I guess, I asked for some information, and they didn't contact me and I wasn't able to get it also. Yes. And as the previous gentleman also said, quarterly updates or monthly updates, anything, because last year has been very rough for the investors of the company. And for personally you also, I know for a fact, because even I am a business owner. So, it will be better if we get a good update, like, so for the next six months, you are expecting good cash flow and strong operating profits, right? So, I guess it will be better if you can give us a monthly update or a quarterly update or whatever it is so that to restore investor confidence.
- S. Anantharaman:** Sure, we are on it. Yes.
- Mahesh:** Done.
- S. Anantharaman:** And regarding this whole thing, we will work it out.
- Moderator:** The next question is from the line of Mirav Gosalia, who is an individual investor. Please go ahead.



- Mirav Gosalia:** So, I just wanted to ask like, what is our employee count currently and what are the hiring plans? So, just wanted to know that, do we have the bandwidth of the operations to execute Rs. 200 crores worth of work in a year? Just wanted to know that.
- S. Bejoy Arputharaj:** Yes, right now we have more than 450 employees on payroll and around 150 to 200 are engaged with us on a project-to-project in a contract basis as well. And apart from that, we have a very strong outsourcing vendors pool and also a lot of freelancers pool as well. And our HRD has a great database of more than 10,000 artists in our database. So, whenever we need, we are in a right capacity to pull in more resource power.
- Mirav Gosalia:** And just wanted to know that what would be the range we can get in the next two to three years for Phantom standalone, then Tippett and the China business? Like, do the China business have the potential to get to Rs. 100 crores in rupees revenue, like in the next two to three years, or in that range?
- S. Bejoy Arputharaj:** The next two to three years you are talking about China?
- Mirav Gosalia:** China and in general about all three divisions that Phantom, Tippett and China business. What is the range that we can achieve in the next two to three years in revenue?
- S. Bejoy Arputharaj:** In revenue we are expecting more than Rs. 750 crores is what I can say, but I need to verify those numbers. I don't have it right now with me, but this is what we are projecting.
- Mirav Gosalia:** In the next three years, right?
- S. Bejoy Arputharaj:** Yes. This is minimum. Yes. More than that only we will be able to do. Yes. After consolidating Tippett and China, it is looking very prospective. So, we are looking at a very prospective business in the future.
- Mirav Gosalia:** And in China business in general, in the industry, are the margins at par with like around the 35%, 40% EBITDA margins, which we see? So, are the margins in that range or lower or higher?
- S. Bejoy Arputharaj:** Initially, it might be a little less. But by going forward, it will be more for the time being because we incorporated just now. And we are seeing some operational additional cost and things as well. So, once it has been offloaded to India, the outsourcing works, so that it will help us to increase the EBITDA and the PAT for China.
- Mirav Gosalia:** And what are the range of investment that we need to enter into a region like in Middle East, in China? And how much time it takes to recover the investment, like the payback period or something?
- S. Binu Joshua:** China basically has a high potential. We are working on the investment part and moreover we have good internal accruals to maintain the China operation. From there business inverts itself. So, for China we are not that much focusing into major investments at all and only like material

parts and the infrastructure has to be done and rest all the resource and other parts will be taken care from the internal accruals from Chinese market. And the Middle East is a different sector and that I think Bejoy can add a few more points for Middle East.

S. Bejoy Arputharaj: It is basically, it is not just visual effects we are looking at Middle East. Some other different verticals also we are looking at which I cannot disclose right now, but I will keep you all posted on that.

Mirav Gosalia: Thank you all the best to the entire team.

Moderator: The next follow up question is from the line of Anil Kumar Sharma, who is an individual investor. Please go ahead.

Anil Kumar Sharma: Sir, my second question is regarding how much debt you expect at the yearend of this coming year? Are you planning to raise the debt also? And the second question is you have raised the QIP.

S. Bejoy Arputharaj: Can you repeat the first question, sorry?

Anil Kumar Sharma: Sir, what will be the total debt outstanding in this year? And the second question is, QIP you have raised which was failed technically due to technical reasons. What was the price for the issue price of that?

S. Bejoy Arputharaj: So, the debtors, it's Rs. 85 crores we have closed. In that, Rs. 42 crores were outstanding. As of today, it is...

Anil Kumar Sharma: No, not debtors, sir. Sir, not debtors, please. Debt, loan, loan outstanding, debt.

S. Bejoy Arputharaj: The loan outstanding you are saying. It's almost Rs. 15 crores which we are standing in the loans, basically, where we got recently in the current year, means the closing year which we got an additional working capital from the bank. So, only that it will be there. And it's a long-term loan of Rs. 15 crores which we are holding on. So, that also will be in the next 2 to 3 years we will be reducing it. So, it won't be much.

Anil Kumar Sharma: And what is the rate of the share price? At what you were planning to raise at QIP? What was the issue price?

S. Bejoy Arputharaj: The QIP price works on last 21 days working days and 10 average days working days. So, that has to be calculated when the applications goes on. So, that valuations will be done on the date when we are going on the issues. Surely we will let you know on that. So, right now I cannot tell you the numbers because it will be a volatile market is there. So, we cannot just close the average now itself. So, it will be on the valuation prospects only when we are going on the QIP. We will surely let you know on that.

Anil Kumar Sharma: So, it means you are not planning to raise any debt in the coming year for expansion.



- S. Bejoy Arputharaj:** Yes, we are not. We are not.
- Moderator:** The next question is from the line of Sanil, who is an individual investor. Please go ahead. Mr. Sanil, I would request you to unmute your line and speak, please. Due to no response from the current participant, we will move on. The next follow-up question is from the line of Shikhar Mundra from Vivog Commercial Limited. Please go ahead.
- Shikhar Mundra:** So, based on what you explained regarding the unbilled receivables, so my question is, this year again with such a huge quantum of work which we are planning to do, we will again have a big unbilled book, because out of the Rs. 200 crores of revenue, there will be some projects which you will not be giving 25 to 30...
- Moderator:** Sorry to interrupt, sir. Mr. Shikhar, sorry to interrupt you. May I request you to please use your handset? Your audio is not clear. Can you please repeat your question?
- Shikhar Mundra:** So, my question is regarding the unbilled receivables. So, based on what you explained regarding the milestone, when you do 25% to 30% of the project, it's kept in the unbilled receivables work. So, this year with the huge quantum of work we are doing, so again, we will have a big book of unbilled receivables. So, how do you ensure that is not there? Because a lot of cash flows you are projecting to be positive is based on this unbilled receivables coming in. But again this year we will have a big book of unbilled receivables. So, how do you explain this?
- S. Anantharaman:** If you see on Rs. 200 crores when we are pushing, we will be increasing our head counts as well to that extent. And we won't be seeing much numbers in that because last minute milestones might work out and we will push it off on the revenue. So, we won't be seeing 20% to 30% of it. Not the big number we will be seeing at what you are seeing now. But that's what the plan going forward and we will make sure that operationally we will push these milestones and we will follow up with the customers to get this approved and we will be billing it out. So, as of now, we are not seeing that operational issues, which we can go in unbilled on, but we will try to minimize that unbilled as much as we can.
- S. Bejoy Arputharaj:** Also, if you look into this order books of Rs. 72 crores, that is all supposed to be closed before Q4 only. So, there won't be any unbilled on those numbers. So, that is all, we have a very clear projection and the movies are either slated to be a release or a series episodes will be released. So, whatever the number that we have disclosed as 72 is all getting close before Q4 only.
- S. Anantharaman:** And also adding to it, whatever the unbilled we have completed in the last year, that is already billed 60% of it. So, we are expecting to complete by June or July, maxi. So, that also will be converted.
- Shikhar Mundra:** Perfect. And secondly, on the Tippett side, how did the balance sheet of Tippett look? I mean, what are the receivables this year and cash flows of Tippett?



- S. Anantharaman:** As of now, we see a very minimal turnaround time for the Tippett ones because they go on the more than a year or 18 months or tenure will be the more because the release dates always ahead for them when the post productions they are working on. So, I see that very minimal receivables will be there and also the cash flow will be always a positive because they are collecting upfront as well on the collections. And they try to complete with the milestones. And once the outsourcing happens in India, we will also support them as a production friend. So, that also will in turn to reduce the negative cash flow. So, this most probably will be on the positive side only.
- Shikhar Mundra:** Can you quantify that? How much were the receivables for Tippett for this year? And what were the operating cash flows?
- S. Anantharaman:** No, we are not having right now, so we will get back to you on that. That won't be a problem for us. We will get back to you on that.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. Sahil Patil for closing comments.
- Sahil Patil:** Thank you, everyone, for joining the conference call of Phantom Digital Effects Limited. If you have any queries, please feel free to write to us at info@akmiladvisors.com. Once again, thank you all for joining the call.
- Moderator:** Thank you. On behalf of AKMIL Strategic Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.