Conference Call – Quarterly Results – Q3 FY'20

Transcript of webcast and conference call on Q3 FY'20 results of

HT Media Limited
&
Hindustan Media Ventures Limited

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MANAGEMENT: **MR. PIYUSH GUPTA – GROUP CFO, HT MEDIA LIMITED**
MR. SANDEEP GULATI – CFO, HINDUSTAN MEDIA VENTURES LIMITED
MS. ANNA ABRAHAM – HEAD OF INVESTOR RELATIONS, HT MEDIA LIMITED

Note: Please note that the transcript has been edited for the purpose of clarity

Moderator: Ladies and gentlemen, good day and welcome to HT Media Group Q3 FY 2019-20 earnings conference call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' and then '0' on your touch-tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Anna Abraham – Head, Investor Relations. Thank you, and over to you.

Anna Abraham: Thank you. Hello everyone! Good evening and welcome to our webcast and conference call for the quarter ended 31st December 2019. This is the first call of the calendar year. So, a very Happy New Year to all of you. Joining me today on the call is Mr. Piyush Gupta – our Group CFO, Mr. Sandeep Gulati – CFO of Hindustan Media Ventures Limited, Mr. Pervez Bajan – Group Controller and my colleagues from the Investor Relations team.

All of you would have had an opportunity to go through the financial results of Hindustan Media Ventures Limited and HT Media Limited. Our remarks today will track with the presentation on webcast which is also available on Investor Relations section of our website.

Moving onto Slide #2 of the presentation, I would like to draw your attention to the disclaimer regarding forward-looking statements which is included in the presentation. Kindly keep this in mind.

Moving onto Slide #3, the Slide #3 gives the chairperson's comments on the performance of the company which mentions impact on ad spends due to a broad-based slowdown in the economy. As you would be aware, GDP growth for quarter 2 of 2019-20 was at 4.5% which is the slowest growth in the last 6 years. The IIP witnessed a decline of 4% in October and a mild growth at 1.8% in November. Advertisers have reacted to the slowdown in demand by keeping their discretionary spends in check which has put pressure on our revenues.

On the plus side, softer commodity rates and our continuous focus on cost control have given us good growth on operating profit and margins. We continue to be hopeful of recovery in ad spends as and when the broader economy revives.

Moving onto the next slide, I will now hand over the call to Mr. Piyush Gupta to take you through the details of the financial performance for the quarter. After the remarks, the call will open for Q&A. Over to you, Piyush.

Piyush Gupta: Good afternoon everyone and a very Happy New Year to all the investors and the analysts. I will just quickly go over to the charts now. On the consolidated performance on Slide #6, if you were to just see, our total revenue came at 636 crores which is a 5% decline. EBITDA, however, on the other hand, as my colleague just referred to, has shown a sharpish increase. The better than last year commodity rates have a big role to play in that. And of course, as she had pointed out, there are tight cost control measures in the company which are also yielding fruits. As a consequence, our margin jumped up by 6 points to 19%. PBT at 42 crores and PAT at 14 crores, the PAT margin of 2%. Net cash remains at 999 crores as of third quarter end.

If we move forward to our business unit performance, and let's look at the print business unit first. On the print business unit, our revenues are down by 52 crores, which is 12% decline coming in at 379 crores. Circulation revenue is flat at 69 crores. So, there is some commendable work that has happened on realization per copy and better realizations have kicked in. Operating revenue as a consequence comes to 495 crores and operating EBITDA at 82 crores at a 17% margin. There are some key drivers given there. Margin expansion is on the back of softer raw material costs and very tight cost controls. There is a sequential growth in circulation revenue, which continues into this quarter and we are hopeful that the direction will be maintained in quarters going forward.

On the not-so-good side, the ad volumes have been muted even as we are trying to hold on to the yields, and decline is visible across both national and local advertising.

Moving forward into a little bit of detail on Slide #11, if you were to just analyze our English business, the ad revenues are down 15% and circulation revenues are down 3%. Some of the big drivers of revenue have been a sequential circulation revenue growth which I just highlighted earlier, and in terms of various categories, Government and BFSI witnessed double-digit growth in this particular quarter.

Some of the negatives have been that the ad volumes have struggled during the quarter. Most categories which we track have been soft and have been declining. Softness in categories like E-commerce, Auto, Real Estate, Telecom, Durable, and Retail still continues. And decline in national advertising is more pronounced than local advertising.

Moving forward to the Hindi business, we witnessed a 7% decline in our ad revenues coming in at 153 crores whereas circulation revenues remained flat. Growth in circulation revenues on a sequential basis has been driven by improvement in realization per copy, to the point that I had alluded earlier. Government , Medical and Health & Fitness categories have witnessed growth. Ad spend softness in key categories such as Auto, Retail, Durable, Real Estate, and E-commerce.

Moving forward to Radio, we have had a growth of 9% on Radio, but the growth is primarily driven by the consolidation of Radio One, the acquisition that we had done and started consolidating from 1st of April. Operating EBITDA shows a decline of 35% and operating EBITDA margin at 24%.

Again, the muted industry has been one of the big reasons and some of the sectors which have not performed are FMCG, Auto, and Travel & Tourism.

Growth in BFSI, Real Estate, and Education categories has been witnessed in this quarter. And we have managed to continue our good work on yields in this quarter and our yields across all stations have improved.

With this, I come to the end of the presentation, and we go into the Q&A session.

Moderator: Ladies and gentlemen, we will now begin the question & answer session. We will wait for a moment while the question queue assembles.

Our first question is from the line of Nirmal Bari from Sameeksha Capital. Please go ahead.

Nirmal Bari: Hello, thanks for taking my question. My first question is on the newsprint cost. So, we have seen the newsprint cost is down 33% this quarter and it has been coming down for the past three quarters. What was the average newsprint cost this quarter?

Anna Abraham: About 36,700.

Nirmal Bari: Do you expect this trend to continue or what is the outlook that you have for the next two-three quarters on newsprint cost?

Anna Abraham: We expect the newsprint rates to remain soft. There may not be a substantial decline from the current numbers.

Nirmal Bari: Okay. If we are not expecting a substantial decline, then are we trying to lock in this kind of prices for a longer time period, say 1 year or so?

Piyush Gupta: We will do whatever is in the best interest given the forward view of the newsprint rate but obviously you wouldn't want us to layout our strategy on procurement on an open call. There will be a slight softness, but they have softened quite a lot as you said over the last three quarters, and basis that, whatever is the best procurement strategy, we are trying to deploy that strategy.

Nirmal Bari: This decline of 33% that has happened in the newsprint cost, is that entirely due to reduction in prices or is it also due to reduction in the copies in circulation?

Piyush Gupta: Both.

Nirmal Bari: Can you give a breakup?

Anna Abraham: There is also a pagination impact because as we mentioned on the call, a lot of the decline has been led by volume.

Piyush Gupta: So, there is an impact of both consumption action where the consumption has come down as you rightly said. It might be print order, pagination, etc. and various other rationalization efforts which we are doing, but the substantial part is on account of rate softening.

Nirmal Bari: Okay, thanks. My second question is, would it be possible for you to quantify the revenue that you are getting from real estate advertisement at the group level? And what it was for the same quarter previous year? How has it been trending?

Anna Abraham: We wouldn't be able to give you a category-wise number but the category has been declining for us.

Nirmal Bari: Compared to last year same quarter, it has been declining in the current quarter?

Anna Abraham: Yes.

Moderator: We will take our next question from the line of Vaibhav Badjatya from HNI Investment. Please go ahead.

Vaibhav Badjatya: Sir, just I wanted to understand the trend on the government advertising better. So, in terms of both central government advertising and state government, can you share that what is the Q-on-Q trend in terms of growth and the basically same an Year-on-Year trend, for the current quarter?

Piyush Gupta: So, look while we will try to answer that question a little bit more specifically, let me tell you the government had some time back given a price increase to us, which was at 25%, but suffice to say that most of the volumes from the government advertising agency, which is DAVP, have crashed since then. So, in this quarter's result, there is a slight growth as far as the government revenue is concerned. There is an offset of volume by pricing, but some of those things are led by the political revenue which is also sitting in some of the state elections which have happened or some which are going to polls right now. But overall, the government volumes are pretty soft.

Vaibhav Badjatya: That's both on Q-on-Q and Year-on-Year basis or you are just talking about Q-on-Q?

Anna Abraham: Both on Quarter-on-Quarter and on Year-on-Year basis, there is growth in government revenues.

Vaibhav Badjatya: Central government revenues?

Anna Abraham: It is the overall government. We don't have a breakup of central and state.

Vaibhav Badjatya: Okay. Can you provide the trend in the central government revenue on Q-on-Q and Year-on-Year?

Anna Abraham: We don't have the breakup separately. Overall, there has been a growth.

Vaibhav Badjatya: Okay. Secondly, the firm has gone through a lot of restructuring in terms of hiving off Digicontent business and everything. Earlier, in the last quarter, there has been some news as to the department sending out notices to firms regarding the goodwill, amortization, etc. I just wanted to confirm that are we in receipt of any such notice or there is nothing from them?

Anna Abraham: No, we are not in receipt of any such notice.

Moderator: We will take our next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thank you very much for the opportunity. Sir, on the Radio business, we are seeing EBIT loss at the EBIT level. So, when we are expecting it to turn green?

Piyush Gupta: You know, I think on the Radio business, we ourselves have been surprised for the last two quarters. If you see our results, or indeed the entire Radio sector results, there is quite a sharp slowdown which from the second quarter onwards is visible across. We are trying to take a lot of actions in kick-starting new stream of revenue, going much more hyperlocal and shoring up the revenues. But it's very tough to say as we analyze, because we have, and indeed the entire industry has been caught a bit unaware on this thing. And we will see how it goes, but there are a lot of actions that we are trying to do in-house on that.

Deepak Poddar: Okay, understood. On your EBITDA margin front, if you see the last two years, our EBITDA margin had seen a substantial decline, right. If you compare it with some of the peers, I think the decline has been steeper for us. So, just wanted to understand what is the reason of that and when can we come back to those kind of levels which we used to do in FY'18?

Piyush Gupta: Are you talking about Radio now?

Deepak Poddar: No, overall business I'm talking about.

Piyush Gupta: Well, overall, there is a margin improvement in this quarter also. I mean, if you compare it to the same period last year, of course, there is a margin improvement which has happened. Two things which obviously hurt us last year - one of them still continues is the revenue softness but the input prices have started to soften out. What's helping us definitely is a tighter cost control that we are doing and trying to drive much more productivity and efficiency within the company. So, we believe, going forward, the margins should at least be here if not go higher from hereon. From 13%, we have come up to a 19%. We hope to maintain it in this range, give or take a few points.

Deepak Poddar: Understood, but in FY'18, we used to do about 28% kind of a margin, right?

Piyush Gupta: Yes, look, I mean FY'18, you know, we used to have a growth coming on the top line, which was a big margin driver, so to say. Now with this six to eight quarters of perpetual revenue decline, there is a bit of a loss of operating leverage in the P&L, which is coming on to the margin. And if you also remember, that year, you know, we had just come out of a big cost project whereby we had improved the margins or the price margin realization had improved substantially. Newsprint prices at that point in time were benign. If my memory serves me right, we were in the zone of about 500 to 525 dollar a metric ton, where dollar was also not as sharply appreciated, which had happened last year. So, those things were contributing to the margin. Now, I really can't comment on revenue. We have been hoping that the revenue will show some green shoots, though we see that in a few categories, but you know those are not sustainable enough for us to call victory on those respective categories. We are doing a lot of work, but I think for some time, we will be in this margin range of 19%, give or take.

Deepak Poddar: Okay. And if at all our volume improves, let's say, going into FY’21 as we expect, I think, the volume should improve next year. How will that have a bearing on?

Piyush Gupta: That will directly have a flip impact on the margins because as I said, you know, that will be the return of operating leverage slowly but gradually. Volume has to obviously translate into revenue and we don't want to be in a situation whereby by doing a price degradation, we drive up the volumes, but the volumes have to improve at steady prices that will definitely help us on margin improvement.

Deepak Poddar: From the current level as well, right?

Piyush Gupta: Absolutely, from the current level onwards.

Deepak Poddar: Sure. Thank you.

Moderator: Thank you. We’ll take our next question from the line of Shailendra Mundra, an individual investor. Please go ahead.

Shailendra Mundra: Hello Sir and Ma’am. Congratulations on big Q-on-Q improvement in the operations. I have a question. You have significant investments in property as well as financial investments at the standalone level at HT Media and you also have a huge borrowing. Could you please throw some light on what you are trying to do and how much money you earn by borrowing and investing this way? It's more of an investment company kind of operation. How much contribution do they make and what's your long-term strategy?

Piyush Gupta: So, let me give you a long-term strategy because this question has been debated, you know, on the quarterly calls even in the past. Two things that you are seeing right now is a lot of real estate which is sitting on the balance sheet. Most of this is our AFE business which is a separate line of business that we have been in for quite some time whereby all the real estate players who are looking for advertising but because of a certain liquidity condition cannot afford to do that. We basically take a risk and reward on the asset after doing a due diligence, and for part cash and part real estate, we kind of give them access to advertising. We believe and it has proved in the past that, of course, there might be some volatility here and there, but this is a good business because it gives us access to incremental advertisers who because of the liquidity situation might not be able to advertise and market their new projects, and we also get a strategic real estate play at what we would like to call a very favorable price, from a long-term perspective. The idea for most of this real estate is liquidation, and if you analyze our annual reports which will come out in three- three and a half months' time, we are looking to monetize these assets and drive a decent IRR.

The second point that you brought was about debt which is a classical treasury operation. Treasury is a very big profit centre. And though we don't give the numbers because we are not publishing treasury as a separate category here, but treasury is driving a lot of positive EVA (economic value-add) on to a PAT level. So, whatever borrowing you are seeing either is for working capital or for CAPEX purposes where we try to access the cheapest source of borrowings, onshore or offshore, and not liquidating our liquid assets which are yielding us good returns in a risk-free debt capital market environment where we invest through various mutual funds, only on the debt products and never on the equity products.

Those are the 2 things that I wanted to tell you.

Shailendra Mundra: Sir, for me, it is difficult to understand. If I see the last year's balance sheet, if I am not wrong, your interest expense was something like 95 crores and your earning of interest was 79 crores. So, it's difficult to understand whether you are making profits on this strategy or not?

Piyush Gupta: I can only tell you that you are missing something because these numbers I am not able to relate to these numbers.

Anna Abraham: Shailendra, I suggest that we take this offline because we don't have the March 31st results right now.

Piyush Gupta: But I can tell you, these were hugely profitable.

Anna Abraham: We can take this offline. You can get in touch with the Investor Relations team.

Shailendra Mundra: Okay, whom should I contact, please?

Anna Abraham: You can e-mail us on IR@hindustantimes.com and we will come back to you on this.

Moderator: Thank you. We will take our next question from the line of Rohit Talwalkar, an individual investor. Please go ahead.

Rohit Talwalkar: Hi, I wanted to check what is the amount of debt mutual fund investment in HMVL as on 31st December?

Anna Abraham: We won't have the exact figures. Can we get back to you on this?

Rohit Talwalkar: Okay, I just wanted a ballpark because I am seeing that this company seems to be having roughly 1,100 crores of debt mutual fund investment and its market cap is 600. So, I'm just wondering what is going wrong here? What is the plan? What do we plan to do with so much of cash investment? Why is it not being distributed to the shareholders?

Anna Abraham: So, the surplus cash is invested in mutual funds. Therefore, that's the first part of the answer. It will be about 1,000 odd crores. We don't have an exact number here. Now, with regard to the strategy, I will just hand over to Piyush.

Piyush Gupta: Look, if you are talking about HMVL, there is net cash in excess of 1,000 crores, but it is not our stated strategy to either dividend out the money, but you know we would like to widely invest into long-term revenue-generating and profit-generating businesses. So, we have been looking at various opportunities to augment the business by getting into other profitable businesses. And that's what this cash is reserved for. Of course, not all the cash is reserved for that because there is some amount of comfort cash that we would like to keep given the volatility in the input costs and given the volatility in the revenue that we have been witnessing for the last two years, but we are perpetually looking for opportunities to deploy our cash to generate a long-term sustainable value for all the shareholders, majority and minority.

Rohit Talwalkar: Yes, I understand that, but my challenge is that almost for the past two years, the market capitalization of the company is lower than the cash balance. Isn't the market indicating that it's high time that you either find such opportunities or return the cash to shareholders?

Piyush Gupta: Look, I think I really won't be able to comment on the market cap, and I totally see your point. You know, I know the market cap has been depressed for quite some time now and the market cap for the entire sector actually started coming down two years ago, but what do we do with this cash is a strategic decision that gets debated at the board. I will pass on your sentiment to the board. We are in the hope of finding businesses where we can invest this cash in.

Rohit Talwalkar: Okay, I mean I hear you. Thanks so much.

Moderator: Our next question is from the line of Amit Mehendale from Robo Capital. Please go ahead.

Amit Mehendale: Hi, thanks for the opportunity. On your presentation, I see that the cash balance has dipped from 1,100 crores to about 1,000 crores and there is a dip of 118 crores. Could you explain what that is on account of?

Anna Abraham: There is money on acquisition and that's what largely caused the dip. The acquisition money for Radio.

Amit Mehendale: But that Radio numbers are consolidated. I mean, the acquisition is consolidated in the Radio business?

Anna Abraham: Yes.

Amit Mehendale: Okay, despite consolidation, it's like a 9% growth?

Anna Abraham: Yeah.

Moderator: Thank you. Our next question is from the line of Shailendra Mundra, an individual investor. Please go ahead.

Shailendra Mundra: Hello again. I just wanted to point out regarding the market cap. You know, the share price is on a seven-year low. It's lowest in the seven years. And I would say that the management is not entirely helpless about the market condition. Just a 10%, which will cost about 60 crores, a buyback would correct the share price. And it's not a good idea to have a very low share price. It gives a bad impression about the management and the company. A small buyback every year can correct the situation. Dividend distribution is another good idea. But I would strongly recommend, please discuss this on the board.

Piyush Gupta: Absolutely. Your point is well taken and thank you. We will definitely take it to the board. I totally appreciate that a small buyback can go a long way towards escalating of the stock price. We will definitely take it to the board.

Shailendra Mundra: Thank you Sir.

Moderator: Our next question is from the line of Ayaz Motiwala from Nivalis Partners. Please go ahead.

Ayaz Motiwala: Hi, good evening. A few years back, you had separated the content creation company from the media company in which HMVL had a stake, and then subsequently, that stake has been sold. So, I wanted to understand now the policy of people cost and sharing versus what it was articulated before where it appeared that this would be an opportunity to actually monetize the content in multiple avenues and that has subsequently been changed after the sale. So, can you please explain your strategic position here?

Piyush Gupta: Okay, So, I think there are two questions. One is from an HMVL's perspective, and one is from a group company's perspective. From a group company perspective, nothing has changed. Monetization of the digital content because we see a lot of more advertising dollar going into the digital side, more growths are coming in there, so we wanted to have a larger play and up the game there. That's the reason the Digicontent Limited (DCL) as a company was incorporated and subsequently got listed last year. Nothing has changed in this company. You know, if you look at the various sub-businesses on the digital platform that the company does, there is a growth of at least 20% in a segment and going up to as high as 30- 40%. But of course, the revenues are not substantial enough to cover off the print shortfall.

Now, what we did last year when we sold off the HMVL stake was because it was just getting too complicated having two parent companies, HMVL and HTML, and that is the reason it was done, and HMVL shareholders were compensated by cash at that point in time. But the digital company, the DCL, is definitely growing healthier, and it's a double-digit growth which we also forecast going forward in the future year as far as the digital content businesses are concerned. Of course, there are some other areas whereby their revenues on the content that they produce for the print companies is concerned, which is the transfer pricing thing, and because the print revenues themselves are not growing, it is not helping, but all the pure play digital content businesses are growing in double digits and likely to grow even faster. If print does indeed pick up, that company will grow even more faster, but their pure play digital businesses are going very handsomely and very attractively at this point in time.

Ayaz Motiwala: As you rightly pointed out, Sir, that the print advertising has been very tepid, in fact, declining for the last six-eight quarters. In the statement recently also, you just made this point that the print revenues have been declining and thus, as a percentage, it's been affecting them. Now, with the core content creation out of HMVL and the stake being sold, how do we understand this in the light of costs and transfer pricing and cost sharing? Because the whole idea of taking it out was to build cost efficiencies. Now you have got the core content out of this company. So, how will this happen when times get tougher than this or get better?

Piyush Gupta: Look, let me help you to understand better. This company was created to monetize the content that it creates agnostic of the platform, agnostic of the avenues. One of the ready-made platforms that we have in a sister concern which is a print company, it's supplying content to that and monetizing that. However, that vertical is going down is the point that I made. So therefore, we are developing other monetizable opportunities which I am just calling the pure play digital content. Now, can you have your proprietary places, destinations, and content curation sites whereby this content can be used. Can you sell it to the third-party content and so on, so forth. Those businesses are growing very handsomely. Now, when you come down to the cost thing, when we transfer price the entire product, I think the whole idea was to define the cost in the most frugal manner so there's no duplication of cost, and that principle continues.

Anna Abraham: And, from HMVL perspective, just to add on, since it's linked to revenue, there is an auto correction of cost as and when there is a revenue decline. Therefore, the cost efficiencies will then automatically kick in.

Ayaz Motiwala: Okay, fine, that explains it well. Thank you.

Moderator: Thank you. Our next question is from the line of Deepak Kumar Tapadia, an individual investor. Please go ahead.

Deepak Kumar Tapadia: Hi, I want to know every quarter; we get so much of other income. Can you explain from where we get so much other income, please?

Anna Abraham: That's from the treasury operations.

Piyush Gupta: That's what one of the other gentleman asked. As I said, we run a very profitable treasury operation. That Other Income which is classified in the Schedule VI of the government SEBI accounts is all treasury income.

Deepak Kumar Tapadia: So, if I calculate the whole year EBITDA, if I remove the Other Income, it's very difficult for us to pay even the interest cost.

Piyush Gupta: But you cannot do that because the operations are entwined like that. Of course, that phenomenon is playing out for the last 12 to 18 months, you're absolutely right because the core business of print has been under pressure, but if you look two-three years ago, that was not exactly the case. But treasury is a very profitable operation, and as you will analyze at the end of the year, it’s turning in quite handsome return and therefore is EPS accretive in a very big way for the shareholders.

Deepak Kumar Tapadia: Sir, second question, can I request you for a buyback or dividend because the cash balance we have in the balance sheet, the market is not ready to believe that. That's why they are not giving the market cap.

Piyush Gupta: Your point is absolutely a fair point and we understand that, Mr. Tapadia. This is a conversation for the board. I think, we will again discuss that with the board, but we will do whatever is in the best interest, what we believe, for all the shareholders, and we will keep on doing this thing. If buyback or dividend is the right way to do, we will absolutely do that as well.

Deepak Kumar Tapadia: Thank you.

Moderator: Thank you. We'll take our next question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Sir, I just wanted to get your outlook on the tax rate going forward?

Piyush Gupta: You mean the effective tax rate?

Deepak Poddar: Yeah.

Piyush Gupta: The effective tax rate, if you look from the financials, will look like about 35% on a consolidated financial. One of the big reasons is if you pick up the last year's financial, we had taken the benefit of the merger scheme into the last year's financial and that had depressed the tax rate. So, you'll have to read both the tax rates separately, but from a cash outflow point of view, because after the scheme we will have tax credits even in HMVL, it's likely to be under a MAT regime this year.

Deepak Poddar: Okay. So, maybe 18% to 20%?

Piyush Gupta: Yeah, at the MAT rate.

Deepak Poddar: Understood. And basically, for FY’21 next year, a rough calculation basically on the P&L side, maybe a 5% to 10% growth or 19% to 20% EBITDA margin which you said with a depreciation and interest of about 300 to 310 crores, we are still getting at a PBT of 150 crores. Is that what is something that is very optimistic side?

Piyush Gupta: Deepak, I think margins in the ballpark of 19% sounds like a true thing, but we do not give a forward projection. But building up a growth projection right now at about 5%, I think, is a very very optimistic base case. Whatever industry reports that we are getting and whatever benefit of history for the last six to eight quarters that we have, I think the tide's going to turn, but because advertising and media is a derived category, it’s going to be a subset of the various sectors which publicize in newspapers. So, if the tide turns there, I think it will take a couple of quarters for us to come into a 5 to 10% growth rate. But honestly, and this is my personal view, I'll be very happy to have a flat revenue line for the next one quarter, and we'll see after that how the economy functions.

Deepak Poddar: Okay.

Moderator: Thank you. Our next question is from Anita Singh from Inventus Capital. Please go ahead.

Anita Singh: Hi, there has been an improvement in print revenues from the previous quarter.

Anna Abraham: That’s because it has a festival quarter vis-à-vis quarter 2.

Anita Singh: Sorry?

Anna Abraham: Quarter 3 is a quarter where there is festival-linked revenue, and therefore, it is always going to be higher than quarter 2 revenues.

Anita Singh: Alright. And what would be your consolidated net cash?

Anna Abraham: We have given that in the presentation. It’s around 999 crores.

Piyush Gupta: It's about 1,000 crores.

Anita Singh: Okay. Thank you.

Piyush Gupta: Welcome.

Moderator: Thank you. As there are no further questions from the participants, I now hand the floor back to the management for closing comments. Over to you, Sir.

Piyush Gupta: Thank you so much. Well, from our perspective, at least, the margins have improved this quarter. So, that's some as they call, the green shoots, we hope that the revenues now come back, which have been the big disappointment over the last many quarters now. While that starts happening, we will already see the impact of that coming through the margins.

On the cash side, of course, your company carries a reasonably healthy balance sheet and is perpetually looking out for more avenues to deploy the cash to generate sustainable returns for the shareholders. We hope the next quarter will be better than this quarter and there is an improvement which kicks back into the Radio business in which we have done some investment as well.

With that, I wish you all a very Happy New Year and look forward to speaking to you guys on the full year call sometime in May. Thank you so much.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of HT Media Group, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.