



# **NXTDIGITAL Limited**

## **Investor Presentation**

### **Q1FY21 Performance Update**

07<sup>th</sup> September 2020  
Version 3.0



HINDUJA GROUP

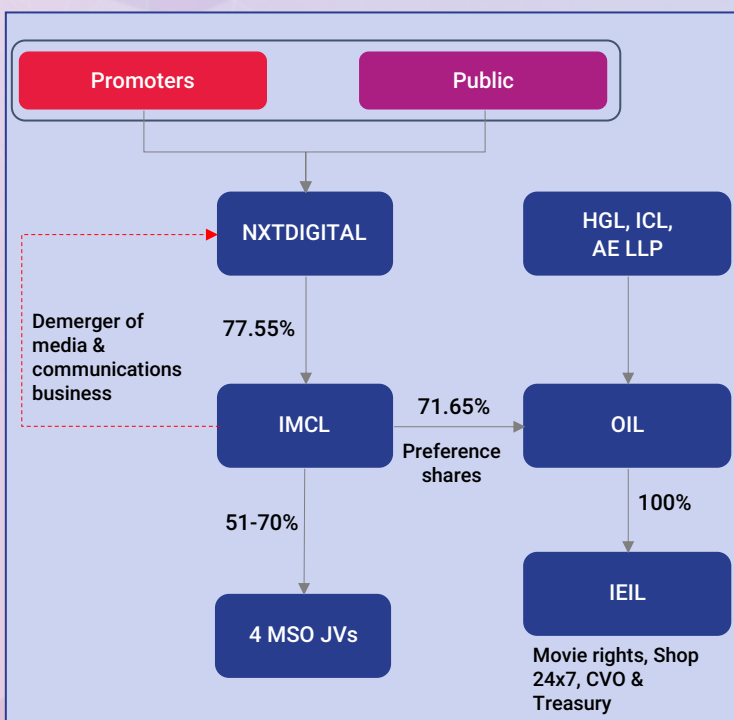
# Company Announcement



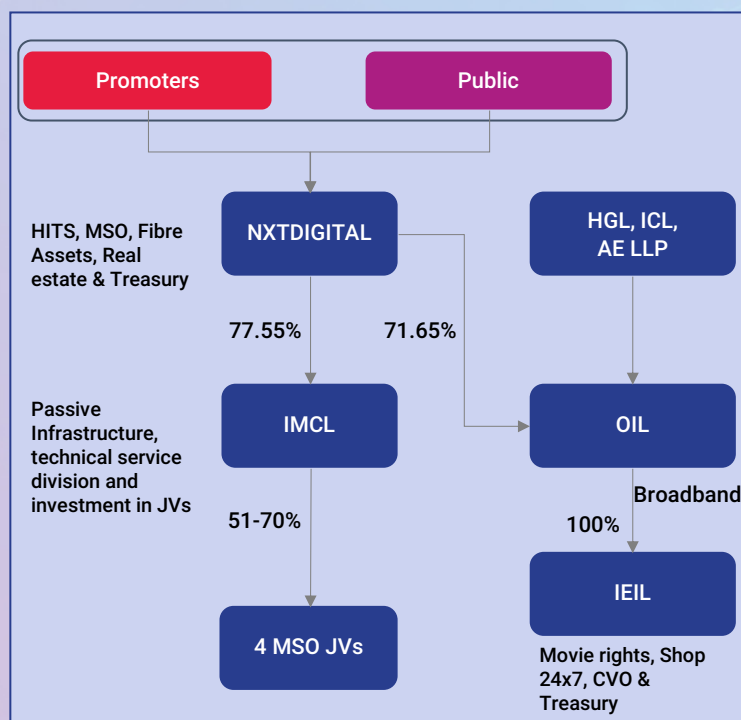
The Hon'ble National Company Law Tribunal (NCLT) vide its order dated August 21, 2020 approved the Scheme of Arrangement between IndusInd Media & Communications Limited (IMCL) and NXTDIGITAL Limited (NDL) by which the "Media & Communications" undertaking/ businesses of IMCL comprising, inter alia, the Cable TV (CATV) and Head End in the Sky (HITS) de-merged into NDL with effect from the "Appointed Date" of 1st October 2019.

The Effective Date of the Scheme of Arrangement is August 21, 2020. Consequently, the CATV and HITS businesses are being carried out by NDL on and from the Effective Date.

## Earlier corporate structure



## New corporate structure



AE LLP – Asia Enterprises LLP.; HGL – Hinduja Group Ltd.; ICL – IndusInd Communications Ltd.; IEIL – In Entertainment (India) Ltd.; IMCL – IndusInd Media & Communications Ltd.; OIL – ONEOTT Entertainment Ltd.



The Indian Media & Entertainment (M&E) industry has been impacted significantly by the Covid-19 pandemic in Q1

THE ECONOMIC TIMES

## Media, entertainment sector revenue could take 16 pc hit in FY21: Crisil

"The ongoing economic slowdown, made worse by the COVID-19 pandemic, is set to cull Indian media and [entertainment industry](#)'s revenue by 16 per cent - or Rs 25,000 crore - to Rs 1.3 lakh crore this fiscal," it said.



The industry would take a hit of around 18 per cent in revenue from advertisement that accounts for nearly 45 per cent of total income, while the subscription earning that

contributes 55 per cent will be relatively resilient with a likely decline of 14 per cent, Crisil said in a report.

moneycontrol

Be a Pro

## All work, no pay: Cable TV industry struggles to keep head above water

The sector has been working against the tide to keep locked down citizens well-informed and well-entertained during the pandemic. With payment collections down 84 percent and consumers turning more value-conscious, the industry is fighting a tough battle.

Even as cable operators keep their masts flying high, however, their coffers have been running dry. The report states collections are down 84 percent and the sale of new set-top boxes has fallen 75 percent. That's hardly surprising.

With the country under lockdown, collections have suffered as housing societies ban outside members, including Local Cable Operator (LCO) agents, from entering their premises. Even with the introduction of digital modes of payment, only 50 percent payment is being received month on

FINANCIAL EXPRESS  
Read to Lead

## 77% of cable TV operators expect a decline in revenue in 2020-2021: INTIN Study

Post lockdown, the study reveals, 77% multiple system operators (MSOs) expect a decline in revenue in 2020-2021. Out of this, 32% of MSO expect the drop to be greater than 25%.

Operators expect a decrease in revenues due to reduction in ARPU as subscribers will try to go to cheaper packs. In order to halt this, broadcasters-cable operators should together/alone launch "targeted consumer offers" using trackable technology.

According to the report, 41% of operators reported that their subscribers deleted channels from packages while 46% operators saw no change. Out of this, demand for news

THE ECONOMIC TIMES

## Tata Sky to switch off channels to cut monthly bills for 7 million subscribers

ThePrint

Not just AXN & Dilli Aaj Tak, 40 more channels could shut down, TV industry fears

ET BRANDEQUITY.com  
From The Economic Times

## Coronavirus impact: Events, entertainment industry says Covid-19 hit 60 million livelihoods

BUSINESS INSIDER  
INDIA

Home > Business > News > Cable TV Operators' Revenue Hit During Lockdown

## Cable TV operators' revenue hit during lockdown

Business Today  
Tuesday, September 1, 2020 | Updated 18:37 IST

## Coronavirus crisis: Why television industry is bleeding despite record consumption



Against the challenges, NXTDIGITAL has continued to grow its business through innovative strategies whilst ensuring safety of all staff, franchisees & subscribers

1

## Accelerated “digital payment” adoption for subscribers

Focused on helping franchisees (Local Cable Operators or LCOs) go “digital” i.e. **collecting subscription through on-line methods.**

**Partnered with EASEBUZZ** (a digital payments mechanism) **even before lock-down to support “contactless” subscription renewals between subscribers and franchisees.** The service facilitates payments through Netbanking, Credit & Debit Cards, Google Pay, PayTM, UPI and other wallet mechanisms.

Conducted online workshops for LCOs across India - to **educate/support transitioning to digital collections.**

Current LCO “digital payment from customer” **base is ~85%** and estimates indicate **collection through digital media @ >70% of subscriber base.**

Focused on converting **Direct Point** customers to contactless renewals. **Digital payments now >95%.**

Engaged LAZYPAY to **support customers seeking short-term credit** for renewals

2

## Content Innovation & Credit-risk mitigation

**Innovation in packaging** to mitigate demands for “post-paid” and/or “credit periods”; whilst **ensuring customer access to quality content at low costs**

**Launched lo-risk credit-based “Vishesh Manoranjan Pack”** and free “Infopack”

Developed “discounted” **Long Duration Recharge** offers for popular packs



Dear INDIGITAL partners,  
In light of the government's decision to extend the nation wide lockdown, we are happy to announce the extension of our super hit Vishesh Manoranjan Pack!

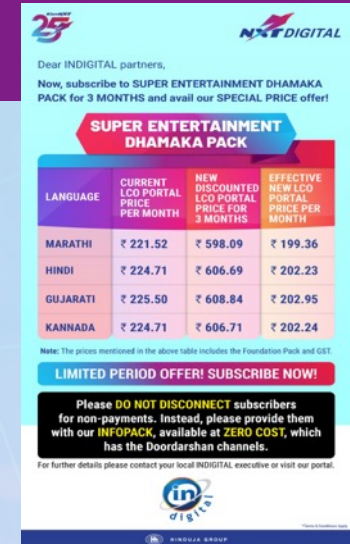
**VISHESH MANORANJAN PACK**  
**PAY ONLY ₹ 39/- AND ENJOY UP TO 425 CHANNELS**

Activate now. Payment deadline has been extended to 5<sup>th</sup> May 2020

THE PACKAGE INCLUDES:  
• Up to 30 NXT VAS channels • STAR UTSAV • SONY PAL  
• ZEE ANMOL • COLORS RISHTY • BBC • CBEBIES  
• STAR MOVIES • HUNGAMA • FREE TO AIR (FTA) channels

As we enter the next phase of the lockdown, please **DO NOT DISCONNECT** subscribers for non-payments. Instead please provide them with our **INFOPACK**, available at **ZERO COST**, which has the Doordarshan channels.

For further details please contact your local INDIGITAL executive or visit our portal.



Dear INDIGITAL partners,  
Now, subscribe to **SUPER ENTERTAINMENT DHAMAKA PACK** for 3 MONTHS and avail our **SPECIAL PRICE** offer!

**SUPER ENTERTAINMENT DHAMAKA PACK**

LANGUAGE	CURRENT LCO PORTAL PRICE PER MONTH	NEW DISCOUNTED LCO PORTAL PRICE FOR 3 MONTHS	EFFECTIVE NEW LCO PORTAL PRICE PER MONTH
MARATHI	₹ 221.52	₹ 598.09	₹ 199.36
HINDI	₹ 224.71	₹ 606.69	₹ 202.23
GUJARATI	₹ 225.50	₹ 608.84	₹ 202.95
KANNADA	₹ 224.71	₹ 606.71	₹ 202.24

Note: The prices mentioned in the above table includes the Foundation Pack and GST

**LIMITED PERIOD OFFER! SUBSCRIBE NOW!**

Please **DO NOT DISCONNECT** subscribers for non-payments. Instead, please provide them with our **INFOPACK**, available at **ZERO COST**, which has the Doordarshan channels.

For further details please contact your local INDIGITAL executive or visit our portal.

3

## Implementation of a “Business Continuity Plan”

**Ensured implementation of “Business Continuity Plan” framework** across all functions and hierarchies

Implemented L3 processes to keep the **technical facilities and technical functions operational 24x7**

**Re-assigned resources** to LCO & customer-facing functions

Set up field & function reporting & monitoring to **ensure minimal complacency** – as well as take corrective action/measures.

Developing **contactless technical support** to **ensure safety of stakeholders**

# State-of-Play | NXTDIGITAL Limited



NXTDIGITAL rolled out a slew of initiatives for both, franchisees (LCOs) and subscribers – to add value during the challenges of the lockdown

**COLLECT SUBSCRIPTION AMOUNT USING EASEBUZZ AND ENJOY ATTRACTIVE CASHBACK!!**

Do not worry about the lockdown period. Continue using **Easebuzz** to collect payments, directly into your account through just a SMS link.

COLLECTION TIME PERIOD (through Easebuzz)	CASHBACK OFFER
APRIL 25 <sup>th</sup> TO MAY 31 <sup>st</sup>	₹ 5 per subscriber
JUNE 1 <sup>st</sup> TO JUNE 30 <sup>th</sup>	₹ 4 per subscriber
JULY 1 <sup>st</sup> TO JULY 31 <sup>st</sup>	₹ 3 per subscriber

Subscribers can make online payment through Net Banking, Credit/Debit Card, UPI/BHIM, Paytm, Google Pay etc.

FOR FURTHER DETAILS PLEASE CALL, INDIGITAL: 1860-212-4456 AND NXTDIGITAL: 1860-212-0400. EMAIL: IC-CARE@NXTDIGITAL.IN

**Is your site monsoon ready?**

We have enclosed a **Monsoon Readiness Guide** to update you about preventive maintenance before the monsoon.

For any query/explanation/details contact your local INDIGITAL executive

OR, WHATSAPP: +91 73045 74082

OR, EMAIL: techhelpdesk@nxtdigital.in

**Stay monsoon ready. The time to take precautions is now!**

Dear INDIGITAL Partners,

As the monsoon arrives, it is important that you start preparing your Point of Distribution for its safety during this season.

Hence we have put together a checklist for you and your site to be monsoon ready!

**PREVENTIVE MAINTENANCE GUIDELINES BEFORE MONSOON**

- Make sure that the amplifiers and nodes installed are enclosed and the equipment is protected from any water seepage, either from the roof or from the floor.
- Use waterproof seal or insulation tape on all input and output cable connectors for all the amplifiers and nodes installed in an open space.
- Periodic maintenance of connectors is required to ensure no water/rain is built-up which can adversely affect signal. Use WD 40 or similar anti-rust agent spray to easily keep connectors, screws, nuts and bolts in rust free condition on the nodes. Ensure all fused connectors are replaced.

Please contact your local INDIGITAL executive for further details

**NXT UDAAN FIRST EDITION**

New Launches

Key Business Developments

LCO Corner

Innovations

**About NXTUDAAN**

Inside the Issue

Page No.

- MESSAGE FROM OUR PARTNER 05
- NEW LAUNCHES 06
- BROADBAND UPDATE 08
- DIGITAL CONVENIENCE 09
- MONSOON READINESS 10
- MESSAGE ON GST 12
- EVENTS AND OCCASIONS 13
- EXEMPLARY INNOVATORS 16
- FOR A SOCIAL CAUSE 18
- COMBATING COVID 19 22
- TRAVEL STORIES 23
- NXT QUIZ WHIZ 24

Editor: Pooja Purohit

Editorial team: Shikha de Souza, Alpana Rameshwar, Divya Murthy

NXT UDAAN

EDITION-01 JULY 2020

**BRINGING HOME THE BEST OF EDUCATIONAL CHANNELS FOR YOUR KIDS!**

Your kids can learn a lot more in a fun and engaging way through our 3 new channels, at **ZERO COST, AVAILABLE NOW!**

- KISHORE MANCH:** A 24 x 7 education channel of NCERT for classes IX - XI students
- PANINI:** A channel for Indian Culture and Heritage, Science & Technology, Music & Painting, Economics & Business studies
- SHARDA:** An education channel which provides courses for Sr. Secondary level, class 11<sup>th</sup> & 12<sup>th</sup>

STAY HOME, STAY SAFE AND MAKE SURE EDUCATION FOR YOUR KIDS CONTINUES.

**RAMADAN SPECIAL PACK**

चैनल का नाम	चैनल नं.	चैनल का नाम	चैनल नं.
इब्राहिम टीवी	119	टीवी इरुदु	418
जी सलाम	417	टीवी कारीम	347
आमना सहरा	986	4 टीवी मयूज	419
चैनल तिर	422	मुस्लिम मयूज	858
मयूज 1.0 इरुदु	416	लक्की टीवी	994
अल जलील	778		

कीमत : ₹16.95 (टैक्स अतिरिक्त), 23 मई 2020 तक मान्य.

Ramadan Kareem

अधिक जानकारी के लिए, कृपया हमें यहाँ कॉल करें: 1860-212-0400

**RECHARGE NOW. PAY LATER!**

Only with LazyPay at 0% interest.

**PAY FOR YOUR INDIGITAL SUBSCRIPTION WITH EASE:**

- Recharge on INDIGITAL with just an OTP
- Pay later at 0% interest
- Clear your dues on LazyPay once every 15 days
- Applicable only for INDIGITAL direct subscribers

**ENJOY UPTO 31**

**AMAZING INDIGITAL VAS CHANNELS!**

EXPERIENCE A WIDE VARIETY OF **WHOLESALE ENTERTAINMENT** FOR THE ENTIRE FAMILY WITH INDIGITAL VAS CHANNELS

**Stay notified. Stay safe. Protect yourself and your family from COVID-19.**

DOWNLOAD NOW

**AAROGYA SETU APP**

- Get information about the places with high number of cases in your vicinity
- Get latest updates and precautionary measures required to stay protected.
- Get alerted if you have unknowingly come in contact with an infected person.
- Get instructions on how to isolate yourself in case you develop symptoms.

AVAILABLE ON App Store & Google Play

#NXTDIGITALCARES



HINDUJA GROUP

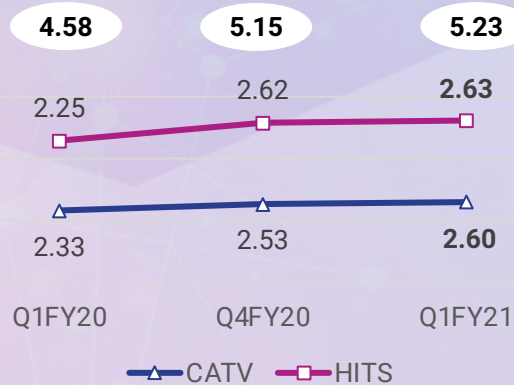


## Q1 strategy reflected in strong KPIs

The Q1 focus on retention through the initiatives have helped in ring-fencing key metrics like control of churn and maintaining On-Time Renewals

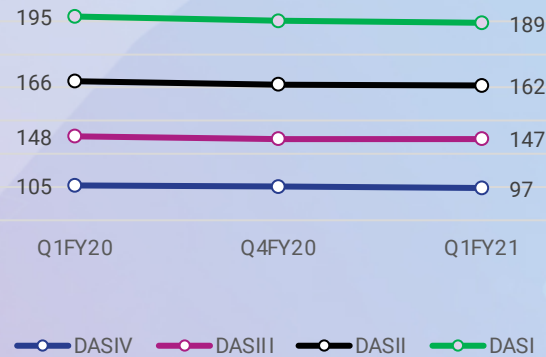
### Sub. Base - Digital content delivery

(in millions)



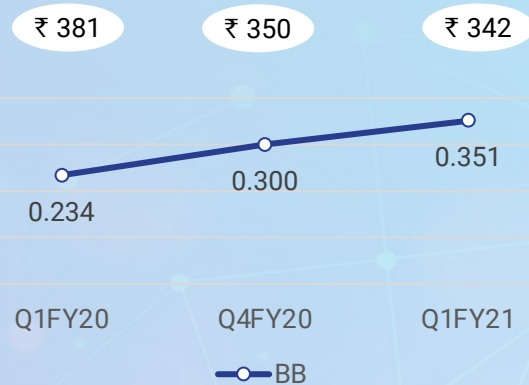
### ARPU's- Digital content delivery

(Exit point in ₹)



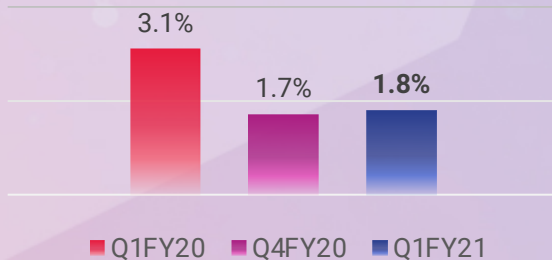
### Broadband sub. Base & ARPU

(sub. base in millions & exit ARPU in ₹)



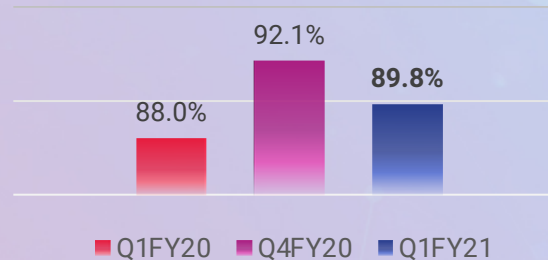
### 90-day Net Churn

(Exit point data)



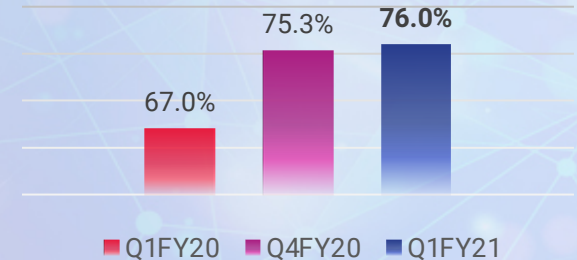
### Same Month Renewal

(Exit point data)



### On-Time Renewal

(Exit point data)



All key metrics have continued to remain stable or grow through a Covid-impacted quarter

# Maintaining a robust performance in Q1

The KPI performance is reflected in another strong quarterly fiscal performance, with a continuing growth in top-line and EBITDA

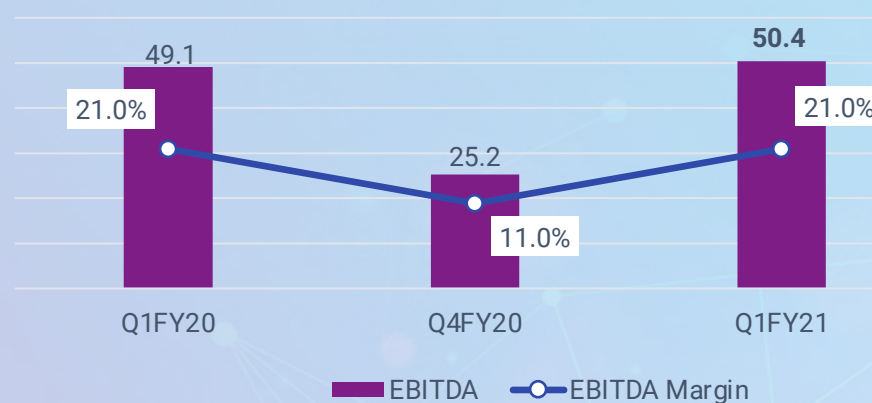
## Operating Revenue

(in ₹crs)



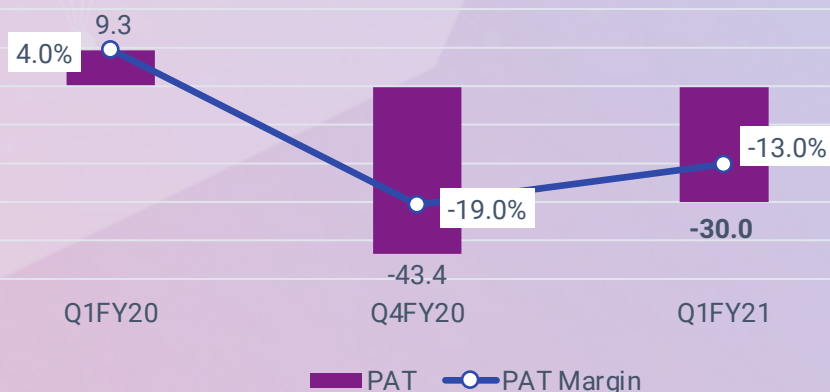
## EBITDA

(in ₹crs)



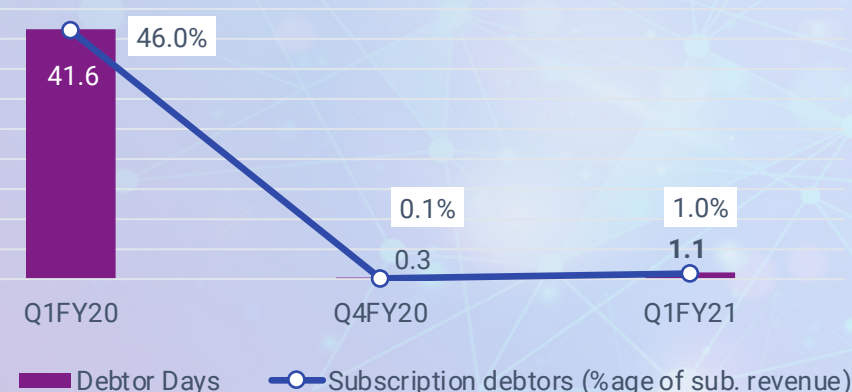
## PAT

(in ₹crs)



## Subscriber Debtor Days

(Average Subscriber Debtor Days)



# Q2+Q3 Vision





NXTDIGITAL is looking to launch new products and solutions to leverage the onset of the festival season and help customers derive maximum value.

The “**NXTGO**” solution is an innovative device that can be plugged into an OTT STB or an Android-based television and provide immediate access to “live” television channels - securely.

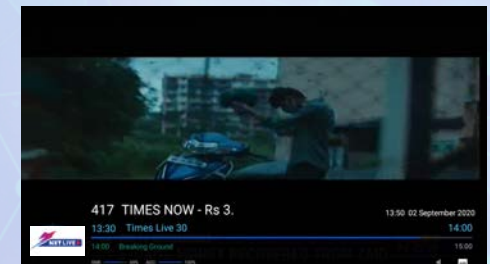
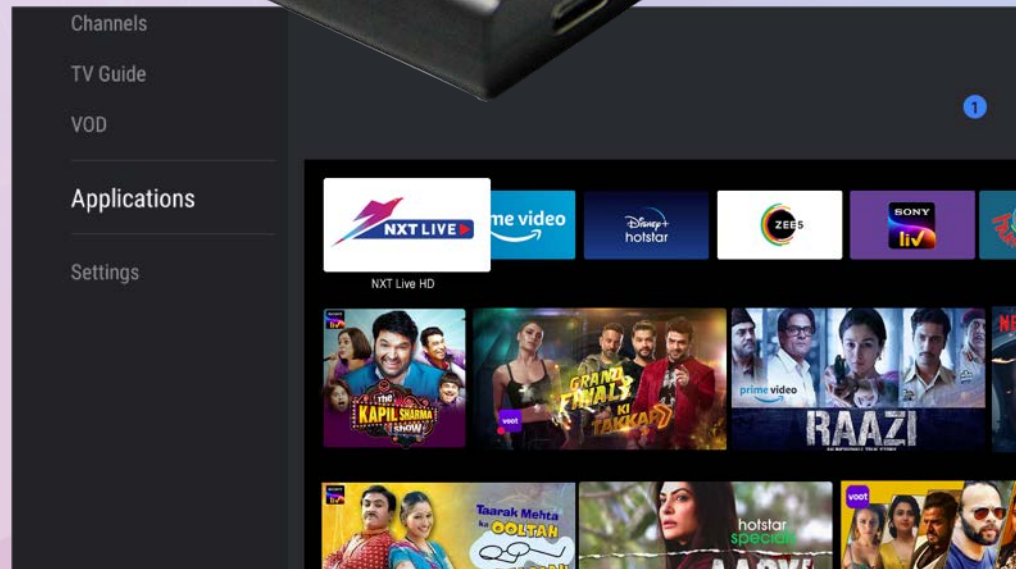


USB powered pay TV dongle to convert an OTT box into Android+DVBc Hybrid STB

USB powered pay TV dongle to convert an Android-based TV into a hybrid TV, able to access “live” TV channels

Customers can select “live” TV packages and access OTT content, seamlessly

The “**NXTLIVE**” app gives instant access to the entire bouquet of TV channels offered by NXTDIGITAL!

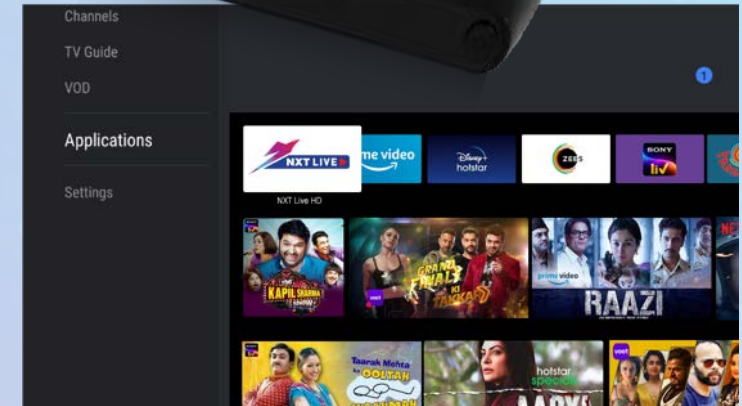
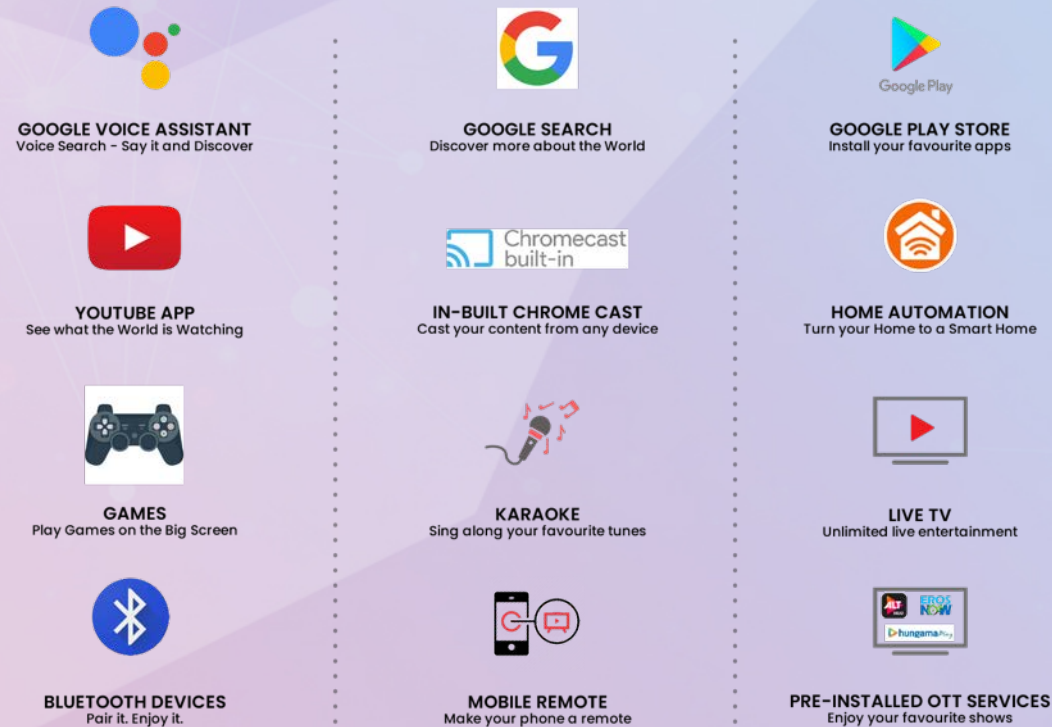


User interface design & graphics/visuals are for illustrative purposes only. Brand names “NXTGO” and “NXTLIVE” are working titles and may be subject to modification.

### Turn any TV into a “smart connected” TV with the advanced “**NXTCONNECT**” hybrid Set Top Box!

The “**NXTCONNECT**” STB is a **single device** for accessing “live” television channels, OTT content, social and other apps, games & much more.

**NXTCONNECT** is a next-generation device serving as a “**central home media hub**”; and provides a high level of sophistication and interactivity for information and entertainment.



User interface design & graphics/visuals are for illustrative purposes only. Brand names “NXTCONNECT” and “NXTLIVE” are working titles and may be subject to modification.



**“M-SAATHI”**....A Cloud-based mobile app to allow customers to gain easy access to local services in their community, managed by NXTDIGITAL franchisees.

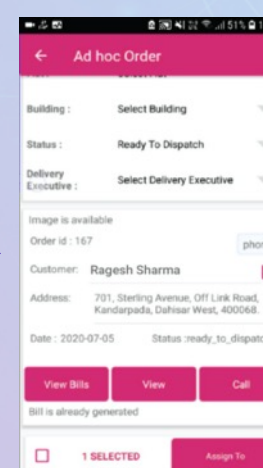
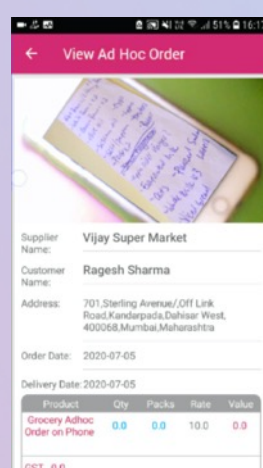
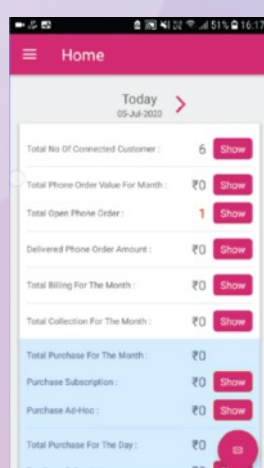
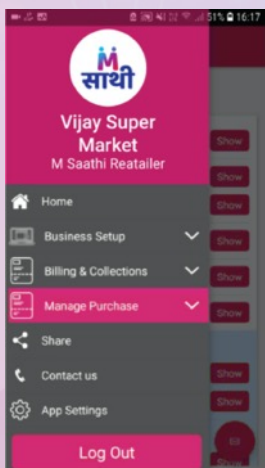
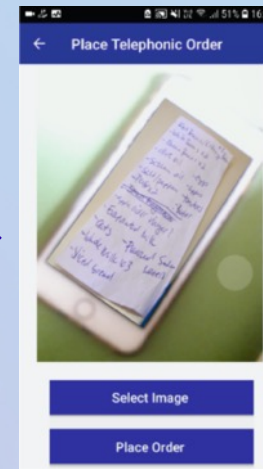
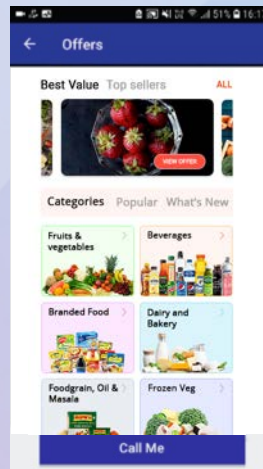
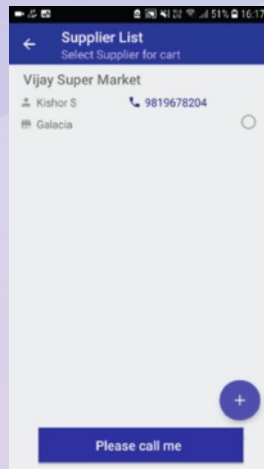
The solution is designed to provide a **new revenue stream for our thousands of franchisees (LCOs)** across India - in line with our Hinduja Group principle of establishing **“partnership for growth”**.

The proposition is to jointly create a **“Neighborhood Marketplace”** enabled by mobile app so that a consumer can access local merchants

The objective is to build a strong ecosystem of local merchants around the LCO – connecting merchants to consumers, seamlessly.

Service will also be used by franchisee for **“contactless”** collection of cable TV or broadband subscriptions; and upselling new products and solutions.

User interface design & graphics/visuals are for illustrative purposes only. Brand names “M-SAATHI” and “NXTLIVE” are working titles and may be subject to modification.





# Annexures

# Consolidated Income Statement

Particulars	Q1FY21 (₹cr)	Q1FY20 (₹cr)	YoY growth (%)	Q4FY20 (₹cr)	QoQ growth (%)
<b>Revenue:</b>					
Operating revenues	228.5	222.3	2.7	215.2	6.1
Non operating income	6.3	6.3	-	11.9	-47.0
<b>Total revenue</b>	<b>234.8</b>	<b>228.6</b>	<b>2.7</b>	<b>227.1</b>	<b>3.4</b>
<b>Expenses:</b>					
Broadcaster costs	83.2	83.8	-0.6	83.2	-
People costs	20.1	18.6	7.9	19.2	4.6
Other operating costs	81.1	77.1	5.1	99.5	-18.5
<b>Total expenses</b>	<b>184.4</b>	<b>179.5</b>	<b>2.7</b>	<b>201.9</b>	<b>-8.6</b>
<b>EBIDTA</b>	<b>50.4</b>	<b>49.1</b>	<b>2.6</b>	<b>25.2</b>	<b>99.0</b>
Depreciation	49.0	45.3		53.9	
Interest	36.2	24.3		32.5	
Extra-ordinary income	-	-		-	
<b>Profit before tax</b>	<b>-34.8</b>	<b>-20.5</b>		<b>-61.2</b>	
Taxation	-4.8	-29.8		-17.8	
<b>Profit after tax</b>	<b>-30.0</b>	<b>9.3</b>		<b>-43.4</b>	

# Headend-in-the-Sky (HITS)



The LCO can go digital within 24 hours anywhere across India by simply installing a proprietary Cable Operator Premise Equipment (COPE)



Does not require to be connected to any fibre etc. and is not affected by weather conditions



No additional technology or satellite capacity is required to add subscribers leading to low Customer Acquisition Costs



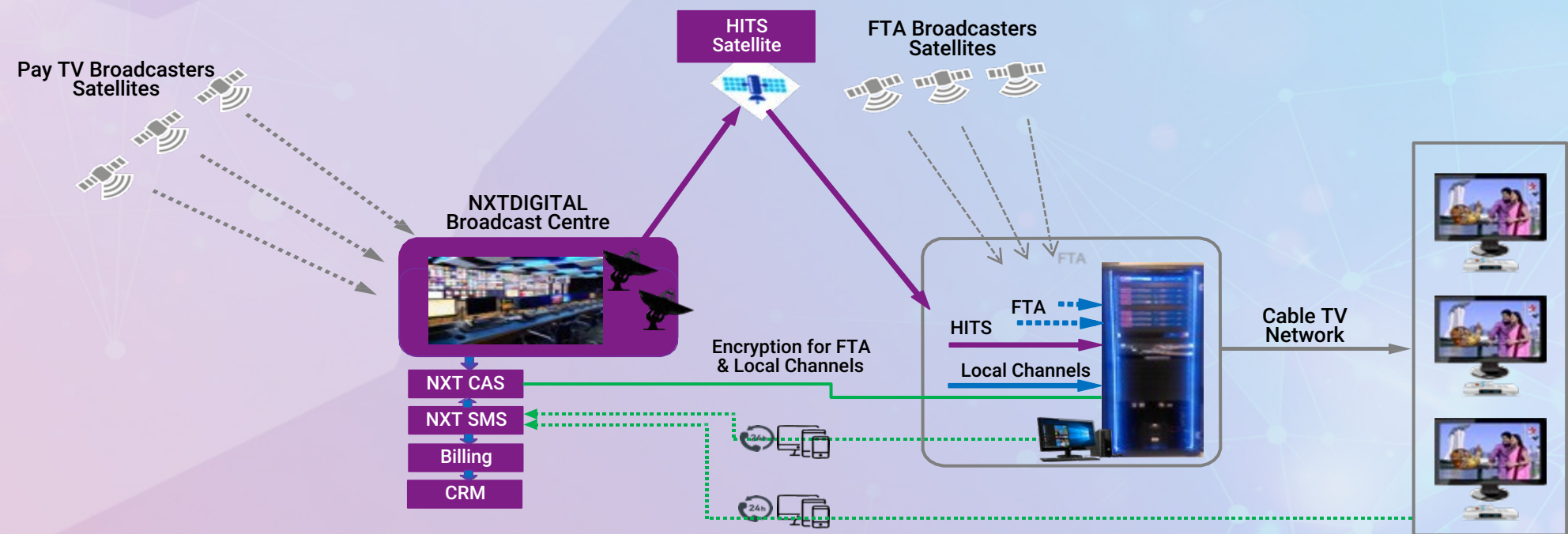
Signals are received directly from satellite, irrespective of the location of the Local Cable Operator (LCO)



Low maintenance COPE system consuming low power and occupies less space making it attractive for LCOs



Technology compliant with DAS and NTO regulations



HITS technology enables seamless Digital TV penetration in even remote areas in cost-effective manner and offers sizable network sharing opportunity



## HITS emerges as a clear winner among digital content delivery modes



Parameter	HITS 1 Operator - NXT	Cable TV >1,600 MSOs	DTH 4 Operators
Pan-India reach	YES : Satellite footprint across India+	NO	YES
Weather resistance (rain attenuation)	YES : Service in C-band	YES	NO
Unaffected by fibre cuts, hostile terrain	YES : Delivery via satellite so zero dependence on terrestrial issues	Challenges of fibre cuts as well as hostile terrain	YES
Channel expansion + addition of Value-added Services without significant capex	YES : Unique tech. to add channels at low cost	Requires investment in main head-ends	Capacity constraints as same satellite required
Ability to provide Managed Services	YES : System designed to provide managed services with multiple tech. combinations	Highly limited to area of operation only, requires addl. costs	NO
Easy installation for MSO/LCO	YES : Specially designed single-unit COPE	Requires investment and timeframe	N/A
Low franchisee + subscriber addition cost	YES : Can expand to any geography	Limited to area of operation only	NO
Digital services provisioning	YES : System designed to function as a "connected" platform	YES	NO

**NXTDIGITAL being the only HITS platform in the country enjoys significant competitive advantage**



## Delivering services through multiple avenues

### Digital Content Delivery

25-year legacy of delivering digital content services via HITS and Cable TV as a Multi Systems Operator (MSO)

700+ TV services across India through HITS

730+ TV services in 100+ key cities through Cable TV

Total Subscriber base of > 5.23mn on HITS and CATV

### Managed Services

Only platform to offer Managed Services to other MSOs and LCOs nationwide

>5.16 mn subscribers under executed managed services contracts – onboarding commenced

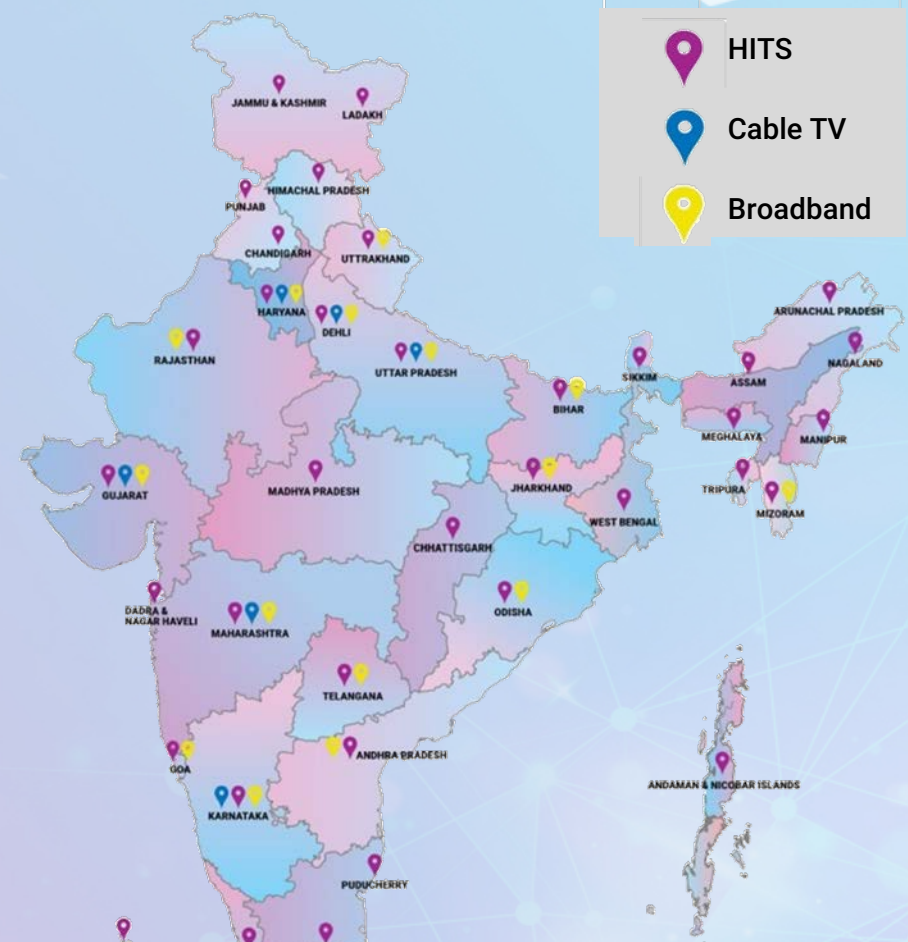
E2E technology Infrastructure provided to MSO customers leveraging HITS

### Broadband Services

>5,000 kms of Underground & Overhead optical fibre networks delivering high speed internet and FTTH

Broadband subscriber base of >350,000 users

~70,000 Buildings Ready for Installation



>60% subscribers from fast growing segments of semi-urban and rural India

Presence in over 1,500 cities and towns across India with >30,000 feet-on-street



## Ashok P Hinduja, Non-Executive Chairman & The Hinduja Group

- Chairman of the Board who also chairs Hinduja Group of Companies (India) and IIHL (promoter of IndusInd Bank) among other group companies
- The Hinduja Group, founded by P.D. Hinduja, has a history of over a century running successful businesses across sectors such as Automobiles, Oil & Gas, Media, BFSI, IT & ITES etc.



HINDUJA GROUP



## Vynsley Fernandes CEO

- Veteran of the Media & Entertainment industry with 30+ years of experience
- Hands-on experience with DTH & HITS platforms, digital cable networks, and news & entertainment channels
- Formerly led assignments across organizations like Star India, 21<sup>st</sup> Century Fox & TATA SKY



## Yugal Kishore Sharma CEO, OIL

- Masters in International Marketing from IIFT
- 26+ years of experience in the technology space
- Extensively worked across the internet service provider (ISP) industry
- Formerly led assignments across organisations such as DEN Networks & Tikona



## Amar Chintopanth CFO

- Chartered Accountant with an experience of 36+ years across areas of Audit, Finance & Accounts, Taxation, Treasury, Compliance, Business strategy, M&A, Capital raising etc.
- Has served in coveted corporates such as the ITC Group, Polaris, and 3i Infotech & has been with the Hinduja Group since 2014



## N K Rouse COO

- 33+ years of diverse experience; Has served at Star India, YOU Broadband, Hathway Cable & Datacom



## Ruwanmali Ediriwira CTO

- 20+ years of experience in the TMT space; led some of the biggest technology projects at Vodafone UK and Accenture Europe



## Ajay Sharma, General Counsel

- Over 3 decades of legal experience, with much of it in media and allied laws; Ex-Arthur Anderson, Star India





# NXTDIGITAL LIMITED



HINDUJA GROUP