



Zee Entertainment Enterprises Limited

INVESTOR CONFERENCE CALL

March 04, 2024

Transcript

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Moderator: Ladies and Gentlemen, Good Day and Welcome to the Investor Conference Call of Zee Entertainment Enterprises Limited.

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

I now hand the conference over to Mr. Mahesh Pratap Singh – Head of Investor Relations, Zee Entertainment Enterprises Limited. Thank you and over to you, Sir!

Mahesh Pratap Singh: Thanks, Sagar. Hello, everyone. Welcome to our investor conference call. The objective of this call is for the Board to interact with the investors, discuss key topics and address any concerns.

Today we are joined by Mr. R. Gopalan – Chairperson of the Board and Independent Director. Along with Mr. Gopalan we also have Mr. Uttam Prakash Agrawal – Chairperson of the Audit Committee and Independent Director and Mr. Shishir Babubhai Desai – an Independent Director of the Board.

We will start the call with opening remarks from Mr. Gopalan and we will subsequently open the floor for questions and answer sessions.

Before we get started, let me remind everyone that some of the statements made or discussed on today's conference call will be forward looking in the nature and must be viewed in conjunction with risks and uncertainties we face. The Company does not undertake to update any of these forward-looking statements publicly.

With that I will now hand the call over to Mr. Gopalan for his opening remarks. Mr. Chairman sir.

R. Gopalan: Thank you Mahesh. Good evening to everyone. I hope all of you are doing well. Thank you for taking the time out today to join this call.

The objective for today's call is for the Board to interact with all shareholders, provide our perspective on key topics, assure all of you that the Board of the Company is committed to safeguarding the interests of all stakeholders and address any concerns. The Board has also received some requests to meet with Independent Directors and while we are covering those, we also wanted to maintain the coverage of our engagement with all stakeholders to ensure consistent communication. We

look forward to a constructive dialogue and are open for any suggestions and feedback.

Let me start first with how the Board sees ZEEL market positioning and its competitive strengths. ZEEL is a strategic asset and is well positioned India's M&E landscape. ZEEL has not only been a pioneer in the industry but has also run very frugal operations, consistently beating deep pocketed MNC players for several years. ZEEL has a strong brand, market position, debt free balance sheet and cash generating business. ZEEL has one of the richest content library in India with presence across the broad media value chain, including content production, broadcasting, streaming, movies and music. ZEEL's pan India presence across the language markets coupled with its content creation expertise at competitive cost and strong partnerships across the content ecosystem makes it a formidable player in the industry. ZEEL has also strong resonance and connect with global Asian diaspora as evident in ZEE5 being #1 south Asian platform across international markets.

Having said that, since 2020, ZEEL performance has been impacted due to industrywide macro slowdown, transitory issues and management bandwidth constraints with the merger activities. There have been primarily three issues which have impacted the performance since 2020. Firstly, Covid and related disruption. Second as ZEEL was recovering from COVID, industry was hit by macro headwinds like advertisement spending slowdown. And lastly through the last few years there have been intense and prolonged merger related activities which has taken time, energy and share of management bandwidth impacting operations and business. Hence in the Board's assessment, current softness performance is not a structural issue.

The Board feels that ZEEL management has execution capability, and this has consistently enabled ZEEL to deliver market beating performance till 2019. It's also important to note that this management got Sony deal to the table which was very great deal for shareholders and the management spent two and a half-years on this deal. We are fully cognizant that there is room for performance enhancement, and we are putting through a revival plan by ZEEL and this is already being put into action to accelerate growth and enhance profitability. We believe that we are capable of executing this plan and we also believe that we will be on a much stronger footing financially in few quarters. We are all committed to performance of the revival plan.

Board of Directors of the Company has also decided to closely monitor the business model and plan presented by the MD&CEO of the Company wherein he has provided the roadmap to improve the performance and efficiency of each of the businesses to achieve higher EBITDA. We request patience and support from shareholders for the coming quarters. We are confident that beginning second half FY25, there will be visible improvement in the performance.

ZEEL is not constrained in pursuing growth opportunities. ZEEL is fundamentally strong, profitable and debt free Company and continues to make investments in the businesses from internal accruals, like it has demonstrated over the years. We have also built a strong digital presence in the form of ZEE5 entirely from internal accruals. ZEEL is in no way hampered in its ability to invest behind and grow existing business portfolio or compete effectively in general entertainment business.

We have always kept shareholders interest at the heart of its functions and is committed to shareholder value enhancement. The Board has taken several incremental steps to bring in additional measures to protect all stakeholders and enhance the intrinsic value of the Company through this phase. Taking cognizance of widespread circulation of misinformation, market rumors and speculation that has led to formation of negative public opinion about the Company and consequent erosion of investor wealth, the Board of Directors of the Company has formed an independent investigation committee (IIC) headed by Dr. Satish Chandra, retired judge of the Honorable High Court of Allahabad, who shall be the chairperson of the committee and two members of the Board Mr. Uttam Agarwal and P.V. Ramana Murthy, independent directors of the Company. IIC will conduct a thorough review of allegations made by regulatory agencies against the Company, its promoters and KMPs to protect the interests of shareholders and other stakeholders of the Company. The Independent Investigation Committee will submit a report to the Board after completing the exercise, outlining its recommendations and suggesting necessary actions. Additionally, the Company will vigorously continue to defend itself in appropriate legal forums against any malafide and factually incorrect assertions as recently done successfully.

The Board has also roped in leading legal advisor, other third-party advisors and subject matter experts to get specific inputs on several key issues including legal proceedings. The Board is also committed to timely and clear communication disclosures to investors and shareholders.

With respect to the ongoing SEBI investigation, we have extended complete cooperation in this aspect. In this regard the Company is not aware of any order wherein SEBI has recorded any findings as yet.

On merger failure with Sony, I will reiterate that ZEEL Board and management was fully committed for the completion of the merger by undertaking several permanent and irreversible steps. The Board has also discussions with Sony during the process. At no point in time Sony had discussed with the Board about conditions precedents, materially adverse events. Under the aegis of the Board, ZEEL management was engaged with Sony in good faith discussion to conclude the merger. The MD was also agreeable to step down in the interest of the merger. However, by its communication dated 22nd January '24, Sony unilaterally terminated the merger cooperation agreement and initiated legal proceedings. This move by Sony was premature as ZEEL was still engaged in good faith negotiations and was taking the required steps in the course of its integration journey over the last two-years to ensure that the scheme is implemented at the earliest. We do believe that the assertion that closing conditions not being satisfied by ZEEL is not an accurate or holistic reflection of reality. We reserve our right to make claims including counterclaims against Culver Max and BEPL for breaches of the merger cooperation agreement at the appropriate stage.

The Board is extremely focused on ensuring the highest standards of corporate governance, compliances and process controls. We are confident that Zee is well placed on the governance front for preserving and growing long term stakeholder value. Three proposed independent Board directors bring extensive experience and expertise to the Board, and they are highly independent. NRC has run a robust search process and collectively these three proposed independent directors bring required expertise and critical skill set to the Board. All three have an exceptional track record and solid reputation. I request all shareholders to support the resolution for their appointment which is currently being voted.

With that I'll conclude my opening remarks. I again want to thank you all for your time and we will now be happy to take your questions and suggestions.

Mahesh Pratap Singh: Thank you, sir. Sagar we can open the call for questions and answers.

Moderator: Thank you very much. We will now begin with the Question-and-Answer Session. The first question is from the line of Vivekanand Subbaraman from Ambit Private Limited.

Vivekanand Subbaraman: My first question to you especially Mr. Gopalan, since you have been on the Board since 2019. In your view how critical is Mr. Punit to the Company's strategy and continuation of its frugal and capital efficient execution?

R. Gopalan: Well, this is a question the Board has been debating. We are yet to form a view. But I would say that we need to consider various factors which are there in the domain of our thinking. Basically, I would say that we are putting through a revival process and it requires tremendous amount of focus, knowledge of the Company, what it did in the past, where all it did not make what it wanted to make. And so, the steps which you are now taking are going to be producing the results. That is one. Then also, this is a time when our businesses are all looking up. I would say about close to about 80% of our shows have gained market shares, which is very significant from our immediate and long-term viewpoint. And we are also putting through a succession plan in addition. So, these are all getting done. We need to, Board has to really discuss and debate whether there is a change necessary at this point in time. And incidentally I joined the Board end of 2019, not from early 2019, in November 2019 I joined the Board. And secondly, I also want to say that the Company has delivered I would say market beating performance till we got into the COVID stage, until the time we have been doing extremely well. So, all these factors the Board has to take into account before it comes to any conclusion on continuance of Mr. Punit as the MD.

Vivekanand Subbaraman: Just one follow up. Mr. Gopalan, you are the only Board member who has spent a good deal of time with ZEEL and the other independent directors are all new. So, how are you ensuring that the other Board members are familiarizing themselves quickly about the intricacies of this business, the history that ZEEL has had. And that is important because of the ongoing investigation by the SEBI and also in gauging the efficacy of the leadership?

R. Gopalan: I have tasked our management including various division heads to spend time with the directors and brief them adequately so that they are in a position to fully understand the complexity of the business. This is what we call orientation. But the orientation is not a shallow one. It's a very deep one. Two, all the new directors we have chosen are exceptional, person of high caliber knowledge. They bring in their domain expertise into the whole functioning. So, this is the second thing I should tell you. Three, the Board itself is now undertaking, starting from this Thursday an exercise, a monthly exercise with the management team with each vertical to clearly

tell them what they should do, what is the performance expected of them for this year, what is the profit their division which they have to deliver and how they will overcome the difficulties in the foreseeable future as the market also gets competitive. So, this will all be going into how we rate everybody's performance. And that will have future implications as well. So, we are making this process very rigorous, and we are hopeful that we will be shaking up the organization so to say. And also, through this process, the new directors will be in a position to fully understand and appreciate how the business is run.

Moderator: The next question is from the line of Vinay Jain from Karma Capital.

Vinay Jain: If you see in the last few months, there has been irreparable loss in the interest of the minority shareholders. So, as a Board member what are we doing to safeguard the interest of the minority shareholders? And secondly, you mentioned in your opening remarks that you guys have set up an independent committee which would be reviewing all the allegations made by the regulatory agency. So, by when can we expect an outcome from the independent committee? Those were my two questions.

R. Gopalan: In respect of what value, we are going to create, how we are protecting the interest of minority shareholders. One thing is that we have in the past, the Board at least including the independent directors in the past have taken a series of steps to improve the governance in the Company, either in dealing with the movie advances or collecting receivables or creating policies and that the policies get implemented, get into the related party transactions, reducing the number and value. We have done a lot of work in the past to ensure that the shareholder interest is enhanced. We will continue to do the same more rigorously and to ensure that all issues relating to technology, cyber, theft and those other issues which will impact our business, we will be in a position to address them so that the revenue leakage does not take place.

On whatever is being talked about on market rumors and speculation; what we have done is, we have constituted an independent investigation committee under Justice Satish Chandra; former judge of the Allahabad High Court as a chairperson and Uttam Agarwal; Chairman of the audit committee and Mr. Ramana Murthy who is an Independent Director and HR expert. They are in this group to conduct all the investigation on allegations made by the regulatory agencies against the Company, against the promoters, against the KMPs etc. so that we protect the interest of the shareholders and other stakeholders. They will submit the report. We have indicated

to the Chairman of the committee that we need to have the findings as early as possible and we will monitor. We'll also keep updating you as we go along on the progress of the committee's work.

Vinay Jain: So, our only again request is that, it shouldn't be the case that 96% of the minority shareholders get punished for the wrongdoings of promoters holding around 4% stake in the Company. That's the only request.

R. Gopalan: I can assure you this whatever investigation is going on, there is going to be no loss for the Company. That is something I can assure you because whatever advances have been given, I can tell you that these advances have either come in the form of inventory or in the form of advances back. But to that extent I don't expect any loss. And whatever the regulatory authors do in addition to that is something we'll get to know as soon as their findings are out.

Vinay Jain: We'll try and be updated or stay updated and to hear back from you on the independent review committee's investigation committee's outcome.

Moderator: The next question is from the line of Sameer Deshpande from Fairdeal Investments.

Sameer Deshpande: I would like to know, with respect to the deal of Sony which we have been very eager, and all the shareholders were eager to do that because Company needed technological competence as well as the money muscle to tide over the OTT losses which the Company has been incurring for so long. And post Reliance-Disney deal, the industry dynamics have also changed, and our market share is about 16% and the competition will be holding 33%-34% which will be twice. So, that will hit our bargaining power in advertisement and content everywhere and the sports business also they have completely captured that. So, actually, Sony recently filed a case against our Company with respect to, they are saying that the arbitration window is already open, so everything should be discussed in arbitration with Sony in Singapore Arbitration Tribunal and not in the NCLT. We have filed a case in NCLT, and I think I don't know. I would like to know from you whether we are very confident of the outcome of NCLT for going ahead with the merger or whether we will have to go to the arbitration and if arbitration is the case, it is always a good place to have some reconciliation over the differences which are there on the condition precedent. So, there may be certain things which may be beyond our control, that is Zee's control which that is supposing Russia, we closed the operations, but we could not close the

Company may be due to their regulatory issues in Russia. So, if these are the things which are the subject matter of the non-compliance of the condition precedent, those things can be settled or reconciled in arbitration tribunal or NCLT I don't know. So, you can please tell us about this and what happened today in the institutional investors meet which was there today, what was the stance of the institutions? I think we need full transparency on those things because we are a part of the 96% of the shareholders and we have suffered a lot from 2019 onwards due to various court cases against the management and all those things.

Mahesh Pratap Singh: Just to sum up Sameer you had three questions. First was competitive intensity with what's happening. Second was NCLT and arbitration. And third was institutional investor meet. So, we'll take one by one, but I just wanted to sum it up so that we can address it.

R. Gopalan: What I want to say is that as far as the competition is concerned let me say, we have only entertainment and we are not in sports. And basically, in entertainment what we find is that the bulk of our advertisement revenue comes from FMCG companies. We need to be even more creative in cornering the increased pie of the advertisement revenue which is going to flow as a result of the improvement in the economy, rural incomes going up and consequent improvement in advertisement budget of various FMCG companies. So, that is something which we are capable of making it and we will have to enhance our efforts to see that we get a greater pie for that. That I think based on our performance and our capabilities, I'm sure we will be in a position to get back. This is one.

And second as far as NCLT issue is concerned, it's sub-judice. And you talked about arbitration, yes, we would like to use both the forums to see that we are able to get a good deal for the shareholders. Our intention is to see by using these forums can the merger take place. We want the NCLT to direct implementation of the merger scheme under the statutory provisions which govern the merger. So, that is our aim which we are going ahead. To us the advice is that it's the right forum given our position that the termination by Sony was premature. So, we will continue to pursue all the options available to us based on the evolving situation and further legal advice.

On institutional discussion, what we really are looking at is, how we can improve our performance and ensure that the Company gets back to its old days of high EBITDA and revenue increase. We want to create that back again and we assured them that

we will monitor the entire performance just as we as I mentioned earlier that we'll be doing a monthly review of performance of each vertical at the Board level which we'll be doing starting from this Thursday. And we will take as necessary actions to improve the profitability and performance. And we will keep communicating with everyone every stakeholder on this.

Sameer Deshpande: Actually, there is another question which I would like to ask Mr. Uttam Prakash Agarwal. Can I go ahead?

Uttam Prakash Agarwal : Yes.

Sameer Deshpande: Welcome Mr. Agarwal to the Board of Zee. I am also a Chartered Accountant and you have been the President of Institute of Chartered Accountants for a few years. I have great respect and I'm happy that you are here now. And actually, I would like to know Zee had always auditor in place who have been Deloitte which is the largest auditing firm in the world. They have been the auditors of Zee for last 5 years during all this period of '19 to '24 where all these issues surfaced with respect to contingent liabilities, various court matters and liabilities with respect to the related parties etc. So, we have seen that books of accounts have been cleaned for almost 2 to 3 years where there have been extraordinary charges which have been taken by the Company with respect to these various matters and non-recoverable of the dues from the related companies. So, now the matter again has surfaced with regulatory bodies and they have been putting certain charges that the guarantees given to the group companies etc. exceed about Rs 2000 crores or Rs 4000 crores. I don't understand the figures but there were Rs 200 crores of thing which was against Mr. Goenka, and he was removed. And later again he was reinstated in the position because the charges have not been proved. Now the matters are old as about 4 years back and 5 years back. So, can you throw some light on this because the books are audited by reputable firms. What is the gravity of the situation now? Because can the shareholders again face some liability because the Company has to pay Rs 2000 crores odd because of some liabilities materialized? So, can you please address this thing?

Uttam Prakash Agarwal: Thank you very much first of all that you have a confidence on me. And, I think what issue you raise about that, there is information through the newspaper and all. And even though there is a multinational firm they have audited. But as a chairman audit committee I requested Board to take this information into consideration and examine all the 3-4 years record and that to the under leadership of Justice Satish Chandra ji

we have started the process gathering the information and I'm expecting very good result in very short time. So, we will be working on that.

Sameer Deshpande: Because now the matter with SEBI because the decision is awaited sometime in April, I'm given to understand against the KMP and what was the case. So, now we have been forming the committee just about a week back. And now these things when SEBI is taking eight to nine months to investigate things how come we can have a report which will be as quicker as maybe in 10-15 days earlier.

Uttam Prakash Agarwal: 3 months back I have joined this Company and I think you should appreciate, moment the things have come to our knowledge as a chairman audit committee and independent director what best course of action as an independent director I was supposed to take, I have taken it. How much time it will take depends on the transaction volume and it's a period is also four months. But ultimately, I have to come to my shareholder with a very detailed report. Whether the people what they talk in this media or the regulatory authority, what exactly. So, unless and until I do not come to a conclusion, I cannot comment on this. But certainly, we will be working very hard in the interest of the Company's stakeholders.

Moderator: The next question is from the line of Karan Taurani from Elara Capital.

Karan Taurani: The first question was that what is your decision now? I mean how serious are you in terms of seeking for a strategic partner or a financial partner or you believe that we are on course to deliver whatever guidance internally within ourselves? Because what has happened in the last one month is that now things have become very dynamic because of RIL-Disney. So, firstly, how seriously are you looking in for a partner? What are the timelines for the same? How much time could that take or you believe that internally you are sufficient enough to kind of combat this kind of a competition?

R. Gopalan: Let me say the question of we keep getting I should say expressions of interest. It's not that we don't, but please keep in mind that the NCLT has to kind of take a view on the application which you have made for the merger. Until a certainty comes on that, how can we proceed on this. That is something we need to tell you. Also it need not be a strategic. It can be a financial partner also. All we have to do is to see we get this problem resolved first before some of the expressions which have come to us are taken up. But this is the problem which we are facing now.



Karan Taurani: And this entire NCLT thing what would be the timelines for that to get it resolved in your assessment, any broad timeframes?

R. Gopalan: Well on regulatory agencies, I'll request Mr. Shishir Desai to answer that.

Shishir Desai: That's not under our control because the listing and all that will take time and that depends on the bench. So, there's no way we can control that.

Karan Taurani: So, until then there is no sort of likelihood for announcement of a strategic or a financial partner is what you're trying to indicate, right?

Shishir Desai: No. Until then we cannot.

R. Gopalan: We cannot have a deal. But obviously there can be discussions. Nothing can be completed until that issue gets resolved. But we'll work on this because that's also important from our viewpoint and we'll keep monitoring the whole way the process goes.

Karan Taurani: And secondly in your assessment how much time this entire outcome could take from SEBI because as for whatever legal checks we have done it could take anywhere close to 6 to 9 months even from now. So, do you also align with a similar kind of a thing? Because outcome of that investigation will also do wonders in terms of restoring some kind of investor confidence if the outcome is favorable. So, what's your take in terms of what are your legal team indicating in terms of broader timelines of the SEBI investigation outcome?

Shishir Desai: There's no way we can put any timeline on that because it depends on now SEBI because its something over which we have absolutely no control. The ability to push, no knowledge nothing.

Karan Taurani: And just one last thing if I could squeeze on this on Mr. Punit being in the Company and what are your thoughts about leadership? As one of the participants asked question in terms of his importance in the Company and managing the business efficiently, what are you looking at in terms of any kind of entrepreneurship or any kind of succession planning or anything that you've thought through for some kind of a change after this merger has fallen through?

R. Gopalan: I thought I answered this question earlier. If you had listened properly or I don't know whether you're late or something I do not know but I thought I had answered this earlier. One of the first speakers was asking this question and given a view on this.

Moderator: The next question is from the line of Jinesh Joshi from Prabhudas Lilladher Private Limited.

Jinesh Joshi: Post the merger termination, Sony has sent across a letter of putting a charge about USD 90 million but we have gone to NCLT putting an application rather than putting our counterclaim on them. So, just want to understand what is our broad strategy over here. The reason for asking this is because in the opening remarks you clearly mentioned that you were fully committed to merger and Mr. Goenka was also agreeable to step down. So, if we are in clean why not put out a counterclaim rather than enforce the merger in NCLT?

R. Gopalan: That's something we will also take a view as we go along. First let us get the initial discussions in NCLT start. Once they start then we can have a look at, gauge as to how things are shaping up and accordingly, we can refreshen our strategy. So, your point is a good point.

Jinesh Joshi: But is there a provision that if one party is disinterested, the other party can still enforce the merger? And the reason I'm probing this one more time is because the termination fee is quite big and USD 90 million which is somewhere around Rs 700 crores that is the reason for asking this again.

R. Gopalan: We had gone to NCLT requesting them to help us to implement the scheme. Now parallely there is an arbitration is also proceeding. So, we have these two things which are on the card as of now. Now to look at asking for compensation, etc. is an option. And in our Q3 results if you had examined, we have mentioned that we also have rights to do counter claims. If you had looked into that. So, all these things are being constantly assessed so that whatever decision we take will be in the best interests of the stakeholders and also on the basis of whatever the way the various things are proceeding both NCLT and the arbitration we can do a course correction on these issues as well.

Jinesh Joshi: One last question from my side. While the merger was ongoing, we had divested or rather had plans to divest three channels. So, what happened to that? And also, I

think there was some write down which we put in our sugar box investment. So, will we continue with the entire balance write down which is left and how will these things pan out?

R. Gopalan: We need to continue with them as of now because we are requesting NCLT to have the merger process completed and these were part of that process which we underwent. So, we need to continue with them in the sense that whatever decisions we have taken we need to continue with those decisions at this point in time and see what the NCLT gives a verdict on.

Moderator: The next question is from the line of Ketan Saraf from SBI Capital.

Ketan Saraf: One question I have in terms of the industry competitiveness, as we all know that Disney and Reliance have joined hands to integrate their operations in terms of being the highest market player. So, just wanted to know what is the impact would be on ZEEL? Like one point I understood that it is more of the entertainment business and they are more into the sport business. But apart from that as Jio Financials or Jio Cinema and all what would be the impact in terms of top line, bottom line and the overall scenario going forward as if we only operate on a standalone basis without any merger or without any strategic investments?

R. Gopalan: I would say that we have faced competition in the past when Netflix and others were there. Now we also believe that competition is good for the industry for a variety of reasons. Now please look at the fact that the kind of market share we have gained in the recent past despite higher spends by the competitors. Now I'm talking about the content. Content is not just about the money but about understanding the audience and their preferences. And ZEEL's decades of learning along with the partnerships which we have with various stakeholders helps us to produce quality content at a lower cost, definitely at a lower cost compared to its peers. And that's a competitive advantage. Now when Sony, Disney Star and Viacom individually operated we competed with them. We'll do the competition again when they are merged.

The cricket rights may give them an advantage of revenue but that will be on the sports side. But on the entertainment side, we will see or we will make all efforts to get a very good share of ad spend in that area. And by the way I also want to point out that sports is not so profitable at this point in time based on various strategies by various other people.

Ketan Saraf: Just want to add on this, in 2018 or '19 your market share was around 25%-24% odd and it has gone down to now 16%. So, how do you see this competitiveness on the market share prospect as they command currently a 40% market share both.

R. Gopalan: I think we had 18% to 19% as the market share, not 24.

Ketan Saraf: 5 years back maybe in 2017 or '18.

R. Gopalan: This 18%-19% I'm saying with reference to after that is excluding the sports. So, I am now only talking with reference to entertainment. That's the number. But the advantage which I mentioned about our ability to get the audiences rooted to us based on the content we produce at a low cost and the way in which the distribution is being done. There is a lot of ways in which distribution can be done today and you are aware of it. So, there will be competition, yes, due to our superior content quality I think we should be in a position to maintain our market share or improve it even further.

Ketan Saraf: Just last point, the second thing was related to the spends on the movies. So, there was little biased in terms of spending more amount on movies and getting into, there was some conflict regarding that particular front. So, I just wanted to have an idea, how are you looking at spends on movies? Like if you spend a full quarter profit on a movie rights or movie subscriptions then how do you look at the risk point going forward spending on movies?

R. Gopalan: I think Mahesh can you take this question?

Mahesh Pratap Singh: I think movies, it's important to look at movies as a portfolio. We look at variety of projects across genres, across budgets and languages and so on. And our ability, as a player across the value chain, which just doesn't do theatrical or distribution but also does linear broadcasting, OTT, allows us to monetize a piece very holistically. So, it's important to not look one movie in isolation from P&L standpoint, of course we will look at it, but the nature of our business is that it's always very difficult to isolate commercial success of one creative product. So, that's why we try looking at portfolio. As a portfolio it really meets our objectives both in terms of how we monetize it across the value chain and the kind of returns it generates.

Ketan Saraf: I mean to ask you in the foreseeable future like 2-3 years down the line as the financial impact of the overall industry is not good and has impacted a lot on the financials on the net level. So, would you be investing in movie business going forward on an aggressive way or you will slow down in the next maybe 1 to 2 years or 3 years down the line?

Mahesh Pratap Singh: This we briefly spoke about in our Q3 Earnings call also. So, as we move forward a lot of our third-party content acquisition movies etc. will moderate. We will look to optimize what we spend so that clearly will trend down and its more optimization journey as we move forward.

R. Gopalan: I think we'll be focusing more on quality at this point in time to get the best out of whatever content we have.

Moderator: The next question is from the line of Anil Chandani from ASRS.

Anil Chandani: I've been tracking the industry and the Company for over 30 years. I would like to come to some specific issues, very vital issues. Briefly three vital issues and one clarification. I hope you'll be giving detailed specific answers and you can take a supplementary maybe from Mr. Chandra or Mr. Murthy or in case they are present. Number one, on regulations, hats off to you forming the Independent Investigation committee which has stalwarts, Mr. Chandra who is a legal expert and represents the best courts in the country. Mr. Agarwal, I think he has got 18 years experience with the accounting audit and financial reporting regulator, 9 years in the western region and I think 9 years at the central level and interacting with all government authorities. It is final authority on accounting audit and financial reporting. Mr. Murthy on HR, it's a master stroke to see that it is done. We had some independent committee in Adani also appointed by the Supreme Court. And we know ultimately a clean chit was given. Now a few specific points. Whether we who are tracking the Company industry since last 30 years and having large investments we should be given the opportunity to interact with SEBI, NCLT, SAT and the courts, whether it is High Court or Supreme Court. Why we are denied opportunity. Only BSE, NSE, Axis Bank and all the other third party who are not locus standi. They have taken time and wasted the times of NCLT for over 2 years. Frivolous people with no locus standi but large investors like us, why we should not be given an opportunity? Why Mr. Chairman and the CEO they are focused on creating vision and content and innovation, they have to go to SEBI and answer all the questions. When we can interact with them and we will know the

facts and we can have a better perspective. I would like to know whether we'll be given the opportunity to interact with SEBI, NCLT, SAT courts and also the IIC, that is independent investigation committee. If they interact with us, they'll get better perspective. Number two, on the CEO coming to management, the CEO is known for frugal and innovation. I wonder is there any better CEO? There are two companies. This one and there's one in the south which have high gross margins, operating margins. It is because of deep insights on consumer, creative and cost and understanding the business. That's why the margins are there. You see other newcomers what are their margins. They are making huge losses, so they should focus on creative. If there is any fraud which mainly, I think it is on allegations instigated by powerful rivals. So, if any allegation of frauds are there, worldwide it's a practice only. The CFO and that compliance officers they are held guilty. CEO is known for frugal and innovation. His expertise is business and business insights and creativity. Then you can't hang him with a sword on making false allegations daily. Every day some false allegations are coming in media. I wonder it is paid media or independent media would like to know on that. I would also know, one other suggestion on markets. This F&O and this ban and this 2%-5% profit limit. Why doesn't the Company take immediate action and get the stock removed from F&O? We have another example of India Bull's housing which was removed from F&O just a few weeks back. And see the stock has doubled. Since the announcement of ban that announcement was done. The stock will be removed from F&O. Company has authority to make an application tomorrow and say we want the stock removed from F&O. All this is giving opportunity to rivals to manage, hammered the stock on the pretext of false allegation and bring down the prices, who loses? It is 100% of shareholders who lose. It is not 96% and 4% very clearly. I spoke in a last con-call also, what is the promoter stake in ICICI?

Moderator: Mr. Anil Chandani. I'm sorry but due to time constraints we wouldn't be able to take any further questions.

Anil Chandani: It's very important. Give me a couple of minutes. These are very vital. Mr. Gopalan is conducting the meeting. Please allow me because it's very vital. We have lost over Rs 20,000 crores of market cap only because of some things happening in the last few months by powerful rivals. And just briefly then we talked about, there are other companies also PTC India where there were false allegations against directors. That matter was cleared, cleaned up. The stock has tripled. In the Polycab case the promoters are clean.

Moderator: Mr. Anil Chandani, with the interest of time, we will have to end the question-and-answer session here itself. Ladies and gentlemen, due to time constraints we end the question-and-answer session over here.

Mahesh Pratap Singh: Let Mr. Gopalan comment and respond to it before you close.

R. Gopalan: I'm happy that the investor was able to give a number of suggestions. Now whether we agree with that or not is a different issue. But we need to know that we have to follow the process of law. That is what we are required to do. We'll cooperate with the authority fully and also defend successfully on what we think are the correct things that we will do. But the suggestions are something which has value but they have to be looked at with reference to how the law of the land operates.

Mahesh Pratap Singh: Thank you, Chairman sir and everyone thanks so much for taking time out. Due to paucity of time, we will have to wind up now. But we hope that this conversation was useful and we were able to answer your questions. Please feel free to reach out to investor relations team if any of your questions were unanswered. And we appreciate your time and interest and we will remain in touch. Thanks again and have a great evening. Sagar we can wrap up.

Moderator: Thank you. On behalf of Zee Entertainment Enterprises Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.