



Zee Entertainment Enterprises Limited

AMA – Ask Me Anything Conference Call

July 03, 2025

Transcript

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Moderator: Ladies and gentlemen, good day and welcome to Zee AMA, Ask Me Anything Conference Call hosted by 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikas Somani, Chief Relations and Strategy at Zee Entertainment Enterprises Limited. Thank you and over to Mr. Somani.

Vikas Somani: Thank you Nirav and a very good evening, everyone. Welcome to Zee's first Ask Me Anything, an interactive webinar. We are very excited to host you today, virtually though, for what promises to be an insightful session.

My dear shareholders, this evening we have assembled at a very important and pivotal time in your company's journey. At a time when Zee is rapidly transforming into a content and a technology company or I should say a technology powerhouse and we have been communicating of our transformation progress to you now on a weekly basis through a Friday newsletter. But we thought it would be best to create a single and a wider forum where every shareholder and the leadership team can come together and interact with each other and therefore this webinar today.

Today's session is to delve deeper into this paradigm shift that the company has undertaken and the strategic initiatives which it intends to implement. Let me take a moment to introduce my fellow colleagues and members of the senior management team who are a part of this interactive session.

Starting with our Deputy CEO and CFO Mr. Mukund Galgali, Chief Growth Officer for Advertisement Sales Mr. Ashish Sehgal, Chief Revenue Officer for Subscription Sales Mr. Anil Malhotra, Chief Content Officer Mr. Raghavendra Hunsur, ZEE5 Business Head Ms. Kaveri Das, Chief Business Officer Movies Mr. Umesh Bansal who also looks after our Music business till our new Business Head gets onboard and Chief Compliance Officer and Company Secretary Mr. Ashish Agarwal.

We are also joined by our esteemed board members today Mr. R. Gopalan, the Chairman of the Board, Mr. Uttam Prakash Agarwal, the Chairman of the Audit Committee and Stakeholder Relationship Committee Mr. P. V. Murthy, the Chairman of Nomination and Remuneration Committee and by the way today we also have with us the Founder and the Chairman Emeritus of the company Dr. Subhash Chandra. He represents the promoter group and if you have any questions in relation to the promoters or what he thinks about the business or any other queries which you have you may direct it to him today.

Now with this I may like to hand it over to Dr. Chandra to say a few words.

Dr. Subhash Chandra: Thank you Vikas. Respected Chairman, Mr. Gopalan, other board members, our colleagues and all the people present in today's Ask Me Anything webinar of Zee Entertainment Enterprises



Limited. Friends, the Board asked me a few months back to start taking interest in the company and advise them as well as the CEO Shri Punit Goenka and use my experience and expertise in this business, which I agreed and I'm doing so for last few months.

The Board led by Mr. Gopalan agreed when I suggested to him that we should become much more transparent and much more open to the shareholders, more so because all the institutional investors, the large funds, FIs, have representatives present during the quarterly calls. They meet with the management and the investor relation team of the company on various occasions and the analyst reports are also accessed by them. They also have a number of people and the infrastructure in their company. They can analyze those reports and make up their mind how the company is performing, how business is going on, the nitty-gritty details they come to know through those assets.

However, the retail investors and HNIs, and particularly in your company where there are 700,000 retail shareholders who own ~55% of this company are sometimes not able to access that information. Hence, as per the direction of the Board and Mr. Gopalan, the website of the company was rejuvenated, re-energized and the company is currently sending a weekly newsletter, posting them on the website and also sending them to all the shareholders whose emails are available in the record of the company. They will continue to do so in the times to come, but this first webinar, which is AMA, Ask Me Anything webinar, we have decided that we will continue every quarter. Post the announcement of the quarterly results, the CEO and the Management of the company meet the investor community on the same day. Now we will do the same AMA, Ask Me Anything webinar, on the next day of the announcement of results. This way, every shareholder would have the opportunity to ask any questions which they want to ask as a shareholder or as the owner of the company.

This is what I would say was Board and Chairman Gopalan's directive to us and we are happy to follow their directives. I will request all shareholders that they should explain this, and they should spread this message to other fellow shareholders of Zee that this company will be doing this on a regular basis. Only in return what I want, a request to you is that whenever there is any resolution put up to the shareholders, you kindly must vote for that because the voting percentage of the retail shareholder is very low.

I am not saying that you please vote for the approval of the resolution or for the proposed resolution. You may vote against it, but you must vote, that would be the only thing I will request the shareholders to exercise. So, not only it is your right to vote but also it is responsibility. So that the company and its management do not take any decision which you feel is not in your best interest.

I should not have said this but today I want to say that our learned proxy advisors and sometimes some analysts also, they have their own reason, and they have their own point of view according to which they advise shareholders to vote or not to vote. I mean this is something which can be their personal bias coming into it for or against the resolution. So, nothing is better than making your own decision in your own interest because you are the investor, you have put money, the proxy advisor has not put money.



So, this is the all request and now I will request the Deputy CEO to make the presentation about the company and then Vikas will take it forward. Thank you very much.

Vikas Somani:

Just before Mukund starts, I would like to remind everyone that some of the statements made or discussed on today's conference call will be forward-looking in nature and must be viewed in conjunction with the risk and uncertainties we face. The company does not undertake to update any of these forward-looking statements publicly. Thank you. Over to you Mukund.

Mukund Galgali:

Thank you Vikas and good evening, ladies and gentlemen. As you are aware of the background of this Ask Me Anything meeting, I would like to present the brief on the operations of the company and our plans going ahead, most of which may be already known but it is important to emphasize the status at Zee and I thank you for your attention for the same and thank you for participating in this webinar. So, as we are aware, Zee is primarily present in five business verticals, the linear business, digital business, music business, studio business and the syndication business.

Over the last 30 years, by virtue of our content creation capabilities and our advertising and distribution capabilities, we have become formidable players and achieved significant milestones in each of these verticals and truly we can consider that it is a 360-degree entertainment company. This presentation will layout when we speak about these businesses, what is the size and extent of our presence and how is it that, we become so formidable. Zee has around 50 channels in India and more than 40 channels in international..

In India, we cater to programming in 11 native languages and 11 foreign languages overseas. We produce almost 500 fresh content hours every week and this is a continuous process where we are creating content in our linear and our digital business, as well as music and other areas. We also have more than 6,850 movie titles, some of which are own titles with negative rights, some of them are with perpetual rights and some of them are fixed term rights.

All of this makes Zee a formidable player in the media and entertainment space and it is truly one of the content powerhouses with access to the exclusive libraries in the Indian entertainment space.

Coming to our progress made over the last 12 months, since the merger did not go through and we have heard and discussed this in the past, but quickly after that, a lot of efforts have been undertaken under the guidance of the board and under the guidance of participation of all the team members as well as our CEO and I would just like to touch upon a few KPIs which reflect the efforts put in and our vision going forward.

We have been able to improve our EBITDA margin, which reached 9.7% in Q4 FY'24 to 14.4% during FY25. Our EBITDA loss in ZEE5 digital has been reduced from INR11.1 billion to INR5.5 billion and as far as our cash flows, we are focused on creating a war chest and it reflects in cash and cash equivalents rising from INR 11.9 billion to INR 24.1 billion which is almost double.

And this enables us to share the returns with shareholders, and we have been able to increase our dividend which already has been approved by the board and recommended to



shareholders for approval. So, there we can also see a demonstrable increase in the cash payouts to the shareholders, and we intend to continue this practice going forward which is stated in our dividend policy.

Other than the financial metrics, we are also continuously striving to improve the governance framework at Zee. So, some of the key points which I would like to update dear shareholders, is we have augmented the board with two new directors who are being voted currently at the shareholders level and one of them is from a media agency background and she was the CEO of one of the largest media agencies in India.

The other proposed director Mr. Saurav Adhikari, comes from a rich technical background as well as Finance and FMCG background. So, both of them bring in a rich experience and enhance the board capabilities and also help us in becoming a diversified board and we have two ladies on our board and this has never been before actually and I think for the first time we are having this kind of a diversified board at Zee.

So, all this augurs well for providing stewardship to the management, to the company and they also have ensured active monitoring of key matters through various committees which have been formed to regularly review the key developments at the company, whether it has been the SEBI investigation or the monthly performance reviews or the HR related aspects. So, this reflects monitoring of key matters and business performance by the board.

Further there has been an emphasis on ensuring regular updates of events to the shareholders and this is reflected by a strategy document which was shared on May 1st. Further updates have also been shared in June and as the Founder and Chairman Emeritus Mr. Chandra said that we intend to continue with this regular communication with the shareholders to keep them abreast of the state of the company's affairs and the plans going forward.

Another notable achievement in this framework of governance is our environmental, social and governance score which has gone up from 28 to 44 which makes us amongst one of the Top 10% players globally in the S&P Global ESG score 2024. Having covered what has been happening in the last 12 to 15 months, it is important to touch upon where we stand now and what is happening in the media and entertainment landscape.

So traditionally, like I said earlier, Zee has a rich library, Zee has been producing content over the last 30 years which is across TV shows, movies, music etc. But of late, the lines between traditional and emerging media are blurring. A lot of new entrants in the industry have changed the landscape of media and entertainment. There are new entrants in the form of technology companies who are slowly becoming media companies. There are telecom companies who are also acquiring media content space. There are e-commerce and quick commerce companies who are also vying for the share of advertising pie. Besides this, advent of social media has also exploded, and we all know that it has become a habit in terms of Instagram, Facebook and some of the other apps and viewing options which consumers have.



So all this has changed the landscape of media and Zee has been taking steps and the idea of today's presentation is to share with you that how Zee plans to stay ahead of the curve and garner a share of revenue which it always used to do over and above its peers and our focus is going to be to continue to stay ahead of the curve and hence there has been a lot of strategy discussions at the company level, at the management level and along with the board's guidance, we have identified key areas of our growth both in our existing business as well as some new initiatives which will propel the company forward.

So, what are the key plans for transforming Zee for tomorrow is what I'm going to speak to you next about. So essentially, our business comprises of content, creation of content which captures the attention of viewers and in spite of all the changes in technology and various other things, I think the value of IP and a good story will not change ever. I mean, a good story will always find the right viewership, will find the right eyeballs and will capture the attention of our viewers.

So, our focus is to create new IPs in content, our focus is to create different forms of content, short form and long form, etc, which will all capture a wide variety of age cohorts, so that our advertisers are able to benefit from the reach of our platform. And at the same time, we do not have to invest separately for each story for each platform. So, the concept which we have defined in our game changers meet is to follow an omnichannel approach in creation of content.

Omnichannel content creation enables us to have a unified content production ecosystem. And for that purpose, we have actually reorganized our whole organization structure as well, whereby we have a single window of content creation, which is catering to different formats, so that we are able to monetize it through proper windowing strategy in television, in digital, and in other forms.

So, focus on content creation of IPs, creation of omnichannel content is something which we are working on, and have implemented, and the results will follow soon. So, to summarize the levers in linear business in our current business, which is almost 80% of our business, which comprises the significant chunks, we are a strong number two in this space. And we are inching up our viewership share through fresh lineup of content and new IPs. And we are also going to enter into new genres in this space through horror, comedy, kids, and mythology.

So, I'm happy to share that we had a target of 17.5%, which was communicated earlier, and we have been clocking more than 17.5% as viewership share in the last three weeks continuously. With the new slew of content, which we have over the next couple of months, we are confident of growing this further.

We have also relaunched our presence in the free to air channel space. This is a profitable market. And with our rich library of language content, we are able to cross pollinate content from one language into another and cater to the FTA market. This also augurs well, in helping us grow overall advertising and our viewership in the linear business.



On the monetization front and we have our sales colleague also on this call, we are undertaking various steps and though these steps may take some time to deliver. The macro-economic environment is not really helping, it has been subdued, whereby the spends on TV is not really, is not growing to the to the scale which we were used to see.

Hence, there is a need for us to reach out to different sectors of advertisers, different segments of advertisers, whether it is retail, SMEs, startups, etc. structure deals with advertisers, in show brand integration, the building blocks have been put in place and will start yielding results in some time. So that is the summary of our initiatives in our linear business, and we continue to focus and keep it as an efficient division for our company, which will continue to support our initiatives.

Coming to ZEE5, and this is a high growth sector. A lot has been discussed on this in the past. And we now have a business plan whereby there is a clear focus for achieving profitability in this business. A lot of investments have gone through in this business, and we don't want to talk about breakeven alone. It is actually about achieving profitability.

So, the timeframe, of course, has been mentioned as FY '26. But efforts are on, and we have recently launched seven language channels in ZEE5, in seven local languages of India. And this is going to be our differentiating factor and our USP. And I believe we are in a sweet spot to cater to the mass audiences in India, which no other OTT player have so far provided. And with our past record of achieving success on regional channels, we believe this will be a game changer for ZEE5. This will enable us to tap into subscriber base with a healthy ARPU. We believe this will be the path to breakeven going forward. And we have also introduced advertising in SVOD to further augment our digital business. And there is close monitoring of businesses to take necessary action as and when the things are rolling out. The seven languages have been recently launched on the 6th of June, and we'll continue to monitor and keep the shareholders updated about significant progress.

We have also launched and invested in a micro drama app called Bullet. This is a new concept, this has been launched in five languages across India. And I'm happy to share that in the beta testing phase itself, we are in the top 15 apps of the entertainment app options. So, we look forward to building this business as one of the key products of our company.

Next is our music business. As Vikas mentioned, we have inducted a new business head to further strengthen our talent pool. We are investing in diversified catalogs in different genres and languages. We are going regional aggressively. And we believe that there is a lot of value. And Zee Music company is a profitable business for us. We are looking at further strengthening this and scaling this up. At some point in the future, we will look at how we can unlock further value from Zee Music.

Coming to syndication, we have again onboarded a new business head from our internal talent pool. We are looking at repurposing and upgrading our content from our vast library with the use of technology. And to monetize our library in a better fashion, we believe there is value in this business, which is still to be fully extracted.



So, a focused business plan is in preparation. We may also have a plan to make this as a separate business in a separate company. We have formed a subsidiary for the same. However, this is still under evaluation in terms of tax and other compliances.

Coming to movies, which is also a feeder to our TV and digital businesses and music business, as we have mentioned in the past, it enables us to have a good talent relationship in the industry. We will be having a prudent approach in green lighting projects and diversifying into different languages. We are also trying to reduce the risk of capital by signing up front anchor deals for satellite digital and music. So, these businesses do provide Zee with an extra edge in the in the M&E landscape.

Now, coming to the core of this presentation is which is the next phase, about the different initiatives in our existing business, we had a lot of deliberations, and had a detailed evaluation and presentation to our board, and also reviewed by JP Morgan, in each of these business lines. The businesses which we have shown on the screen, I will just briefly touch upon each of them. The micro drama platform called Bullet is a venture which we have already invested, and the product is launched, and we are going to go for a full scale commercial launch soon.

This business, taps into a lot of youth and younger audiences, and which, is internationally tested model, but we will wait and see how the Indian market evolves in this business, we will be one of the first companies to have launched this pan India basis in different languages.

Zee has been present in sports till 2017, when we sold our sports business to Sony. We have now plans to reenter this business.

However, with a focus on profitability, we will not chase high cost properties only for the purpose of top line, but we will be prudent in selection of our content of sporting rights, which is work in progress, and we'll keep you posted on this. Besides this in kids, animation and edutainment also, there are certain investments which are planned, which will both be in the digital as well as linear domain. We believe that we are missing this cohort of audience.

And by getting the audiences back to Zee, it will enable us to exploit our advertising relationship and garner further revenues for us. Zee was also present in live business in the past, which was shut down during COVID. Post COVID, we've seen a rapid increase in experiential entertainment, and we have plans to get back into live business. We have already appointed a business head as well from our internal talent pool. So, in live business, we will continue to exploit these homegrown IPs, as well as partner with other players to host events and to, take advantage of the concert economy. This will give us also; besides ground revenue, we are also looking at boosting our advertising through this business.

The distribution model mentioned here is a unique plan which we have. And this plan is to strengthen our relationship with cable operators and distributors. Mr. Malhotra is on the call later, he will also be able to speak about it. This will enable us to focus on, ensuring the viability of cable operators, as well as increasing our distribution of both linear as well as digital pipes. So that is something which, again, we have formed a separate company, and we'll update you further as and when there is progress. All these initiatives will yield results over a period of



time. But at this point of time, it is important for Zee to look at these options. And this has been the basis, of review, discussions, and deliberations while arriving at these business opportunities. We will also look at inorganic expansion as and when a suitable opportunity arises, and the Board may consider fit.

The last one I'm going to mention is something which will be an add on to our digital business, it will be providing a delightful viewing experience to consumers of ZEE5. And that includes immersive experience. So, we have also sanctioned and developed some relationship to cater to this, and it hopefully will be the first time in India that we'll be able to bring this experience to viewers, which will augment ZEE5's capabilities.

So, for all these initiatives, we believe that it is important to ensure that, they are core or adjacent to our current businesses, they are not unrelated to our current business. So, the principles which we have followed ensure that they are, extension of our current business, there will be proper monitoring of this as we go forward. And there will be proper disclosure of the progress and the developments in this to handle or to cater to the needs of existing business growth as well as our new initiatives.

It is strongly felt that a stronger balance sheet will help us to pursue these transformational activities and initiatives and in the coming years and help the company stay ahead of the curve. And with this, I would like to conclude the brief presentation. And we'll be happy to take questions as we go forward. I'll give the mic back to Mr. Vikas. Thank you.

Vikas Somani:

Thanks. Let me thank Mukund. I know we have given you a time constraint. Otherwise, there's so much to tell about our plans and you could have gone on and on.

But thanks for summarizing Zee's journey going forward in these few slides. Some of the very interesting things as on the ESG score, we are right there at the top and probably the only Indian company in the sector there and competing, in fact, with some of the global companies. You talked about the various new initiatives, very exciting, the various content IPs which are creating such as the kids' content which you talk about. And this is something which is also going to give us forward looking benefits. We can create so many IPs out of that genre going forward. So, I'm sure this will lay a good foundation for our discussions going forward. Now, I will hand it over to Nirav to open the forum and start the Q&A session.

Moderator:

Thank you very much. We'll now begin with the question and answer session. We take the first question from Abneesh Roy from Nuvama Wealth Management. Please go ahead.

Abneesh Roy:

Yes, thanks for the opportunity. My first question is essentially on the strong balance sheet which you already have, which can even become stronger. Question is, you are also focusing on profitability of ZEE5. Now, there is a consolidation in the competition because Jio and Hotstar have come together. In that context, why not invest more in ZEE5 in a wide space like sports or more new movies or more exclusive content? Why focus on profit as in profitability and loss reduction in the current scenario when balance sheet is getting stronger? That is the first question.

Mukund Galgali:

Yes. Hi. So yes, Abneesh, I think it is a good question, and I must say that during my presentation, I missed out on one important aspect that we are increasing content in ZEE5 by 3x compared to previous year. So, we continue to focus on ZEE5 as an important growth driver in the business.

We have enhanced our content offering by going into multiple languages. It is only going to increase. So that clearly remains a focus area for us. Sports, of course, it will be discussed and evaluated on a case-to-case basis. We are not saying no to anything. Our focus will be to be profitable in sports as and when we invest. That is all I would like to say for now. I hope, Abneesh, that answers your question.

Vikas Somani:

Abneesh, if I may add to what Mukund had said, ZEE5 remains one of our growth drivers going forward and it is not that we are trying to over-engineer that business in order to show profitability. In fact, you would have seen the recent initiatives which we have taken out there.

We have launched multiple language packs in ZEE5. Previously, it used to be Hindi first and then other languages, but now they are equal focus on six to seven languages out there and thereby giving so much content offering to all the audience, all the various language audience. We are also coming up with various other digital initiatives around ZEE5.

For example, you must have read about the Bullet, the short-form content which we are doing out there. So, yes, it remains a growth driver. We are not looking at profitability and driving that business, but we are being very prudent and smart in our investments.

Unlike in the past where we also were a part of the herd mentality and we thought you can invest as much as you want in content and the subscribers will come in, that's not probably the trick of the game. We have devised our own plan and that's how we are going about it. And its initial days since we have launched our multiple packs, but it has been showing promising results to us and that is what is giving us confidence going forward.

Abneesh Roy:

Sure, that's useful. My second and last question is linked to what Dr. Subhash Chandra also mentioned briefly and I think some of the experts have been asking those two questions on the event which was announced a few days back. So specifically, they are saying that warrant is not the best instrument because it takes a lot of time for the infusion and most of the it happens at the end of many quarters.

And second is already balance sheet is strong, so why not use it first and then go for any fundraising because INR2,400 crores is a very big number in media asset acquisition and you have been doing very smart and very niche acquisition. So why not first use that and then look at the funding. If you can answer these two small questions, that's all from my side. Thank you.

Vikas Somani:

So, on the warrants, can I request Dr. Chandra?

Dr. Subhash Chandra:

Yes, I would say that though as you said the balance sheet is strong, but you need much stronger balance sheet looking at the competition and what they have. They have 10 times more money than Zee has. Secondly, to the question of warrants which will get money over

time, I can assure you that we will not wait for 18 months. We will bring the rest of the money as soon as possible, as early as possible.

R. Gopalan: Vikas, I also would like to add that, I mean, as Dr. Chandra mentioned that this money will come in even earlier than what we had indicated. And secondly, look at the way the competitive landscape is evolving in this space and we need to really, I mean, not only face the competition, but perform even better than what we have been doing all these days. So, it's a very conscious decision to see that, I mean, we ramp up our ability to enter into all these things and we need definitely the fuel for that.

Vikas Somani: Absolutely, sir.

Moderator: Thank you very much. We move on to our next participant. Next question is from the line of Henil Bagadia from EquiCorp Partners LLC. Please go ahead.

Henil Bagadia: Thank you for the opportunity, sir. Congratulations on a great presentation. And so, I would move to the question related to ad revenues. So how you've seen a couple of new initiatives as well as on the broadcasting side, you are entering into the free to air channels, as well as on the digital, you are getting into micro dramas, you're getting to short videos, something similar to probably like TikTok meta and getting into a full stack of solutions.

Sir, how would you see the ad revenue grow? And would it be disproportionate to the existing revenue, other revenue items? So, on that, if you could just give some view?

Vikas Somani: I will ask Ashish to comment.

Ashish Sehgal: Yes. Hi, good evening. Good question. Yes, of course, the immediate initiatives are there across all omnichannel opportunities which are being provided from the content dissemination perspective and then obviously to monetize the same either through subscription revenue or ad revenue. Now, ad revenue on television as you see has been stagnating and not growing at speed and hence it was required today to create new initiatives and new opportunities to get money.

Henil Bagadia: So, just a follow up on that.

Ashish Sehgal: The question is between.

Henil Bagadia: Sir, just a follow up related to that.

Ashish Sehgal: Sorry okay.

Henil Bagadia: Since the linear TV markets, the ad revenues have been stagnating. So, if you see the OTT space, I mean, a couple of players have been going aggressively in terms of increasing the ad campaign and even on the digital side, as you said, a lot of e-comm players getting into media, telecom acquiring media assets and a lot of other players actually getting into the media side.



So, if you could also spend some minutes explaining how crowded the segment is getting, the edge that Zee will have over other competitors and since Mr. Subhash Chandra ji mentioned that we are getting into a full stack. So, should we see ourselves as not just as a media company, but probably five years down the line when we have each segment which is going to be very sizable.

Will also be an ad solution market where if there's a regional brand that is coming up or if there's a national brand that's coming up through our verticals, we'd be able to give them specialized solutions?

Ashish Sehgal:

Well, you answered your question yourself. Yes, of course, that's exactly the way we are moving forward as a solution provided to the advertiser. The whole advertising structure has been made in a way that we reach out to a client not just for selling only TV inventory, but we are looking at complete customized solution to the advertiser. We have ZEE5 now.

As you know, we have opened inventory on SVOD also. We have some new content initiative you saw called Mini-Series. Now, Mini-Series is complete integration of a new product right at the inception of the script and that content then travels across digital which is in the SVOD or the premium customer next it goes on to AVOD and then it goes on to television.

So hence, it gives you the complete spectrum of the viewership out there and the advertiser is able to come inside the content with having clutter breaking solutions there. Not only that, we have today created a 360 degree solution for advertiser which includes using our Diffluencers which we have mentioned nowadays in press etcetera which is basically our characters used as influencer of creating ads.

And so that is also embedded within the deals etcetera, which just not only go on to TV, but it also go on to social media and YouTube etcetera. So hence, it gives the advertiser a complete solution. It gives engagement with the consumer and at the same time they are able to judge their ROIs also. So, we are not anymore selling TV inventory. It is all about solutions to the advertiser.

Now, what about large advertisers, you may ask this question. I am only anticipating a question from you. Large advertiser does help in doing these kind of initiatives with us, but the small and the medium enterprises today were seeking such solutions from large media houses and we are now reaching out to them with these kind of initiatives as well. I hope it answers your question or if you want more detail, I am happy to give.

Henil Bagadia:

Sir it does really answer my question and thank you for the detailed answer. Sir, the second and the last question that I have before I fall back to the queue. Sir, in the emerging sport category, if we see, if we take cricket on one side which is probably one of the largest, which is the largest in India in terms of consumption as well as the subscription and ad-based revenues and sponsor revenues too.

Sir, if we see the other five categories, the top five sports which includes the Indian Sports League, Pro Kabaddi League, etcetera. Sir, out there, if we see the data for the last 3 years, 4

years which is available, so there has not been some significant growth on the sponsor and the ad revenue part and most of the revenues has been only from the streaming part and it is not as such very profitable.

And I think so the top two category which is the ISL and the Pro Kabaddi League, it is owned, I mean the rights are owned by one of our largest competitors, a large media house as of now. So, for the rights that is coming for bidding that is due in probably 26 or 27. Sir, A, how do we plan to use our existing cash balances and B, will it be, so since it is most of a millennial crowd which about there is an estimate where 70%, 80% there is penetration on the digital side.

So, is it going to be an only OTT streaming or is it going to be channel plus OTT streaming and our existing structure, I mean of ZEE5 in terms of pricing, when we are providing so many value-add services, are we going to be constant or are we going to take hikes and how is it going to be? So, if you can just spend some time explaining it?

Vikas Somani:

I will take that. So, yes, you are right. Some of these properties which you have named, they have not been as impactful as the cricket properties which is very obvious to all of us. But why we have chosen to go in this segment is as follows. If you take the quadrant you have, high-risk, high-impact properties and then you have low-risk, low-impact properties.

We wanted to be in a zone of low-risk, moderate, somewhere between moderate to high-impact properties and that is the philosophy which we are following. So, therefore, as of now, we are not cricket ambitious, we believe that does not make a business model for us. But these are some of the emerging properties in the sports where we are going local.

We are picking up local sports properties which are very popular in that area and then we are exporting it to the other parts of the country and that is the plan. For example some of the names which you have taken like Kabaddi and all, by the way Kabaddi was also very popular when it was being broadcasted.

So, in terms of number, yes, we are not comparing it with IPL, but still it will give us meaningful audience and the right audience which was missing from our cohort today. If you look at our target audience, the male audience is somewhat which is missing which will come through these properties.

And in future, it is all going to be about content fragmentation, you will have a tailor-made content for a particular cohort and that is how you are going to get the advertiser in and that is what we are doing. We are trying to cover the entire spectrum from long form to short form, from women-centric program to male-centric program.

Now, we are not saying that one program or one particular property IP need to be a tentpole, but sum of all these needs to bring in the right audience to me so that I can go to the advertiser and give them everything on the same platter. So, we have a very sharp laid out strategy on the sports.

We have identified which areas to go and we will also be doing in a different way, believe me just be patient with us till we come out with our plans very soon.

Henil Bagadia: Sir on the rights part, so would we be aggressive because I mean if we just see, this is the last part, I mean if you just see the IPL when star had bided initially, I mean they had paid enough compared to the last bidding down, they have paid lesser than that for both, I mean the OTT rights as well as the linear TV broadcasting rights.

And when you saw two players bidding for it, it went so aggressive. So, I mean for the right that is due in 2026 or 2027, how prudent would we be if you could just give some clue on that?

Vikas Somani: No, we are going to be very, very prudent in all our business initiatives that's Zee's DNA. So, we are not going to go aggressive on any of these, everything needs to have a business model, it needs to make sense from a business model point of view and at the same time achieve our viewership targets also.

And I missed out one part of your question which you have asked whether it's going to be an OTT or channel. So, it's going to be on all the platforms which we own, be it OTT or be it TV channels. And that's the advantage of a network like us.

Henil Bagadia: Thank you for the opportunity.

Moderator: Thank you very much. The next question is from the line of Chintan from Digimozo eServices. Please go ahead.

Chintan: Thank you for the opportunity. I am a very small retail shareholder. My question is not on the technical aspects of anything. My question is only for the board members where my observation is it's a delight that for the past few days or weeks there have been a lot of communication happening from the company towards the shareholders which is a good thing.

Respectable Subhash Chandra ji also mentioned that the company plans to improve the communications and open up transparency. My question is why is this need of opening up transparency and everything happening just before key voting events? That's my only question. Thank you so much. Transparency could have been maintained forever, right?

Dr. Subhash Chandra: I will answer this question, my dear friend. We already did that for the last two months. We opened the website. We started giving weekly communications with all of you. This is not opened because of some resolutions are currently under voting and I assure you it is nothing of that kind. And as I said, there should be a regular exercise going forward.

Chintan: All right, thank you.

R. Gopalan: We in the board are very clear that we should focus on both governance and transparency.

Chintan: So what happens is that every time the earnings call happens just an hour after the results are published, it doesn't give any time for the people on the call to go through the results. They are not able to ask any questions. Why don't you give enough time for the investors to go through the results and then come prepared on the earnings call to ask valid questions?

R. Gopalan: Okay, that's a very good suggestion. We'll certainly consider it.

Chintan: Thank you.

R. Gopalan: Going forward, we will certainly consider it very, very intently. We'll do that.

Moderator: Thank you very much. The next question is from line of Sneha from SKS Capital. Please go ahead.

Sneha: Hello, sir. Thank you for the opportunity. I wanted to ask, I mean, for the new acquisitions that we are looking at, what direction are we looking to put them like will it from the new age media or the traditional media and what are the perspectives in this area?

Vikas Somani: Yes, as far as acquisitions are concerned, we'll be opportunistic whatever fits into our strategy and the portfolio of content offerings which we have. Now, yes, there are areas on the digital side and there are some sub-verticals on the linear side also, which interest us.

But as Mukund said in his presentation also, we will look at them when anything interesting comes to us and it makes sense to us. But yes, we have our eyes and ears always open to all the opportunities from all the verticals where we operate in.

Mukund Galgali: And Sneha, just to add to what Mr. Vikas said is also we will be open to startups and other tech providers who we are able to use for making our content offering more efficient or cost-optimum, etcetera. So, we will be looking at those aspects also.

Sneha: Okay. One, that kind of question, like why is Mr. Punit Goenka missing in the call? And what are our medium to long-term internal growth targets that we have?

Vikas Somani: I'll take the first one and Mukund you can take the second. So, Mr. Punit Goenka was supposed to be on this call, but some very urgent, unscheduled travel which had come up, which he could not avoid.

R. Gopalan: Which is probably more personal in nature. I would make that a little addition to what Vikas said.

Mukund Galgali: Sorry. Can you repeat the second question?

Sneha: Okay. Got it. And the second question was what are our internal medium to long-term growth targets that we have?

Mukund Galgali: So, yes, Sneha. So, and just to add to the first question, we can assure you that we'll answer all your questions to your satisfaction. So, even though we are missing Mr. Punit. Secondly, in terms of our medium to long-term growth plans, we have already informed in the investor presentation in terms of our viewership target of achieving a viewership target of more than 17.5%, an ad revenue growth of 8% to 10%, CAGR basis and EBITDA margin of 18% to 20%. And we are focused to continue to work on those goals.

Besides this, to also make ZEE5 from breakeven eventually to profit. That is these are some of the key goals. And to make our new initiatives fructify and contribute to a significant chunk

of both our profits as well as our revenues and expand our advertiser, list of advertisers and advertising client in the whole process. I mean, that's the brief of our goals in the medium term. And Vikas, and other you can add if anybody wants to.

Vikas Somani: I think, Mukund, you were clear in our growth aspirations out there.

Sneha: All right. That's from my side. Thank you so much.

Moderator: Thank you very much. Next question is from the line of Jayesh Kothari, Individual Investor. Please go ahead.

Jayesh Kothari: So firstly, I would like to congratulate on such a nice presentation and the way forward that the company has presented. From an individual investor's perspective, I'm just concerned about the warrants issue that the promoter group is getting allotted. Two questions regarding it.

Why was warrants issue a preferred method and why not give the upside benefit to other shareholders as well? By giving a rights issue or, you know, some other preferred method? That's the first question.

Vikas Somani: I'll take that. So, Jayesh, the board has deliberated various options, and also with the JP Morgan when they were on-boarded to give us advice on this. Now, out of all the options, right issue was also one of them. The only issue with the right issue was that right issues are typically done at discount and sometimes the discount has to be quite deep. We didn't want to reset the price further down as compared to the then market price.

Secondly, there was uncertainty in terms of the capital market reception to any of, be it right issue or be it QIP, given the general noise around the company and we cannot deny or shy away from the fact that there has been some noise for right or wrong reasons around our company. So, we were not sure how the capital market reception is going to be.

And thirdly, let's assume even if we would have gone for the right issue and some of the shares, if the participation would not have been 100% and some of the shares would have been renounced and would have been taken up or allotted to the promoters, the promoters would have been allotted at that discounted price only.

We looked at the alternative of issuing, of doing a preference issue to the promoters at INR132, which has both the premium to the regulatory floor price, as well as to the price of INR106 when promoters had expressed their desire and tabled it to the board. The premium was already built-in and a significant premium to that extent. So, these were the reasons why the board did not pick up right issue and we went ahead for this option.

Jayesh Kothari: Got it, got it.

Vikas Somani: I would like to add one more point. And more importantly, we have been getting this recurring question/concern from all the investors that why the promoters are only at 4%. This is not



enough skin in the game or the risk exposure is very limited. And this question has been coming to us for quite some time now. So, the board also wanted to address that.

And, you know, it was like a win-win situation, the capital is coming in and it is coming in from an entity who is going to run and execute the growth plans and at the same time, their exposure also goes up in the company. So, the risk reward ratio is fairly balanced. So, these were the reasons why board considered the preference issue over any other alternative.

R. Gopalan: Yes, let me also add that in this case, we are getting into a lot of new initiatives and which are going to be capital intensive. So, we needed the promoters participating through this is a vote on the probability of success of the new initiatives. I would look at it that way

So, we thought that will be a very excellent way of ensuring that we are comfortable that the additional new initiatives which we are taking will succeed. So, we wanted that to be in a manner of speaking, confirmed to us and this indirect way of confirmation is the promoters taking stake in this. This is what we thought will be a very good way of going forward.

Jayesh Kothari: Got it. But you also have the FCCB program that is ongoing, right? That is, I believe, another \$239 million, if I remember the number correctly. So, I was just a little unsure as to why we need all this kind of money all at a sudden. But that's okay. The second question.

R. Gopalan: We can answer that question as well. See, FCCB takes its time to come in 6-7 years. Now, we need this money because you know how the competition is shaping up in the market and the way the content, the kind of expenditure being done by various competitors on the content and things like that is mind-boggling.

So, we need to keep abreast with these people and also try to ensure that we significantly move forward in the entire landscape of this industry. And there are so many angles to this which are there from technology to marketing to distribution. A whole host of changes are in line. Now, we need to take advantage of that and we should be in a position to get the best out of it.

Obviously, this requires some fuel. So, that's a very important thing which we are considering. At the back of our mind was our next 2-to-4 years. So, we needed to be really impressive and good. And we are on the right path as of now and we would like to maintain it and even go further.

Moderator: Thank you very much, Jayesh. I'll request you to come back for a follow-up question. Ladies and gentlemen, we'll now go on to the video questions. First question is from Jenish Joshi. Kindly unmute your audio and video and proceed with your question. Jinesh Joshi, kindly join us as a panelist. Unmute your audio and video and proceed with your question.

Jinesh Joshi: Am I audible?

Moderator: Yes, sir. Yes.

Jinesh Joshi:

Yes. Thanks for the opportunity. Sir, my question is with respect to ZEE5. I mean, what is the path to breakeven? I mean, on the content side, you mentioned that it is going to go up by about 3x. So, which cost are we going to cut down? I mean, will it be technology, marketing or employee?

Thought of asking because quite a bit of rejig happened in '25. So, I was just wondering if any scope of further improvement is there or not on the cost side? So, if not on cost, I mean, even if I look at revenue, does it mean that we will indulge into some kind of repricing which appears to be challenging?

And also, if I look at some of our B2B deals, I think one is still pending. So, on revenue, but also there's not much of confidence that comes through. And on the cost side, given the rejig that we have done in '25, what gives us the confidence that in '26, we should be able to achieve the breakeven?

Vikas Somani:

Thanks, Jenish, for your question. And at this point, I'll ask Kaveri, a very passionate leader, who feels very strongly for our business to come in and shine some light on what's the path to breakeven.

Kaveri Das:

Right. Hi, good evening and a great question. So, Mukund and Vikas spoke about the increase in content, I mean, the content increasing by 3x, but in terms of cost, it is increasing only by a very moderate amount. And we believe, and this is because of our omnichannel content strategy. We are optimizing the cost, though the content is going up by 3x.

And when we say we are optimizing our cost, and we are bringing in a unified content strategy, what will happen is the same piece of content will travel across multiple screens, multiple platforms, digital and TV. So, one is that strategy, which will bring in optimization of cost.

The second, in terms of revenue, which you mentioned, is that you are aware of the language strategy that we have taken up. And we are extremely gung-ho about this, because India is a land of multiple languages, we all know that. And these seven languages will now get their due share in terms of focus. So, focus will come in from content, like we already spoke about. Focus will come in terms of marketing. Focus will come in terms of choosing the right content for each of these languages, because each language has its own nuance.

So, all of this coming together will, I think, help in bringing profitability, in bringing optimization of cost, improving the top line. And the new brand strategy, which we had, which is about Apni Bhasha, Apni Kahaniyan, is a testament to the fact that we are really, really focused on this language strategy. And we want to double-click on it, and no other OTT player is actually doing it.

So, we'll be the first to do it. And also the fact that, you know, Zee is a pioneer in this. On the broadcast side, we have separate language TV channels. I think this is going to appeal to a diverse audience. So, revenue will be addressed to that. And cost optimization is to this entire multi-channel approach, or the approach of unified omnichannel content strategy. So, that is how I would like to address your question.

Jinesh Joshi: Got that, got that. Thank you. One last question from my side. Now, if I heard Mukund sir correctly in the opening remarks, I think you mentioned that we plan to form a separate subsidiary for the syndication business. So, just, I mean, if you can throw some light, why do we plan to kind of come up with a new subsidiary?

And if my understanding is right, syndication business is more of a one-time business where you repackage the old inventory and try to sell it off. So, in terms of continuity, I mean, how does it stand and your thoughts on forming separate subsidiary? And also, if you can address the continuity question over here.

Mukund Galgali: Yes, Jenish, thanks. So, while we have already formed the subsidiary, I mean, the process of approval has been undertaken. We are still evaluating the tax and other angles before any decision is taken to implement the transfer of any content into the subsidiary. So, that is still a work in progress and we are not in any hurry to transfer this. Now, the whole concept of syndication is to unlock the true potential of our vast library. So, as you may have seen in the presentation that there is so much, we are creating 500 hours of content every week, and we have been doing this for the past 30 years.

So, we strongly believe that there is immense potential to unlock value, resale of these properties through format sales, through dubbing, through language sales, you know, in movies, in shows across the world. So, to have more focused strategy on this, while the current teams are working on advertising relationships and, pay TV model through subscription, our value of syndication, we believe is still, you know, under indexed.

You know, we mentioned earlier that the value of our library is far higher than our book value. And even if we take 10% on a conservative side of that, we are looking at anything about, you know, INR1400 crores as a return on that value of inventory. So, therefore, to have a focused approach to exploit this value, a new business head has already been brought in and we're working on an optimal business model without disturbing our current businesses to, you know, go forward in this direction. Formation of subsidiary or not is corporate activity, which we will take the most, you know, suitable route in compliance with tax and laws. I hope that answers, Jenish, your question.

Management: I think incidentally, another information is that an independent valuer report highlights a big value for the content we have got. That is something which we have already communicated, but I thought it's appropriate to bring it in at this point in time.

Jinesh Joshi: Got that, got that. Thank you so much. Thank you.

Vikas Somani: Also, just to add some more color on what Mukund said, you know, as he has also stated in the back that we are transforming into a content and technology powerhouse. So, it is a technology which is going to design the content slate going forward and bring in the revenues.

Jinesh Joshi: Got that. Thank you so much.

Moderator: Thank you very much. Our next question is from Henel. Please go ahead. Henel, kindly join us as a panelist, unmute your audio video and proceed with your question, please.

Henel: Coming to the question on edutainment, how do we see the edutainment part given that right now a lot of edtech startups also entering into the edutainment space and you are also seeing a lot of gaming companies entering into the edutainment space and we have not really seen a media company entering into the edutainment space. So, is it going to be OTT play or a multi-channel play like your other initiatives?

And in the edtech space, if you see a lot of companies are PE Funded and recently they have seen some PE Funding, get dry and they are focusing on profitability. So, how prudently or how to see the profit margins in that space?

Vikas Somani: So, this is going to be a multi-channel IP again for us. We are going to leverage on all the platforms which we have be it digital or be it TV. The edutainment IPs will be broadcasted on all the channels and reaching to a wider audience.

So, for us this is the content for children which educates without saying so. It is not going to be preachy. We are not trying to do something which the others have done. We are not going to get into preachy content or which becomes very onerous for the kid to watch.

We will be entertaining them but along with the entertaining, there will be tools which will educate the kids also. So, the idea is to give something which is amenable or palatable for the kid and at the same time the parent also entices the kid to watch it. But Yes it is going to be a multi-channel offering for that.

Now, in terms of the profitability, yes, these new initiatives will remain in some form of investment mode for at least next 2 to 3 years. Some may become profitable earlier than the other, but we would like to invest for next 2 to 3 years. For the very reason, we also want them to attain a particular scale. We do not want to optimize or want them to be suboptimal in terms of scaling. So, that's why we have taken a window of 2 to 3 years. We are very clear in while business modeling that they need to then be self-sustaining after this period.

Mukund Galgali: Henel, just to add to what Mr. Vikas said is, in the past also we have had a lot of children's program IP like Bandbudh and Budbak and on ZeeQ we had a lot content plus we have our live shows, reality shows with kids, drama bars etcetera. So, all these things which are already existing in the past also, we are going to bring it together. So, that is going to be one of our approaches as well.

Henel: So, in past as we have seen certain shows like Saatvi Paas Se Tez Hai and such shows. So, you are also targeting those kind of reality shows with educational content. This is what you mean to say, is it right?

Mukund Galgali: Yes, that's right.

Henel: And do we also plan to go into the regional languages or we just plan to stay in the Indian market for now?

Vikas Somani: We will definitely go into the regional markets also. Let me tell you one thing, there is a very common pattern which you will find in our business models. We started it with TV wherein we

take pride in saying that we had successfully cracked the regional markets or the language markets before anyone else could.

Now, you must have heard from Kaveri, we are trying to replicate the same on our Z5 also the same strategy and this strategy will flow through all our business verticals wherever we are. I also spoke about sports where again, we are going to focus on the regional markets out there and the same strategy will be followed for the kids. So, this is a common thread across all our business models because we believe that's our strength.

Henel: Yes, sir. Thank you for the opportunity, sir.

Moderator: Thank you very much. Our next question comes from the line of Arpit Shah. Kindly join us panelist and mute your audio and video and proceed with your question. Arpit Shah, kindly join us panelist and mute your audio and video and proceed with your question. If you have no response, we will move on to our next text questions. Vikas, sir, you may proceed.

Vikas Somani: Yes, so I am taking up the text questions now. The first question is from Mr. Manish Verma and his question is to the promoter that, sir, what's your source of funds for this transaction? Will you be raising any debt for the transaction or pledging any shares to fund this? I'll ask DSC sir.

Dr. Subhash Chandra: Yes, good question. No, we are not taking any loan, nor we are pledging any share. It is the recovery of our promoter entities which have come back and we'll be using that only. We'll not be pledging or taking loan against this share.

Vikas Somani: One another related question, sir, for you, which has come from Mr. Amit Agarwal. Why are you choosing warrants as an instrument? Why not plain equity and take the equity right at the upfront?

Dr. Subhash Chandra: Well, we have limited funds available in cash and we know that we are going to receive the remaining funds pretty soon, but it wasn't available immediately. That's why we have to go for warrants. We will be bringing 75% money also as early as possible.

Vikas Somani: Yes. Let me take similar questions first. There's another question from Mr. Praveen Dhani. What happens if for some reason you are not able to bring the balance 75%?

Dr. Subhash Chandra: If we are not able to, then the company will naturally forfeit the 25% money.

Vikas Somani: Yes, the company gets to keep the money and not issue shares.

Subhash Chandra: Yes.

Vikas Somani: So I think in a way that by bringing the first 25%, the promoters are locking in their commitment for the entire amount. There is another question on ZEE5 and Kaveri. This one is for you.

In this crowded, I'm sorry, let me name the gentleman. It's from Mr. Himanshu Kumar. How are you planning to differentiate ZEE5 in an increasingly crowded OTT and digital content space?

Kaveri Das:

Yes. Hi. So like I just mentioned that I think we have found our sweet spot and our sweet spot is language. And we clearly believe that this strategy will help us differentiate ourselves. And when we say language, we are not just saying that in terms of pricing. So all these seven languages that we have just launched, right.

On the 6th of June, we came up with this new campaign called Apni Bhasha, Apni Kahaniyan, My Language, My Story. So it really, it's a testament again to the fact that we are extremely gung-ho about this strategy and it will reflect in every bit we do.

So if we are choosing, if we are going after a content piece, we will ensure that it is rooted and it is really true to that language. If we are doing any kind of marketing, we will ensure that it is not very superficial and it's not just around the Tier 1 and the metros, but we'll go deep to the heartlands of India. We will go, we will market in Mumbai, but we will also go to a Jaipur, we will also go to a Bhopal, we will also go to a Salem. So it will reflect in our marketing strategy as well.

Thirdly, I think the very fact that we are trying to be omnichannel is because we want to reach out to every consumer eyeball that is there on any platform. So I think in this manner, we will be able to differentiate ourselves and I think one thing which is something we will continuously try to do at V5 or in the entire ecosystem is diversification into new business.

One you have already seen, which is the micro-drama app, which is called Bullet, which is about bringing those stories, those 60 second stories. So which means we are bringing in those new users who are currently perhaps not there on our platform.

So we are catering to this new set of users with new content, with a new promise. So with all of this, we believe that we will be able to differentiate ourselves and we just hope to succeed.

Mukund Galgali :

But Mr. Himanshu, see, although it is an overcrowded market, today if we go to watch on OTT, we still feel what to watch. There's so much which is there, but still there is a dearth of good content. So ultimately, I think good content, good story writing will matter.

So there's a whole lot of backward integration also, which our colleague Raghavendra is doing in this regard to bring the best stories and by having virtue of presence in different regions of the country, you know, we are able to highlight the best story across all the channels. So I think that work is also pretty much on to offer a good story to the viewer, because in spite of being overcrowded, still there is a need for good content.

Vikas Somani:

And let me also give you one more angle from where to look at the differentiation, how ZEE5 is different from others. Now, if you look at the foreign players out here, Netflix, Prime, most of them really have not been able to go beyond the metro markets. They are -- they have relegated themselves to a very niche audience in metro markets.

Then there's another set of homegrown competitors of ours, who have basically built up their OTT app on the back of sports properties. That's the strategy which they have followed. Now, we are following the general entertainment route, which is more massy and which appeals to the entire Bharat rather than only the metros.



So that's where our difference lies. And that's how we are creating the entire offering also. The next one, Kaveri, there is a complaint for you. Our ZEE5 app is very slow. Sometimes it just hangs or throws you out. My experience has not been satisfactory, has been so unsatisfactory that I didn't renew subscription. What are you doing for the app to improve?

Kaveri Das:

I'm really sorry about that. I would probably -- if possible, reach out to you and understand better. But just to assure you that we are consistently working towards building a very robust platform.

And when I say this, I'm not saying it for the sake of it. We have a set up in Bangalore. We have a technology center in Bangalore, where we have a lot of people working towards improving viewing experience and user experience only for that.

We have been, and with this effort of ours, we have been also, we have been able to improve our NPS score, which, but we understand that we have a long way to go. We are working towards improving our video start time where we see there are failures. We are trying to improve our app not responding time so that we see lesser failures.

We're trying to build a very light app so that it is adaptable across different kinds of phone with, different types of RAM or memory space and size. So our intent is to give you the best of experience, but I can understand that there has been some problem somewhere. I would love to hear from you.

If you can send me the exact issue in some way or the other, I'll reach out to you and get it sorted as well. But rest assured, we are working towards developing a very, very robust platform with a great team working out of Bangalore.

Vikas Somani:

Thanks, Kaveri. This was asked by Mr. Arun Kumar.

Mr. Gopalan, Mr. Munish Jindal has a question for you. Why is fund raising happening via warrant at low price with only 25% upfront? This doesn't look proper. If funds are needed, FCCB is already there at a conversion price of 160. If promoters want warrant, it should have been at least at 160.

R. Gopalan:

Yes. On the warrant side, you see, it's something which we will be in a position to get faster than the FCCBs, one. Two, pricing, you should look at it from the viewpoint of what was the price at the time when the promoters indicated that they are willing to increase the shareholding. So at that time, what was the price?

And subsequently, when the communication was made public, obviously, for transparency purposes, then the shares started picking up. So you are looking at a time when a lot of appreciation, significant premium has been put in, factored in by the market by the time we took the decision. So in that sense, it was a very apt decision.

And secondly, we also looked at what is the, I mean, in these kinds of, I mean, promoters' contribution, what was the kind of, we examined a number of other issues, promoters' issues

which came in, and we found that we are almost on par with what those numbers there. So we believe that we need money early. And of course, only 25% comes from the initial time.

And secondly, we will get the money even earlier. 18 months is only an outside number. We believe that money should come in even earlier, much earlier than that. So and for us to use this money for our new initiatives, it's going to be very, very crucial for us. So we considered all kinds of instruments which are in the system, QIP, rights, follow-on offering. We looked at preference issues of private promoters.

We looked at the private markets. So we looked at a number of options, and we found this to be the, under the circumstances, the most and the best one as far as the company is concerned. And on top of it, we need the promoters to take the stake forward because the, as I earlier mentioned, that in the new initiatives, it's a vote of confidence in the new initiatives that promoters are taking up the equity.

So that also gives us some comfort that there will be proper execution and there will be a level of comfort that this will succeed as we go along. A lot of factors we considered before we took this decision.

Vikas Somani:

Thank you, sir. Mr. Sanjay Thakker asks, what concrete actions are proposed to ensure funds are utilized for growth of the company and how as minority shareholder I can keep track of? This is purely because past track record is not up to the mark and regulatory authorities have already raised this.

R. Gopalan:

Okay. I would like to say that, I mean, whatever regulatory authorities have been saying is prior to over 5, 6 years back. The last 5, 6 years, there has been no, not a single instance which has been brought out by any regulator or anybody from the market. So it has been a good track record. We have built up on governance and transparency in the last about 5, 6 years or 5 years.

So this is something which we will continue and we will keep the investors informed just as we have this particular event. We will have similar events as we go along at periodic intervals so that we transparently inform the shareholders as to what is happening in the company and what are the prospects, what are the challenges we are facing and how do we plan to overcome them?

This is something which we will constantly communicate. In any case, we are communicating a lot of things through our website and we will continue to do this kind of an event which will be much more, I mean, reassuring to the shareholders. This is what we think we will go forward with.

Vikas Somani:

And sir, if I may add something to what you have said, other than the Board oversight which Mr. Gopalan has talked about and there is going to be a very frequent cadence between the board and the management team on the progress of the new initiatives which we have talked about and the deployment of these funds.



We also are going to have a monitoring agency which will be a SEBI registered monitoring agency who would be looking at the deployment of these funds and submitting periodical reports to the regulatory authority as well as to the Board. So yes, there are enough checkmarks out there for as a minority shareholder to feel comfortable about.

There is the Board, whose sharp oversight is there and of course, the monitoring agency would be there. And I may also add and Mr. Gopalan has already said that whatever regulatory authorities, the noise around regulatory authorities and the past issues have been, sometimes perception is stronger than reality.

The reality is that there has been a lot of investment in the company gone in the past, but mostly in ZEE5, about INR6,000 crores plus cash has been invested or gone towards ZEE5.

So from the outside, it looks like a lot of the inventory has gone up, a lot of investment has gone into and there is insight into where the money is going. But there were business initiatives, the company was building a ZEE5 platform, a lot of money has gone into the content investment on ZEE5, a lot of money has gone on the tech investment on ZEE5.

So that's where over the past couple of years, a lot of money had been spent, which sometimes get not in a very effective manner. And we take the blame on us for lack of that communication.

R. Gopalan:

I think we will going forward, as I mentioned, we will make the communication a lot more effective. We will ensure that events like this and through websites, whatever we have to communicate, we communicate subject of course, commercial prudence. So we will do that and then we'll ensure that I mean, you're all kept informed of what is happening in the company and how we are shaping and how the new initiatives are performing. We will do that also. Yes.

Vikas Somani:

So the next one is from Manjunath M. The question is, why can't the funds be raised from other marquee Investors? What's the hurry to allocate warrants now and raise the funds now? Now, yes, that was another alternative and Gopalan sir, if I may talk on this...

R. Gopalan:

Please go ahead. I'll supplement you once we finish.

Vikas Somani:

Thanks. As we said, there were a number of other alternatives which were considered and the board had a detailed discussion with JP Morgan on this. And one of the alternative was, why don't we approve some of the private equity?

Now, the issues with the private equity were again as follows. A, in the past, we had engaged with private equity investors also, but somehow we had seen that their interest levels has been down in this sector, maybe because of so much of disruption and consolidation happening, they are waiting for the sector to settle down.

So the interest level was one consideration, not in favor of this particular route. The other one was that any such transaction typically take 5 to 6 months to complete. And then the private equity usually bring the capital, but they don't know how to operate this business.

So vis-a-vis, there was another alternative route wherein the person who was, or the group which was ready to invest money are also the ones who have been running this business successfully. And that was one reason why we gave more weightage to the preference issue to promoters as compared to getting it from any other marquee PE Investor. So that was one reason.

Now, the other question is, what was the hurry for getting these funds? Now, at the cost of being repetitive, but I think it's important to again highlight out here, we are all very well cognizant of the rapid shifts which is happening in the industry.

And this rapid shift is either coming from the emerging competition from the non-traditional digital platforms, which Mukund talked about, be it the Q-commerce or the E-commerce platforms, or the recent consolidation between two of our competitors.

Now, the merged competitor today is almost twice of my size, though it's big in size, but I must say that we are a very strong number two player in the market today. Now, going forward, looking at this dynamic, this competition intensity, we want to continue being a very relevant player and be a very strong number two, if not number one out there.

And we don't want the gap between us and number one to further increase. We would rather have it decrease. So for all that, we need to keep reinventing ourselves and more importantly, keep reinvesting as and when the market shifts happen. And that's why the need. And after a lot of deliberation, we decided that we definitely require a large strategic cash reserve, which can be deployed in keeping ourselves relevant and keeping ourselves a very strong player in this market.

And having said that, I must also say we are one of the most profitable companies in the sector. So the relevance, a very strong competitor plus profitability, this is what we wanted to achieve. And for this, we needed this cash reserve to be done. And therefore, this hurry to go about.

The next one is, I think this is for Raghavendra. Raghavendra, what are the big ticket items available in the pipeline? As far as content is concerned, this one is being asked by Gunaranjan AA. So if you can just let us know what's the pipeline which you have built for this year and why we should get excited about it? Raghavendra, you're on mute.

Management:	Raghavendra, sorry, we are not able to hear you. Sorry, sir, we still cannot hear you.
Vikas Somani:	Raghavendra, you need to unmute your system also. While Raghavendra is trying to find his voice, let me move on to the other question and we'll come back to you, Raghavendra. This question is from...
Moderator:	Sir, sorry to interrupt you. We have audio for Raghavendra, sir, now.
Raghavendra:	Sorry for that. So just to give a summary, next 2 months we have around 30 launches in linear and almost 10 plus launches in non-linear in ZEE5. And as Kaveri mentioned, in ZEE5 we have



launched the seven language packs, means seven ZEE5 channels across four South languages, Hindi, Marathi and Bangla.

So we have lots of mini-series happening, which doesn't mean small in size. It means deep in stories and authenticity, but the stories told not with mindless extravaganza, but with lots of deeper understanding of culture and the need of the market. And that's on the ZEE5.

And we will be offering 161 micro-dramas through bullets, so which is across seven languages, 161 micro-dramas, so 60 seconds, 60 episodes kind of content. And on linear for the first time in Zee TV, we are going for a daily social experiment reality show. I mean, we had that IP in Marathi and now we are bringing it to Zee TV, which is Goriya Chali Gaon, which is a social experiment show.

You must have already seen the promos, where we are taking 12 city celebrities who has never seen village in their life into a village. And they are going to spend their 70 days in a living village among the village people and experiencing that life. So following that, we are, we'll be bringing one more internal IP, which is for now it's called Jai Hind.

We're from Kashmir to Kanyakumari. We're bringing 10 NRI girls back to India who has never visited the country, but they have their roots in India. So this is going to be for the global diaspora consumer who are coming back to India to find their roots and to experience what India is.

So this, their journey will be from Kashmir to Kanyakumari. So these are the social experiment for Zee TV, which is, I mean, which is unseen in the Hindi market and having, along with these non-fiction shows, we are also launching different genre of mythology, horror, horror comedy content in Zee TV and in the other regional markets for Kannada and Telugu.

We are going all out and launching lots of regional mythology gods. While mythology means Ramayana and Mahabharata in a larger way, but for regionals, we are going for and fighting, finding those regional deities like Raghavendra in Karnataka and Swami Ayyappa in Kerala. So those are the big initiatives. And apart from that, we are working on many animation series.

There are two animation, one for Anantha Padmanabha temple based story, which is a treasure kind of thing, which is a, we are all excited about. And we're also working on Khatu Shyam, deity from Rajasthan, an animation series on that. So all the genres and for all the attention span, there are lots of offers which are under work.

Vikas Somani:

Thanks, Raghavendra. I think we will take the last question now. The question is from Mr. Abhishek Panda. What's the plan of demerger or spin-off of different businesses like Zee Music, ZEE5 as value unlocking for shareholders?

So yes, Abhishek, this is one question which we have been lately getting from many shareholders. And right now the company is discussing this and our management will firm up the plan, they will take it to the Board at the right time.



The management is considering the pros and cons of the timing. But Yes, we have it in our radar and that's a priority and we will very soon be approaching the board with our recommendation on that.

Moderator: Thank you very much. Ladies and gentlemen, due to time constraint, that will be the last question. I'll hand it back to Mr. Vikas Somani for closing comments.

Vikas Somani: Thanks, Nirav. I think that was indeed an insightful round of conversation. The questions and the sharp questions asked by all of you and most above, the affirmative feedback which we have received from most of you give us the required confidence to take the planned strategic initiatives forward.

On behalf of the team, I would like to thank each one of you for your time. We hope that this session was useful for you and there would be many to come in the near future. Should you have any further queries, please feel free to write to us on shareservice@zee.com. Have a lovely evening ahead. Thank you.

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