July 29, 2025

To,
The Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001
BSE Scrip Code Equity: 505537

The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai- 400 051
NSE Symbol: ZEEL EQ

Dear Sir / Madam,

Sub: Transcript of the conference call

This has reference to our communication dated July 22, 2025 and pursuant to the provisions of Regulation 46(2)(oa)(iii) read with Schedule III of Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the transcript of the conference call held on July 22, 2025 on the Company's performance for the quarter ended June 30, 2025, is enclosed herewith. The said transcript is also available on Company's website at:

https://assets-prod.zee.com/wp-content/uploads/2025/07/Q1_FY26_Earnings_call_transcript.pdf

This is for your information and record.

Thanking you,

Yours faithfully,
For Zee Entertainment Enterprises Limited

Ashish Ramesh Agarwal

Digitally signed by Ashish Ramesh Agarwal
DN: c=IN, o=Personal, title=2117, pseudonym=1334468598900485079gGu4B67ly5Cuy, 2.5.4.20=1bae016adfa46bb588a685c7f2771bc2dc417f4500a4a36bf9dcb2b25f0928f6, postalCode=400064, st=Maharashtra, serialNumber=2d484d33b95e6004b8529e3fc750f2413e1a7b7b01ecb532e879129f4a45d565, cn=Ashish Ramesh Agarwal
Date: 2025.07.29 15:32:18 +05'30'

Ashish Agarwal
Company Secretary
FCS6669

Encl: As above

Zee Entertainment Enterprises Limited

Q1 FY26 Earnings Conference Call

July 22, 2025

Transcript

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY '26 Earnings 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 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 the Zee Investor Relations team. Thank you, and over to you.

Amit Kumar Singh: Thank you, Rayo. Hi, everyone, and welcome to our Q1 FY '26 earnings discussion. We have with us today our CEO, Mr. Punit Goenka, along with senior management team. We will start with the opening remarks from Mr. Goenka, followed by commentary on operating and financial performance by Mr. Mukund Galgali, Deputy CEO and CFO. We will subsequently open the floor for questions and answers. Before we get started, 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 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 over the call to Mr. Goenka. Thank you.

Punit Goenka: Thank you very much. Good evening. Thank you for taking the time out this evening to discuss the company's performance in the first quarter of the financial year 2025-26. Several steps were implemented across the business during the first quarter that have augured well for the company. Let me begin by speaking about the efforts that we were undertaken and the subsequent results being witnessed across the business, post which Mukund will elaborate on the financial and operating metrics pertaining to the company's performance.

We commenced the new fiscal with the company's ongoing strategic transformation into a content and technology powerhouse by unveiling our sharp new brand universe. The new identity is a reflection of our rich legacy, and growth aspiration, and I'm certain all of you have experienced the new Zee in its various forms and expressions over the last few months.

The new identity is much more than a visual change for us. It displays our agility and strategic approach to embrace technology-led innovations and create more meaningful entertainment experience for the consumers across the globe.

Speaking about the quarter gone by, let me start with content, the heart of our business. Over the last couple of quarters, the team has put in significant efforts to enhance our content offering in every market. I'm pleased to share that we are beginning to witness a positive momentum in this direction, and our linear viewership share touched 16.8% in quarter one, further fortifying our position as a strong player in the industry.

In fact, during the month of June itself, we have clocked a viewership share of 17.8%, which is nearly a 2-year high for us. A considerable portion of this growth stems from our sharp focus on creating quality content across languages, and it is encouraging to see that the viewers are receptive towards our new content lineup.

We are further enthused by the strong growth story emerging from the key markets such as Hindi, Marathi, Kannada, Odia and Bangla amongst others. With the aim to offer more meaningful entertainment experience to our viewers, we are creating new high potential avenues in the realm of content and technology.

Our strategic partnership with the content and tech start-up Bullet will further enable the company to enter the Micro-drama segment and cater to young audiences through short-form, high-quality content. The steps being taken are consistent with our growth plans for the future, and we will continue to evaluate emerging, value-accretive opportunities across segments.

During the quarter, in order to address the new set of audiences, we took the required steps to reach their households through Free Dish. We believe that this new audience segment will be a growth driver for the company as we progress into the fiscal. We will continue to evaluate our strategy in line with the gains being accrued within the segment.

Language presence and understanding the pulse of the audiences across markets is a pivotal competitive advantage for the company. We are further leveraging this strength not only across content but also build a compelling experience for our consumers.

During the quarter, ZEE5 introduced tailored subscription plan in 7 languages for users to enjoy content in their favourite language. The platform is already witnessing transaction as a result of this move, and we are expecting further gains in subscription revenue in the coming quarters as a result of the language-first strategy being implemented.

The growth story on digital continued in this quarter with significant energies being invested in enhancing the content space and the overall experience. The fiscal prudence exercise, not just in the digital business, but across the company is auguring well for us, and our energies remain directed towards achieving the enhanced level of profitability.

Speaking about the movie business, we remain focused on building Zee Studios as a pan-India player. We are garnering a positive reception at the box office for some of our language films quarter-on-quarter, and we will continue to build this as a unique strength of our business.

As one of the largest music publishing labels, Zee Music Company maintains a strong foothold in the market. While content is a big area of focus for the company, another key lever for business growth is advertising revenue, wherein we are taking concerted efforts to address the impact of macroeconomic headwinds and slower-than-expected recovery in spending. That said, we continue to maintain a cautiously optimistic outlook on advertising revenue growth.

Additionally, the early onsets of monsoons in many regions are resulting in healthy recovery and boosting consumption. We have noted a positive future outlook from advertisers in this regard. And with the onset of the festive season, we further remain hopeful of this momentum flowing into advertising revenue growth in the upcoming quarters.

Amidst this scenario, we continue to maintain sharp fiscal discipline and strengthening our balance sheet to fuel our future growth ambitions, and we will take the required steps to enhance the margin profile further.

I would also like to take this opportunity to welcome two new members to our esteemed Board, Ms. Divya Karani and Mr. Saurav Adhikari. Their rich expertise and wisdom will further augment the efforts of the management team to achieve the targeted goals.

At a macro level, I firmly believe that we have stepped into the new fiscal with determination and action-oriented steps. As our efforts continue to showcase the desired results, we remain confident of building a robust growth trajectory centred around content, technology and fiscal discipline.

I would now like to hand over the call to Mukund to share his further details of the company's performance during the quarter. I look forward to interacting with you all in the Q&A session later. Over to you, Mukund. Thank you.

Mukund Galgali: Thank you, Punit. Good evening, everyone, and great to connect with all of you. I hope you had an opportunity to review our quarter one results, which have been uploaded on our corporate website and the stock exchanges. I will focus my remarks on providing more context to our performance during the quarter and will also share our outlook.

Q1 FY '26 continued to remain soft for the industry, driven by the continued weakness in consumption. Despite this, our profitability has remained fairly stable during the quarter, driven by the various initiatives taken by the company. Further, the evolving consumer behaviour and technological advancements are becoming the growth tailwinds for this sector, and it remains well poised to witness robust and orderly growth across all segments in the near future. This further places us well for this financial year, and we are progressing forward on our targeted growth path.

During Q1 FY '26, the linear advertisement spending environment remained soft due to the extended sports calendar and slowdown in spending by FMCG companies.

On the subscription side, the overall revenues remained flat. We saw growth in digital revenue, which was offset by slowdown in linear TV subscription revenue due to decline in pay TV subscribers. We are hopeful that with a conducive pricing policy framework being in place, there will be an opportunity to drive gradual growth in subscription revenues in line with inflation.

From an industry backdrop perspective, the linear TV landscape remains in a healthy range with weekly impressions above 27 billion and the weekly reach over 740 million. On the linear business front, we continue to remain India's strong #2 TV entertainment network.

As you look at the viewership for Q1 FY '26, which Punit had also mentioned, kindly note that the GEC share in Q1 is usually impacted by a seasonal pickup in sports properties and kids' genre during the summer. And this year, it was also further impacted by geopolitical tensions moving the audience away from GEC.

Despite these factors, our viewership share during the quarter grew by 40 bps YoY to 16.8%. And in the month of June, our viewership share reached 17.8%. This demonstrates that our strategic efforts are implemented in the right direction.

Coming now to the digital business. We released 17 shows and movies during the quarter, including 5 originals. ZEE5 continues to demonstrate steady growth with healthy and stable usage and engagement metrics. ZEE5 revenues increased by 30% YoY in Q1 FY '26, aided by digital syndication revenue as well as pricing strategy implemented in languages, which has driven the subscriber growth.

In line with our strategic priorities, we are focused on maintaining a balanced cost structure, driving return on investments to sustain our long-term growth. We have reduced our EBITDA losses in digital by INR 1,119 million YoY in Q1 FY '26, aligned with our stated objective to achieve breakeven in ZEE5.

On the studio business, during the quarter, we released 7 movies, 3 in Hindi and 4 of regional, of which we have produced & distributed 2 movies and distributed 5 movies. As it was a lean movie calendar in comparison to Q1 FY '25, wherein we had movies like "Maidaan" and "Mr. and Mrs. Mahi". Our other sales and services line item during the quarter has declined by 64% on a YoY basis.

On the music business, during the quarter, we garnered over 62 billion total video views with over 168 million subscribers of YouTube, driven by a new age music catalogue and our rich library of over 18,000 songs. Within the music, our profitability continues to remain fairly healthy, and we are further diversifying our catalogue into other language markets.

Now coming to costs and profitability of the company. The overall operating cost has declined by 14% YoY due to an efficient execution in programming, technology and continuous cost optimization in ZEE5, while we have also incurred additional expenditure toward rebranding across the company and launch of 7 language packs. This effective cost management in a soft advertising environment has helped us to maintain a momentum on profitability with our EBITDA margins at 12.5%.

The profit after tax from continued operations for the quarter came in at INR 1,437 million, which is up 14% YoY basis.

On the balance sheet side, our focus efforts have enabled us to strengthen our liquidity and financial position further. The cash and treasury investments as of

June '25 stood at INR 21.9 billion which includes the cash balance of INR 3.9 billion, fixed deposits of INR 7.6 billion and investment in liquid mutual funds of INR 10.4 billion. Our content inventory continued to decline in this quarter driven by optimized acquisition. June '25 content inventory advances and deposits were at INR 70.2 billion, lower by INR 0.3 billion on a QoQ basis.

As a part of our efforts towards the new strategic initiatives, we have entered into a strategic partnership with content and tech start-up Bullet to launch a Micro-drama app. Further, our partnership with Ideabaaz Technology Private Limited will further enable us to tap into a rich entrepreneurial spirit of Bharat and showcase unheard stories and innovations from the Tier 2 and Tier 3 markets.

Moving through the rest of financial year '26. We remain committed to our stated aspiration for the year-end accelerating growth, profitability and cash generation continue to remain our priority. And this will be further driven by the new initiatives, which we are working on.

With this, I would like to hand it back to you, Rayo.

Moderator: Thank you very much. The first question is from Abneesh Roy from Nuvama. Please go ahead.

Abneesh Roy: My first question is on the advertising scenario in the balance 3 quarters of the year. So, if I see the macro, there's a clear improvement: food inflation, general inflation, good recovery there, soft numbers there. Interest rate cuts also we have seen decent bit. And we have also seen good monsoon forecast and good monsoon till now. So how do you see FMCG companies spending because the updates which have, business updates generally, outlook-wise, everyone is saying there is an improvement. But when I see your Q1 numbers, it's a sharp decline, and you did mention on some of the one-offs which are there. And you also have been mentioning your market share improvement, but broadly last few years it is there in that ballpark 16% to 18% range.

So, I think from a market share perspective, you may be doing good but ultimately to come back to growth that overall issue of the OTT digital taking away share, I think that remains. So how do you see the balance 3 quarters? Any clarity you're getting on your advertising growth in the balance 3 quarters for the year?

Punit Goenka: Yes, Abneesh. So, I think you are absolutely right that there is, as I said in my opening remarks as well, that given the monsoon and all the things, the consumption is looking very positive. And therefore, we are cautiously optimistic on advertising revenue coming back. But right now, it's still very early days for us to comment and give you any outlook on that.

As far as what Mukund stated, our objective of the growth trajectory that we had guided for in the beginning of the year, which was 8% on advertising is not changing. We are not withdrawing that or changing that.

So, we will stick to that and continue to work towards getting that done. I do not want to comment specifically on FMCG, but I think there are huge opportunities, from where we can get more advertising revenue for the network et cetera.

Secondly, on your second point, on the network share improving the range of 16% to 18% is very large range. While we were at 16% is pretty much the same as last year. But as we are nearing towards 18%, that will certainly have a big flip for our advertising revenue going forward.

Vikas Somani: If I may add on, here we also need to look at some of the levers, which is going to have an impact going forward. The first one as we speak you must have heard Punit and Mukund talking about, we achieving a rating of about 17% plus in the month of June. But as we speak in July, our ratings have already crossed 18%.

Now of course, this needs to be sustained going forward but looks like we are on the right trajectory and current content slate is really firing. Having said that, also in the second half of the year, there is a whole slew of new content, which is going to get released, be it fiction or non-fiction. So, we are also very hopeful of that again further giving boost to our ratings. So that definitely will have a significant impact on the revenues going forward.

Number two, there are also the new initiatives which we have spoken about in the past. We have also posted a presentation on the website. Now all those new initiatives where we are focusing on our retail, getting the retail advertisers or in content brand integration. All those initiatives will start having an impact only in the second half. And this year, structurally is a bit of back- ended from that point of view. That's how we have built the business plan also.

And thirdly, again, talking about since you've touched upon FMCG, yes, they have been giving positive outlook, especially in the terms of the volume uptick. Hopefully, that gets translated into number. But as Punit said, we are still not setting our expectations high. We are just holding back and watching right now. But these are some of the levers, which will probably give a further boost to the revenues going forward.

Abneesh Roy: Two quick follow ups to what you said. One is I completely understand the market share improvement which is happening. Now given the consolidation which has happened in the sector. So, we have seen Jio-Hotstar come together. So extremely high dominance on the OTT part, because of the cricket, all that, when I put everything together on the OTT part clear, high dominance. And even on the linear TV, there is a high market share. So, when I put both things together that now there is one large dominant player. And then, yes, your market share does improve from say 17% to say 18% does it lead to the benefit which would have come if say the consolidation would not happen. Is consolidation negating the market share improvement? So that is my first question.

Second is not changing the guidance. That means in the balance 3 quarters, your advertising growth will be in double digits. So, what gives you the confidence? Is it the base effect because nothing changes in advertising so quickly also. So, is it the base effect where you are getting that comfort?

Punit Goenka: Yes. So, I'll take the second one first, Abneesh. Certainly, it is the base effect that is one key factor. But apart from that it is also the fundamental thing that Vikas talked about. The new initiatives that we are trying to build around retail, around finding advertisers, which currently may not be on television, but maybe on other mediums of media and then bring them to television. And therefore, what Vikas talked about that it's going to be skewed towards the second half is what gives us the confidence.

As I said, we normally don't change our guidance midyear. So therefore, we'll stick to the guidance that we have, and we'll work towards it. And we'll keep giving you updates as we speak. In terms of consolidation, I think that's a benefit for the industry. It's not a downside for the industry because instead of having 3 to 4 players, now you have maybe two and half or 3 players at best.

And therefore, our ability to negotiate with advertisers or even DPOs goes up that much more. Obviously, as you know, that anything in the media business has a lag effect. And therefore, that's the stage we are in currently. And we'll have more colour for you as we go ahead in the year.

Abneesh Roy: Sir, my last question was on ZEE5. So, you're trying to segment and have the regional offerings, which I think any OTT has. So, any OTT if you open, there will be the language offering. So, I think you are trying to make it a bit more affordable. So, if anyone wants to go for a specific language, he pays much lower.

So does that lead to that kind of a benefit because any customer he can go for the overall app and then choose because then he'll have much more content across languages and lot of people are now consuming even languages which they don't understand through the subtitle, which comes at the bottom.

So, I'm trying to understand your overall say, exit of the year you are targeting profitability in ZEE5. What is it contingent on because lot of the things which you are doing has been done earlier. Is it just again, the consolidation which has helped. So, everyone is focusing on profitability. The ARPU levels are going up in the industry. Is that what is helping you in terms of profitability in terms of the exit for this year?

Punit Goenka: Yes, I think, you are right, mostly Abneesh, that we are looking at our ARPU growth and our subscriber-based growth as well. The reason why we went from this language pack distribution, as you rightly put it. One, it is to make it more affordable from the consumer point of view because our feedback from the consumer was, that why am I paying for languages that I don't even consume.

Now there may be a few people or some segment of audiences that are watching language shows, dubbed into either Hindi or in English or whatever it may be, but there is a large population that does not. And therefore, we believe that this is a good strategy for us to capture larger subscriber base for our app ZEE5, and that's how we are going about it.

Moderator: Next question is from Kavish Parekh from B&K Securities.

Kavish Parekh: My question pertains to ZEE5. So, revenue growth continues to be healthy, and you aim to achieve breakeven by the end of the year, while growing content threefold. So how do you plan to balance this?

I understand you have mentioned that an omnichannel content creation strategy will help manage costs but wasn't this approach already being followed that is leveraging the same content across multiple platforms? And do you think relatively modest investments in content could impact ZEE5's medium to long-term revenue growth trajectory. That was my first question.

Punit Goenka: So Mr. Parekh, I think I was answering that in my earlier response to Mr. Roy. The fact of the matter was that our subscriber base was stagnating because people didn't want to pay for everything because it's being offered to them. And that's why we went through this whole language strategy. And we have already started to see traction on how the subscriber base is growing there. And we are quite hopeful that, that will be leading to us getting far more share in the market.

Mukund Galgali: I'll further add that in terms of the omnichannel content strategy, with things like Bullet coming in as well, we will be able to do far more experimentation and exchange of IPs within platforms from micro-series to mini-series, to mega-series. So, we have plan to execute that efficiently.

And secondly, in terms of language packs, while others are there are present, like Abneesh, mentioned, previously that what is new in this. We've seen that in certain markets original series were not there, for instance. And with our sustained focus on this area of having language-wise, original programming and not dubbed programming. We are confident of results in this.

Vikas Somani: And Kavish, just to add on, what we are doing actually is we are working both on the breadth and the depth of the content offering for each of the languages, which means we are not only providing in terms of breadth, we are providing content in various formats be it long form, short form, web series, micro series or mini-series as well as the depth, which means there is enough for any one language subscriber to come and watch content. So, there is going to be enough in the funnel and not just helter-skelter kind of content which will be offering.

Now the blended cost of all this is at a reasonable level, and that's what's giving us the cost benefit out here. And this is nothing new. We are simply trying to import the success which we had when we when we started the language markets on TV side. So, we take pride in the fact that we have cracked that market by giving quality content at a reasonable price than at a much lesser price as compared to the Hindi content.

And that's what we are trying out here also. We are not compromising on quality for sure. But at the same time, we are being able to give the same offering across the breadth and depth of the content at a reasonable price. And that's what give us the cost leverage going forward. Yes of course, any incremental revenue, which comes in is not going to come at any incremental or commensurate increase in the cost. That is going to go and contribute to our profitability or the breakeven target which we have taken.

Kavish Parekh: Understood. Second question is that we were expecting that reducing losses at ZEE5 would be a key contributor to overall margin expansion. However, with plans to invest in new initiatives. What kind of investments are being considered? Would these investments potentially extend the timeline for achieving the targeted 18% to 20% margin by end of the fiscal?

Punit Goenka: Mukund, do you want to take this?

Mukund Galgali: Yes. So, Kavish in terms of our plan, all these investments have been factored when we looked at our margin guidance of 18% to 20%. And since the plans and the rollout of ZEE5 strategy has just been done recently. You will see a substantial improvement in the EBITDA of digital in quarters going forward. So yes, the plan is there very much, and it factors into consideration the new initiatives. It's a matter of timing that when we hit that spot of achieving breakeven.

Vikas Somani: And all these new initiatives, the investments are going in a staggered manner. All the new initiatives collectively will take about 2 to 3 years to really start to have an meaningful impact on the profitability of the company and to attain the scale which we are desiring. So that's the kind of timeline which we are looking at. But as Mukund said, this 18% to 20% target for this year, which we have taken, does factor in the investment required for these new initiatives.

Kavish Parekh: Any quantification that we can give for the investments planned over the next 2, 3 years?

Vikas Somani: No. I think we will avoid that for the time being, Kavish. We are rolling it out and probably at some later stage we'll contemplate giving these numbers.

Kavish Parekh: Just the last question from my side. We plan to give out some more details on the Zee Music and ZEE5 side. So, any comments on that?

Vikas Somani: Yes. So, we are internally working on those metrics we are along with the business teams we are identifying which are the best KPIs to give it out to the world at large so that you have more hang of the business which we are operating. So just have some more patience, very soon we'll be start sharing those numbers.

Moderator: Next question is from Sameer Gupta from IIFL Capital.

Sameer Gupta: Most of them have been answered. So just 2 from my side. Sir, I've seen your presentation, and you also mentioned focus on retail advertisers, I believe it is for linear TV. Just want you to elaborate because why would a local retailer pay for a Pan-India advertising. And I believe the local retailer is already advertising on the likes of YouTube where ads are being shown in only the local or relevant geographies, is it possible for you to do the same with linear TV? If not, how is this going to work?

Punit Goenka: So, I never suggested for a minute that this is only for linear TV. It is for both the digital markets and linear business. Given that we are operating in 12 different languages in this country, we are very well poised to give opportunity for these advertisers to come on to building brands.

What they are doing on the likes of the digital platforms that you mentioned is purely transactional. And what we offer is a linear platform is more of brand building. And I can give you umpteen number of examples of how brands we have built in the language markets, whether it be in Marathi, whether it be in Tamil or Telugu, so on and so forth. But I think that is not for the open line. We can take that offline with Vikas.

Sameer Gupta: Sure, sir. So just to clarify, this is not something which is technologically different. This is just pure retail advertiser using a Zee Bangla, let's say, for advertising whatever he wants to advertise and build his brand. Is that a fair understanding?

Punit Goenka: It's a combination of, let's say, your example of Zee Bangla and the Bengali content that we offer on ZEE5.

Sameer Gupta: Got it. This is helpful, sir. Second question is on the others portion. Now this is the movie theatrical and syndication revenue. And last year, I believe you clocked around INR775 crores. Now 1Q has been really soft. So just wanted a guidance here, what kind of revenues are we eyeing for this whole year? I know it can be lumpy in a particular quarter. So just trying to understand that.

Vikas Somani: So, let me talk in slate term rather than in the dollar terms. Now yes, this quarter, we did not find any meaningful release. But having said that, the slate for the entire year is pretty much intact. As we have always given a guidance that every year, we target to make about 20 to 25 movies across languages in a particular budget zone, and that is what we are going to do this year also.

So, you can infer from that what kind of revenue trajectory it will be. But the slate is pretty much intact. We are going to have similar number of movie releases this year as well.

Sameer Gupta: Just a clarification here. So, the 1Q number is not out of ordinary. It is something that you expected? Or would you say it is slightly below what you would have expected at the start of the quarter?

Mukund Galgali: So, Sameer, there were just 2 releases which got pushed by one quarter. So that was the only change. So, it's only a change in one quarter. But otherwise, we are going as per plan.

Sameer Gupta: Got it. And last question, if I may squeeze. Any update on the Star arbitration case?

Vikas Somani: I mean there is no fresh update on that. As we have said in the last call also, both the sides have made their filing, their submissions. We believe and our lawyers also confident that we have a very good case to defend and the outlook will only get to know next year.

Moderator: Next question is from Umang Mehta from Kotak.

Umang Mehta: Sir, just 2 questions. First one on your ad revenues. So, could you call out if you've already started to see any uptick because of FTA re-entry? And if it's just beginning, do you think this can pick up and contribute meaningfully going ahead? That's the first question.

Punit Goenka: Certainly, Umang, I do believe that the advertising uptake on the Free Dish market will be something that will help us in our growth. Right now, it is still very early days. As you know, in the BARC ecosystem and in the advertiser’s ecosystem, anything that's less than 13 weeks of ratings does not register in a significant manner. And given that we are just about coming out of the 13-week period, we hope to see going forward some substantial thing happening there.

Umang Mehta: Understood. That is helpful. And the second one was on your subscription revenues. Now you mentioned that linear has declined and ZEE5 has grown. So, 2 questions linked to it. Firstly, in ZEE5, the 30% growth, was there any one time or syndication revenue boosting this? And if it wasn't the case, then if I adjust the growth in your overall subscription revenues, it means that the linear subscription revenues have declined in double digit, just about 10%. So, I mean, if you can just help us understand what really happened?

Vikas Somani: Yes, Umang, so there has not been any extraordinary income coming from the syndication. The syndication revenues are at a pretty much the same level which we have seen last quarter. So, no extraordinary income out there. And yes, without any spike owing to the syndication, we have achieved a 30% growth on a YoY basis on the digital subscription.

Umang Mehta: Okay. So then on the linear subscription, is it correct that the decline was maybe high single digit to around 10%? And if that was the case, how is the outlook for the remaining 3 quarters?

Punit Goenka: No, because if you know how the linear business works, we do annual deals and our degrowth is currently in single digits. And we are still trying to see how to correct that. The agreements that are to be renewed still are not renewed. And we accrue revenue only on the basis of agreements done. And therefore, we wish to correct that very soon, and we'll keep reporting that to you on a quarter.

Moderator: The next question is from Jinesh Joshi from PL Capital.

Jinesh Joshi: Sir, I just wanted to know that the language packs that you have launched in ZEE5, are they a part of any B2B deals? Or are these packs directly being sold to the consumer, which may perhaps have a higher ARPU?

Punit Goenka: As of now, they are not part of the B2B deals, Jinesh, but we are exploring and negotiating with them as to what we can do. And if you will see, we only launched this on 6th of June. So, we are just 4 weeks into the whole thing, and we are working on that. So, we will have more colour for you in the coming quarters.

Jinesh Joshi: Yes. And sir, one more clarification required. I mean the decline in the subscription revenue, is it fair to assume that removal of Zee Anmol and putting it into the FTA category also may have contributed to the decline apart from the reason that we gave with respect to fall in pay TV subscribers?

Punit Goenka: See, historically, Anmol was always part of Free Dish until we removed it. We have not witnessed any decline at that point in time. And as I said, it's too early for me to comment that whether the decline in the subscriber base on pay TV is due to Anmol alone. It could also be to the fact that we are still amidst negotiations with a lot of the MSOs for the FY '26 deals.

As you know that these deals with DPOs normally take a long time to happen. So, we have to wait and watch. But I don't think it's too early for me to comment that

Anmol could have caused this kind of a decline for the entire entity or for the entire company because Anmol is only operating in Hindi language, whereas we are operating, as I said, the network in almost 11 to 12 languages.

Jinesh Joshi: Got that. And sir, these negotiations with DPOs predominantly are due to the price hike that we may have announced in Jan, right?

Mukund Galgali: Yes, that's right, Jinesh. These are annual deals.

Jinesh Joshi: Got that. Sir, just one last question from my side. I think in the earlier part of the call, you mentioned that in July, the ratings have crossed about 18%. So just wanted to know which markets are exactly seeing an improvement because I think our viewership focus has been on key markets like Zee TV Marathi and Tamil. So, is it basically markets that are not doing well, have started seeing some improvement? Or is it that some markets which have done well are seeing further improvement in viewership? So just if you can share some light on that.

Punit Goenka: As I said in my opening remarks, Jinesh, Hindi, Marathi, Kannada, Odia and Bangla are the ones where we have seen significant growth. Not to say that the other markets are not doing well. The other markets are also performing reasonably well, but these are where we have seen significant growth.

Moderator: Next question is from Abhishek Kumar from JM Financial.

Abhishek Kumar: Most of my questions have been answered. I have one question on the strategic initiatives that we had announced around value unlocking. While you mentioned that you're in the process of deciding which KPI to disclose, but anything in terms of, any progress in terms of carving out that business into a separate subsidiary? We got a Chief Business Officer for those businesses. Any progress so far? And any timeline that we can share in terms of when and what we plan to do?

Punit Goenka: Yes, Abhishek, as I maintained in various calls in the past also, the reason why we are not carving out ZEE5 into a separate entity is so that the company can continue to take the benefit of the tax because otherwise, if ZEE5 is incurring losses and you carve it out into a separate entity, we will lose that tax benefit completely. And the company will end up paying more tax, which means lesser PAT and lesser money back for you guys.

Abhishek Kumar: Sorry, I meant Zee Music, ZEE5, I understand. Zee Music as part of the value unlocking initiative?

Punit Goenka: So that also we keep evaluating, Abhishek. And as and when we have the right opportunity to carve it out and bring it into a separate entity, we will certainly come back to you. And it's something that Vikas and Mukund continuously keep badgering me on, but not yet, I can't give you a timeline as of now.

Mukund Galgali: And we have taken on board business officers for both these segments of syndication as well as for music. So yes, I mean, they are also working on the plans to see what will be the best way to operate and take this forward.

Vikas Somani: So, Abhishek, not putting a timeline to that, but that's in our radar right now.

Abhishek Kumar: Second question is on the cash infusion. Obviously, the company had certain plans with the fresh cash that was supposed to come in. Now with that resolution not getting passed, anything that changes in our plans in terms of we were thinking of re-entering into sports or certain acquisitions? Do you think any change in plan is needed now because that cash is not coming.

Vikas Somani: No, Abhishek. So, nothing changes on that front. In fact, we are as committed as we were on not only enrolling those new initiatives but also increasing and strengthening the core business and increasing the operational performance out there. So, nothing changes in terms of our focus or priority out there. It's business as usual from that perspective.

Abhishek Kumar: One last bookkeeping question. What explains the dip in cash balance this quarter?

Mukund Galgali: So, two things. One is the cyclical collection from subscription. So typically, Q4 is a high collection period for the subscription, and it follows with a dip in quarter 1. So that is one cyclical factor, and it is a consistent factor. The second is we have deployed funds into our investments in content and other initiatives. And it's just an operational requirements which have been met.

Punit Goenka: So, it's a working capital thing, Abhishek, nothing beyond that.

Moderator: Next question is from Sambhav Jain from Vardhaman Investments.

Punit Goenka: I think we've lost him.

Moderator: Right. There seems to be no response from the line of Sambhav Jain. We'll take that as the last question. I would now like to hand the conference back to Mr. Vikas Somani, Head of Strategy and Investor Relations for closing comments.

Vikas Somani: Thank you, everyone, for joining us today. We hope all your questions were answered. Do feel free to reach out if you have any follow-up questions or if your query remains unanswered. We'll be available and look forward to speaking to you next quarter. Thanks so much and have a great evening.

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