



ZEE 4.0

OPEN LETTER

From the desk of

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Managing Director & CEO

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Dear Shareholders,

Lord Shri Krishna has taught us that “no one who does good work will ever come to a bad end, either here or in the world to come”. There are times when you come across such beautiful words and you wonder if they were just written for you, or as if someone is trying to convey a message to you. The juncture where I am standing today, these gems from the Bhagavad Gita, summarize my reality. As I pour my heart out to you through this letter, to share my thoughts, dreams and ambitions, these words give me the required strength.

The start of this financial year has been a rather special one for me and the entire team at ZEE. Since for us; it is not just the beginning of another new year, but the beginning of an entirely new life for the Company. The beginning of a Company which is transforming in line with its new realities. The beginning of a sharper, leaner, greener version of ZEE. The beginning of **ZEE 4.0**.

Right since its inception, way back in 1992, ZEE has consistently evolved itself - from a single channel player to a media and entertainment powerhouse. However, this journey has seen its fair share of ups and downs but ZEE has always adapted, modified and evolved. This journey in my view, can be summarized in the following 3 important phases:

• **ZEE 1.0 (1992 - 2000)** : This was the phase where the nation witnessed the birth of not just a channel, but an entire industry in itself. Contributing to the country's liberalization story, ZEE found its way, not just into our living rooms, but straight into our hearts. ZEE gave birth to some of the most iconic shows such as Tara, Antakshari and Hum Paanch, which resonate with viewers even till date. A phase, where ZEE was embraced by the viewers of our nation, acknowledging its pioneering spirit, emerging as a brand synonymous to entertainment, in India and for the Indian diaspora across the world. A phase characterized by ambition, growth and success.

• **ZEE 2.0 (2000 - 2006)** : This phase was nothing less than a reality check for ZEE. A tough phase which was filled with fierce competition. If the previous phase was about staying ahead of the curve, this one saw us being complacent and playing catch up rather than being at the forefront of change. The competition came up with fresh and innovative shows like Kaun Banega Crorepati (*India's version of the game show - 'Who wants to be a Millionaire'*) or Kyunki Saas Bhi Kabhi Bahu Thi (*a fiction show*) and we ended up countering the competition by following in their footprints with shows like Sawaal Dus Crore Ka (*a game show aired on Zee TV, which offered a prize money of INR 10 Cr.*); rather than coming up with fresh ideas of our own. In this battle of ratings, what cost us the most was the dilution in our content approach. Despite this phase, where creativity took a back

seat, the Company stayed buoyant purely because of your faith and belief in its intrinsic value. A phase, which I would like to term as the one, filled with lessons and learnings.

- **ZEE 3.0 (2006 - 2019)** : It was during this phase where my journey with ZEE began and I witnessed the evolution of the Company, first hand. While we were busy narrating stories to the world, this phase wrote its own script about the Company. A script filled with ups and downs, mergers and demergers, acquisitions and divestments, survival and growth, good decisions and the not so good ones. This phase too, had one trait in common - resilience. The lessons learnt in the previous phase brought our focus back on content, which was our key area of expertise. We also realized the need and importance of sharpening our strategic approach. This led to many important restructuring decisions such as de-merging of DTH, cable, news and education businesses from ZEE, enabling us to sharply focus on something we truly excelled at, which was 'entertainment'. We expanded our portfolio to 41 domestic and 39 international channels across genres and grew our revenue at a CAGR of 15%. Even when there were headwinds such as the global recession, or influx of new competing channels backed by deep pockets, we ensured that there was no dent to our business. This was all possible because we never lost sight on what we did best - which was to judiciously create rich and engaging content. This phase saw us venture into

new areas of business with the launch of our digital, movies and live entertainment businesses.

That said, last 18 months have been extremely challenging, with the financial headwinds experienced by the Promoter Group. Even amidst this turbulent phase it was business as usual at ZEE. Admittedly, this event did make a dent in our goodwill, leaving us with a few things to think about. I strongly believe, that what got us here will not necessarily take us further and as they say, it is not the strongest or toughest who survive, but the ones who are most responsive to change. Hence it is time for ZEE to change, and this letter, is my earnest attempt to present to you, a new avatar of ZEE; a version 4.0 of ZEE.



• **ZEE 4.0** : As an Organization driven by professionals with rich experience across sectors, ZEE 4.0 is gearing up to take the next big leap. I would like to start this new phase with a clean slate and focus on the following 5Gs :

Governance | Granularity | Growth | Goodwill | Gusto

These 5Gs will define the future of this great Company and along with my team of professional leaders, I stand committed to regain our place of pride. Let me briefly explain, how these 5Gs will help us in creating ZEE 4.0:

• **Governance:** ZEE 4.0 has at its helm, an all new reconstituted Board. The new esteemed members bring in the required blend of expertise, experience and wisdom. All the questions raised on some of our decisions taken earlier, have been answered. With immense confidence, here I would like to state that an independent review commissioned by the Board has not found anything adverse to report. We will also be releasing the findings of this review, to maintain utmost levels of transparency. Further, we have introduced new policies which will strengthen our Governance, mitigate our Risks and safeguard our Business Interests. The focus going forward, will be to build a process oriented structure for the future, achieving the highest levels of automation with zero manual intervention and a prudent approach towards treasury and investments.

• **Granularity:** Maintaining a granular and transparent approach while reporting, will be an important area of focus for us. Be it segmental reporting across businesses, consistent reporting on our business KPIs, or regular communication pertaining to steps undertaken on ESG and CSR related activities; we will ensure that every single aspect is reported at the right time and on the right platforms. All of these steps will be implemented to ensure that you all get a deeper insight into our businesses.

• **Growth:** ZEE's constant endeavor to stay ahead of the industry performance will always be a guiding factor in all our

future initiatives. We will continue to build our business with speed, responsiveness and decisiveness. Apart from constantly reinventing our existing business models, the focus will be to maximize our core, expand into adjacent spaces and explore new areas of business. With an undeterred focus on growth and profitability, our aim would be to constantly enhance shareholder value.

- **Goodwill:** Like I mentioned, the last 18 months have made a dent to our goodwill. While the vested interests will now more than ever create rumors and speculations, let me make one thing very clear: I am here to stay, and remain committed towards ZEE. I have taken this up as a challenge to restore the goodwill; not just for me, not just for my family, but for the entire team at ZEE.

- **Gusto:** I am very proud of the professional leadership team at ZEE. Our entrepreneurial spirit, rich expertise in content creation and the unique ability to gauge the pulse of our consumers, have been instrumental to our success. The zeal, passion and commitment which the team brings to the table, gives me a deep sense of pride and I assure you that this will only grow with greater intensity.

My father and our founder Shri. Subhash Chandra's bold vision, his ability to challenge the status quo and his intuition, sparked an entire industry in itself almost three decades ago. I know that many of you might have questioned the steps taken by him in the recent past, but as you know, pioneers see the world through their own eyes. Had it not been for his farsightedness and vision, we would not have

been able to create this great Company, or millions of jobs or for that matter, immense value for our investors. We will always be proud of his courage and determination.

To all our shareholders, who have reposed their faith in us during this recent turbulent phase, I express my gratitude and assure you that we will strive to maintain and strengthen our position as one of India's premier media & entertainment powerhouse.

I intend to embark on this new journey of ZEE 4.0, with a clean slate, immense learnings from the past and new dreams for the future.

I seek your continued support, trust and blessings, as we start this new chapter, this time not just to make history, but to write the future!

Yours truly,



Punit Goenka



ABOUT THE AUTHOR



Punit Goenka

Apart from being the Managing Director & CEO of ZEE, Punit plays an active role in shaping the future of media & entertainment industry, as the President of International Advertising Association - India Chapter; Chairman, Broadcast Audience Research Council India; and Director, Indian Broadcasting Foundation.