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Good day, ladies and gentlemen, and welcome to the Q2 FY '19 Earnings Conference Call of Sun TV hosted by Axis Capital. (Operator Instructions) Please note that this conference is being recorded.

I now hand the conference over to Mr. Ankur Periwal from Axis Capital. Thank you, and over to you, sir.

Ankur Periwal, Axis Capital Limited, Research Division - VP of Media and Logistics [2]

Yes, hi. Ankur Periwal this side. Good evening, friends, and welcome to Sun TV's Q2 and H1 FY '19 earnings call. As usual, from the management, we have with us Mr. R. Mahesh Kumar, President; Mr. SL Narayanan, Group CFO; and Mr. V.C. Unnikrishnan, CFO.

So I'll hand over the call to SL for his initial remarks, and then shortly we can open for Q&A session. SL, over to you.

V. C. Unnikrishnan, Sun TV Network Limited - CFO [3]

Yes, hi, Ankur. Yes, good evening. Unnikrishnan here. SL will join us in a few minutes. Welcome to the con call for the quarter ended September '18.

I think we'll -- without any opening, we'll just commence. We'll start off with the Q&A schedule.

(Operator Instructions) The first question is from the line of Sachin Salgaonkar from Bank of America.

I have 3 questions, but before that, can you help us with the break up of total revenues. Don't see the ad revenue break up, international, domestic revenue?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [3]

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Our total (inaudible) revenues 342 crores, broadcast around 17 crores, international about 48 crores, digital revenues about 120 crores and DTH is around 220 crores. And the remaining is about 2.5 crores -- 3 crores, roughly, the others.

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Sachin Shrikant Salgaonkar, BofA Merrill Lynch, Research Division - Director [4]

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Okay. And as the growth clearly looks weak this quarter, any particular reason? What led to that weakness?

Rajaraman Mahesh kumar, Sun TV Network Limited - President [5]

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This is Mahesh. So basically, there are 3 external factors which had a direct impact on the overall ad revenue. The -- primarily, the cable now has had a major impact because the tower was actually coinciding with a big festival which happened in Kerala [which is Onam]. So close to 7 crores is the impact of the ad -- I mean revenue because of the floods in Kerala. And also, there is shift of 1 festival, the 2-day Dussehra, which lastly happened in Q2. But I think, this time, got prepared for Q3. And the impact of that is approximately 7 crores. And also, we had -- I mean, especially in Sun TV, due to the death of the former chief minister, actually, as a mark of respect, we can actually knock 2 primetime slots. I think they were -- we were running without ads, that kind of approximately between 3 to 4 quarters, an impact on the advertising segment. So cumulatively, if you add up these 3 very, very broad, I think we should have actually grown by up approximately 10%, but I think the current growth is primarily impacted by the 3 external factors.

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Sachin Shrikant Salgaonkar, BofA Merrill Lynch, Research Division - Director [6]

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Okay, Mahesh. So this is clear, I just wanted to follow up that the first 2 [may not] obviously are one-off impacts, but are you guys planning to continue with the 2 primetime slots without an ad? Or that was more like a one-off?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [7]

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No, no, no. That was...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [8]

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This was only for the -- the whole day is when we add to funeral for the former CMO's telecast. That's what Mahesh...

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [9]

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That was a live telecast.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [10]

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Live telecast.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [11]

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In general. So basically, what had happened was 2 primetime...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [12]

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(inaudible)

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [13]

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Yes, there was no ads, actually.

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Sachin Shrikant Salgaonkar, BofA Merrill Lynch, Research Division - Director [14]

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Okay, got it. My second question is on subscription growth. Are you guys still confident on the 3 billion to 5 billion revenue opportunity from digitalization? And how many quarters more where we could see continued revenue coming from digitalization and subscription growth?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [15]

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I think we should complete the entire digitalization in the state of Tamil Nadu by end of this financial year. I think the numbers have been pretty strong. And we also believe that we will be able to take these new dry guidelines in a stride because as you know, we don't have too many fixed-fee deals. It's mostly on a per-subscriber basis. So we think we should be able to realize the entire upside by end of current financial year.

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Sachin Shrikant Salgaonkar, BofA Merrill Lynch, Research Division - Director [16]

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Okay. And any reassessment of the marketplace? Or it's the same?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [17]

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It is about the same. I don't really see it's materially larger than this.

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Sachin Shrikant Salgaonkar, BofA Merrill Lynch, Research Division - Director [18]

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And third question is, when we look at your rankings at Tamil, they continue to be declining a bit. So do you have any thoughts on how you guys are looking to certain -- perhaps, some thoughts on how your new GEC is working out there?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [19]

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We are doing our best. In fact, we also don't like the situation because we've been in the bold position for far too long. We'd like to bear and we'd like to stay there. But there are limitations to having a brutally high market share for all times to come. We would ideally like to give you the assurance that we can go back to where we were, and that's our endeavor, too, but there are no easy ways out. It's a constant struggle, and we think we will be able to retrace some of these downward slides by at least getting part of that delta back. But as I say, these things are more out of trial and error. Certain things work fabulously well, some things don't. And so give us a few more quarters. We think we've got it right now and a host of new shows which are coming up. We should be back up there.

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Sachin Shrikant Salgaonkar, BofA Merrill Lynch, Research Division - Director [20]

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Okay. And ad revenue growth was impacted because of the market share decline? Or you don't sense that there's -- I mean, Mahesh, you have 3 reasons for that, but is -- market share decline had an impact on the ad revenue?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [21]

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There's a little bit of marginal impact because of the EBITDA and the market share. But I think like SL said I think we are working towards at least regaining 10 percentages of overall viewership which are selectively between the mainline GEC and the [franking] GEC which we have completely revamped. So the work is in progress. We have planned a couple of launches the next coming months. And we've already launched 1 or 2 shows, which helped evoke some excellent response in the market. So I think if you give us another 1 or 2 quarters, I think we should be -- at least, I think internally, our target is to grow the overall market share in Tamil Nadu by at least 10%.

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Operator [22]

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The next question is from the line of Yogesh Kirve from B&K Securities.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [23]

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Could you specifically talk about in the Tamil market what were the content initiatives which you've undertaken during the quarter in terms of new shows? And what has been the feedback or the performance of those initiatives?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [24]

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See, actually, we just recently launched -- I mean subsequent to Q2, we launched exclusive (inaudible) show at 8:30. So actually, that has -- opened up the rhythm. And that show was originally there at to 8:30 started at 7:00, so we got some 40% improvement in the viewership in that slot. So we are actually trying to complete programming slot by slot, monitoring the overall what is the current share and how we can improve the share. Like SL said, We have launches planned in November and also in the month of December. And on the weekends, we are trying to bring in some really high-end shows like, for example, we have launched a new show that -- Shruti Haasan, Kamal Haasan's daughter and is -- one of the top-known heroines in this country. So we are upscaling the shows, we are launching newer shows between the (inaudible). And also, we are overall a little bit revamping up new movie portfolio. As you know that there are still getting into movie production. So

collectively, all this can have very -- we are very, very confident that it will terminal impact on the overall share of viewership in Tamil.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [25]

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Sir, would it be possible for you to comment on what was the ad growth in the Tamil genre? I mean, Tamil as well as Telugu genre?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [26]

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No, we don't get into -- Yogesh, we don't get into genre-wise or languages.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [27]

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Right, right. Sir, can you give us a breakdown for depreciation and amortization?

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SL Narayanan, [28]

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Yes, depreciation around 17 crores; amortization, is 80 -- 64 -- 65 crores.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [29]

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Okay. So and what would be your expectations in the amortization for the full year because this quarter seems to be quite low?

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SL Narayanan, [30]

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Yes. So we had indicated when we finished the March quarter that we're looking about INR 400 crores to INR 425 crores for the 2018, '19. Only got (inaudible) because of the (inaudible) celebration. So I think if you look at the 2 quarters together, we're about 199 or so. I think we are on track on that.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [31]

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Sir, lastly, if you look at our cost side, both our staff cost and also the SG&A, they have been down by about 5% and 16.5%. So could you comment what would be the reason for this decline? And how far this is sustainable?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [32]  
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Staff cost, I think, finally, you have the leveling of the management renovation which was informed to the exchange last quarter. So that's the number. And I think in the case of the other expenditure, there is some reversal of old provisions which are not required at this point in time.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [33]  
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Sir, can you quantify those amounts? Are they significant?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [34]  
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Not very significant. I mean, there have been almost a number which you find there is the drop will be the same. If you continue which is -- as a matter of routine, we make provisions for the revenues on a regular basis based on our assessment. And subsequently, when we do get the funds in -- or I mean the matters get sorted out, the provisions get reversed. And that's a process which we have been doing for quite some time.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [35]  
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We have a very strict policy of provisioning. Anything which is more than a certain defined number of days, depending on the category of the customer, we provide 100%. And the day it gets collected, the provision gets reversed.

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Yogesh Kirve, Batlivala & Karani Securities India Pvt. Ltd., Research Division - Research Analyst [36]  
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Sure. Just one bookkeeping, sir. In terms of Tamil language, could you give us a break up of how many shows we have on the commission model now?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [37]  
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Commission for -- I think, primetime it's actually 2. Non-prime time, approximately -- which is very, very relevant, it's approximately 3. Not approximately. Three, exactly 3.

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Operator [38]  
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The next question is from the line of [Karin Turani] from Elara Capital.

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Unidentified Analyst, [39]  
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I just wanted to know if that's based upon the content cost. That has indeed sharply around -- by about 40% YoY. Where do we see that going ahead? And for how many more quarters you see this kind of a trend for the content?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [40]  
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Whatever is the current cost, it will stabilize at this level. I think, though, in terms of [content], it seems to be very high, but if you look at the absolute number, it is like whatever we have given you estimates in terms of what is the total content cost per language. I think they are more or less in line with that. So I think whatever -- I mean, between Q1 and Q2, we are not -- I mean, because we have launched a new show, there is some increase in the cost of content. But broadly, I think you should take whatever is the cost for this quarter on a steady-state basis.

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Unidentified Analyst, [41]  
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Great. And secondly, what about Sun Life, any updates you'd like to share in terms of how that's shaping up?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [42]  
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Yes, I think the initial response has been pretty good. So though we had funds of at least 50% growth, if you look at in terms of the pecking order now, it is more or less in line with [Colors Kannada] in terms of the overall GRP. So though we have -- I mean, [Karin], you should also keep in mind that we have completely shifted the overall genre of that particular channel. So if you take -- a little bit of time for people to really get used to that, but I think we're extremely confident and committed in revamping that channel and -- which will generate substantial GRP growth here over time.

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Unidentified Analyst, [43]  
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Great. And just one last question, if I can squeeze in. Zee launched a platform called [zeemitra.com](http://zeemitra.com), where they already push local advertising in a very big way, do you see that impacting your ad revenue negatively by any chance?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [44]  
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zeemitra is small and medium enterprise. Directly, they're going to small enterprises.

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SL Narayanan, [45]  
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Right, right. No, I don't think that is not going to have a negative impact in this because I think we are very, very strong among the regional advertisers. And I think if you look at among all the 4 markets, it's basically Tamil Nadu and Kerala which contributes. The regional market is very, very substantial in terms of the overall ad pie. So -- and we have good relationship with all the major regional advertisers.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [46]

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And also, the thing is, you also need to define what is the SME? See, in our case, some of these SMEs are 1,000 crore, 1,200 crore companies. And there are some retail chains like [Sarona] stores, and they're all at least 300 crore to 400 crore per store, and they spend a substantial amount of money on advertising. And they actually commission some very highly acclaimed photographers to shoot their commercials, and they engage top-notch heroines for advertising their saris and all that. So it is not really the mom-and-pop store kind of advertiser who they are targeting when we say it's regional. So these are all like Gold Winner, which is a very highly popular edible oil company. Their revenues are approaching some 560 crores or something. And Arun Icecreams is another (inaudible) that might grow. These are all supposedly regional brands, but extremely large-sized businesses. So we're not exactly competing in the same space that Zee is targeting.

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Unidentified Analyst, [47]

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Just one thing, how much will be your split from local advertising roughly? Any number in terms of the split?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [48]

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Regional.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [49]

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We continue to maintain about 1/3 of our revenues from the regional market. The remaining 2/3 coming from the national advertisers.

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Operator [50]

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The next question is from the line of Riken Gopani from Infina Finance.

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Riken Gopani, [51]

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Just one question from my side. In terms of the ad revenue growth for the industry for the coming period, what is it that you are sensing from whatever the consumer companies or so are saying? How do you basically expect industry growth to pan out during the second half of the year?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [52]

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10%, 12%.

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Riken Gopani, [53]

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Sorry?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [54]

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10% to 12%.

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Riken Gopani, [55]

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Okay. So any -- so basically, I just want to understand if there is any improvement in the trajectory versus what you would have expected for this year. Or it just remains status quo more or less?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [56]

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No, I think it's more or less status quo. And moreover, I think this year, I think Q4 is getting into elections. I think it is good and bad news because as some of the states gets into election mode, I think we'll get additional revenue. I think we are already targeting certain corners of markets there which is getting to election. So we are confident that we will generate some revenue. So I think we should assume around 10% to 12% will be the variable growth rate in terms of ad for the next 6 months.

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Riken Gopani, [57]

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Okay. Do you sense any particulars -- let's say, compared to the last few months or now, any particular negative sentiments from the consumers or any particular sectors towards ad growth expectations? I mean, has there been anybody, let's say, Indian sentiment that you feel?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [58]

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No, I think we've seen probably -- I think the largest [spend out] will be in some cities. You can see some of the listed entities, the [SME] companies in terms of the spend in the advertising growth is approximately 10%. So I think that we will be assuming that I think we will get immediate and good revenue out of that. And I think we are not seeing -- what are the sentiment attached in terms of spend levels like I think this is still] this month, October has -- which got close. We've had 2 festivals. We have seen some groundbreaking revenues for the month, which is an all-time high.

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Operator [59]  
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The next question from the line of Siddhartha Bera from Nomura Securities.  
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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [60]  
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So my first question is on the ad side. I mean, can you -- will it be possible to highlight what will be the benefit in ad revenues only led by the launch of Sun Life in the quarter?  
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Rajaraman Mahesh kumar, Sun TV Network Limited - President [61]  
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I think it's too early, actually, for us to estimate. Although, we have some internal estimates, we just are working towards -- I mean I'm saying that you have to give us some time maybe, I think, a couple of quarters to really assess what is the potential and how we are going to effectively monetize it.  
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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [62]  
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But any targets you have and how much you envisage that it should contribute eventually in, say, 1 quarter down the line for your ad segment?  
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SL Narayanan, [63]  
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I think in the next couple of quarters, it should be 4 crore, 5 crore per month from the current, 1 crore or 1.2 crore.  
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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [64]  
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Okay. And are your plans of launch of the Bangla GEC on track? I mean are you doing it in that current quarter? Is that within your plans?  
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Rajaraman Mahesh kumar, Sun TV Network Limited - President [65]  
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Sorry?  
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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [66]

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Do you plan to launch on the Bangla GEC race, so just wanted to...

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [67]

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Yes, that will be in Q4, actually.

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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [68]

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Okay. That has been now shifted to Q4. So is it -- I mean, is it like that our content cost will go up in that quarter? Or it should continue to inch up gradually over the next few quarters?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [69]

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I think when we launch the Bangla, yes, the content cost will go up.

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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [70]

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Okay, okay. And lastly, just one question on your other expenditure. Do you already accruing your CSR expenditure? Or it will be lumped up in the last quarter like we have done in the past?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [71]

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No, it's taken care of. It's taken care of. On a quarterly basis, it's taken care.

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Siddhartha Bera, Nomura Securities Co. Ltd., Research Division - Associate [72]

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Okay. So we should not see any big volatility coming up in [the next year]?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [73]

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No, no, no. We had to do it in 1 particular year, but subsequently, we've taken note of it, and it's being done now on a quarterly basis. And there may be some small opportunity last quarter, but largely, the accruals on our expenditure on a quarterly basis is being done.  
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Operator [74]

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The next question is from the line of Vikash Mantri from ICICI Securities.

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Vikash Mantri, ICICI Securities Limited, Research Division - VP & Media Analyst [75]

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Two questions. So one is on the dividend. Wasn't the INR 5 thing becoming the norm like on a quarterly basis? Or we'd shift back to the INR 2.50?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [76]

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Vikash, I think last quarter, primarily, it was on account of the 25th annual. I think the board had taken a call to give an additional number. And at this time, they have given an indication of only INR 2.5. So let's see how the numbers stack up. Possibly the board may re-look at the estimates and at the percentage.

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Vikash Mantri, ICICI Securities Limited, Research Division - VP & Media Analyst [77]

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Okay. On the movie amortization number now, for us, these numbers have been tracking flattish to southwards for the last 2 to 3 years. May we attribute to this that the other period start -- that we have started to accumulate more of the movies that are available in these markets, and therefore, our investments have reduced? The reason I say this is if I look at 2016 in the telecom market, out of the top 10 movies, you had 5 of them. If you go to 2017 and 2018, you only have 2 movies in the top 10 grossers. And the story is trending to be similar in the Tamil market. So are we being -- are other movies being cornered by the other players?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [78]

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Vikash, movies have generally become too expensive a proposition. There was a time when there was a certain business case that could be built on movies. So not now. Three years back, we said that we've become very selective because, remember, I think it was 5 or 6 years ago when we didn't get Kochadaiyaan. A lot of the analysts were expecting the revelation that we are not able to buy all the blockbuster movies. And I remember saying on the call that any movie has to stack up to a business case. So if it becomes outrageously expensive, we stay away. I mean, we simply can't buy it at any cost. And we also see that when somebody buys it at an outrageous price, the subsequent movies, they don't show up. And increasingly, we are finding that there is a new genre of directors and scriptwriters and including some practically no-names that have created a niche, and these are the movies that are doing well. And people like Karthik Subbaraj, Vetri Maaran and other directors who are the Gen X of the current crop, they are producing hits after hits. So we're just conserving our the ammunition and making sure that whatever we buy gets the better bang for the buck. And also, you will have noticed that the number of movies that we are showing on weekends has also reduced. And we've increased the number of hours of programming on the fiction side on weekends.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [79]

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Fiction and nonfiction.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [80]

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Fiction and nonfiction. So end of the day, we need to make sure we run a profitable business and not hang everything on the proposition that movies have to be bought. It just adds worry. It's still the same. Basically like -- I don't know whether you're -- we're getting into 1 production. So fixed within the [value] date here in Tamil Nadu, we're launching one of the mega blockbuster movies of Vijay called Sarkar. And similarly, in Q4, our launch of the regular movies is likely to happen. So we are now getting into improv -- going and throwing money and acquiring the satellite price for a huge amount of money. We are now currently getting into movie production, and slowly, we might enter the other regional markets, not in Malayalam in Kerala, but at least Telugu, which there in the pipeline. So our internal -- I mean our objective is at least to have 3 to 4 blockbuster movies under our own banner every year. And I can tell you that we are pushing for -- back into acquiring some movies. It's not that we're going to let loose of all the big-title movies to the competition. So we are -- we will bounce back on acquiring some good titles which we will come to know.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [81]

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I think adding to what both SL and Mahesh said, there were 2, 2.5 years back we had also cautiously mentioned that since most of the market are moving in from the slot model to the commission model, we will be allocating more resources from the movie acquisition into the commissioned thought. So I think that's happened and sort of stabilized in all the 3 markets, except Tamil. Tamil, like what Mahesh was saying earlier, we have about 5 slots which are in the commission model. So there's a stability in the other 3 markets. And that's -- I think that's where we'll also start getting back into moves. But in intervening gap, I think we have acquired a decent number of movies or possibly not to the extent which we were doing in the past. I mean, there's obviously the priced ones because of either competition, or especially in the Telugu market, with too many top stars, the prices are skyrocketing. So I think we also scaled down our numbers in between.

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Operator [82]

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The next question's from the line of Dipesh Mehta from SBI Capital.

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Dipesh Mehta, SBICAP Securities Ltd., Research Division - Information Technology Analyst [83]

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Two questions. First is on the balance sheet side. We have seen some increase in capital work in progress. So can you help us understand what is driving that increase from roughly around 44 crore to 200-odd crore?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [84]

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[That's an] expense was the movie production. Two movies are under production. The shooting of the first movie started on -- in January last year -- I mean, 2018. The second movie started sometime in July. So we spend -- what you find there is largely on account of it, but cost 2 or 3 production of the 2 movies.

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Dipesh Mehta, SBICAP Securities Ltd., Research Division - Information Technology Analyst [85]

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Roughly [1 50] is for 2 movies kind of thing?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [86]

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No. It's only work in progress. It's not completed yet. As of September, it's not completed yet. But the larger component, I mean the 90%, 95% of it is 2 or 3.

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Dipesh Mehta, SBICAP Securities Ltd., Research Division - Information Technology Analyst [87]

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Understood. And on the Sun NXT, can help us understand our overall turn on the digital offering? And just to understand what will be the library now which we're having? And if you can help us understand what right we have for movie versus our content kind of thing?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [88]

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Yes, we have close to 8,000 movie titles which we have uploaded on Sun NXT. So this is the content which is available for all subscribers to download and watch. And then increasingly, we are now putting some exclusive content on Sun NXT. Like Sarkar, some of the songs were first premiered on Sun NXT. And recently, we had the trailer of Sarkar which was put on YouTube. We had something like 20-odd million hits. And so we are now slowly moving into Sun NXT in -- with more and more exclusive content. We are putting some of those teasers there. And some of the awards nights where we do a lot of editing and show on the TV. There's an equally large number of scenes and episodes which don't make the break, but we are now putting those things that are behind the scenes, and these things will start now coming on Sun NXT. We have now finalized certain plans for putting exclusive content on Sun NXT and beefing it up so that we are ready for the new generation. But those plans are likely to be announced closer to the date. Some -- a few months back, we mentioned that we are not convinced that there is a business case that exists, but we are now giving a very clear indication to the market that we will be investing more and more into Sun NXT and content which will first get premiered on Sun NXT and may or may not follow on the mainline TV channels.

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Dipesh Mehta, SBICAP Securities Ltd., Research Division - Information Technology Analyst [89]

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Okay. Is it possible to share some more detail in terms of -- let's say, in terms of serials, whatever content we have across our GECs, what rights we have and what rights we don't have? And second thing is, what kind of investment plan which we have for exclusive content on Sun NXT?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [90]

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Most of the material that is available on YouTube are rights which belong to our partners, the independent producers who worked on the slot model. Whatever we have started producing on our own, which is the commission model, those IPs rest completely with us and these are all also available on an i-card basis on Sun NXT. Increasingly, we will have complete control

over the IP rights of all the content that comes on the drama side and also the nonfiction side on the TV, which will be available on a catch-up basis for Sun NXT. The Sun NXT investment plans we would not like to say anything at this point in time, but we will be announcing pretty soon.

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Operator [91]

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The next question is from the line of Sanjay Chawla from JM Financial.

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [92]

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Most of my questions have been answered. I have 2 questions. I was trying to reconcile the cash flows. If you can help me reconcile the cash flows in the second quarter because we have seen a reduction of INR 1,117 crores in the cash and cash equivalents. So if you just point out the key cash and flow and outflow items, that would be great. And second one is a couple of bookkeeping questions. What is the reason for increasing your interest in other income this quarter? And what is the...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [93]

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Tax refunds were there, tax refunds. So we had interest accrued on that, so that's the other...

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [94]

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(inaudible) what's tax refund in this quarter? How much amount?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [95]

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Pardon?

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [96]

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How much we should earmark or how much came from tax refund?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [97]

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About INR 13 crores roughly.

Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [98]

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INR 13 crores?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [99]

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Yes.

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [100]

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Okay, okay. And what is the underlying DTH customer base in this -- at the end of the quarter?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [101]

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I think DTH customer base will take some more time because of all the intervening issues and this TRAI thing. I think it will take some more time before we are able to get into giving a disclosure like we are doing in the past. So it will take some more time. I think it's also they're not...

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [102]

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Okay, okay. And you mentioned movie release schedule -- or which are under production. You mentioned 2 movies, but I thought there were 3 movies that you had indicated in the previous quarter.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [103]

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Yes, exactly. One is the Sarkar movie, which is due on November 6. And the other one, as Mahesh mentioned, was the Shrikant movie in January. One more movie is a movie named Kanchana 3, which we have scheduled some time towards the end of December. So that's not a -- it's not a direct production, it is a, I mean bought out through the -- I mean, through the guy who is directing it. So that's the third movie. It's a small-ticket number.

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [104]

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Okay. So this movie could also appear in the third quarter.

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SL Narayanan, [105]

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Yes, we could have 2 movies possibly in the current quarter and 1 in the next quarter.

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [106]

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Okay, okay. Just coming back to the first question...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [107]

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Yes, what's your concern on the -- what's your concern on this?

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Sanjay Chawla, JM Financial Institutional Securities Limited, Research Division - Research Director [108]

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No, no concern. I just wanted to recalculate the cash flows, inflows and outflows, the key items in this quarter.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [109]

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Shall we take it offline because I don't have this -- I'll come back to you. I'll call you after this call.

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Operator [110]

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The next question is from the line of Prateek from Edelweiss.

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Prateek Barsagade, Edelweiss Securities Ltd., Research Division - Research Analyst [111]

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Could you please repeat the revenue breakup which you had mentioned at the start of the call?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [112]

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Advertising is INR 342 crores; Broadcast is INR 17 crores; International Subscription is INR 48 crores; INR 120 crores is the Pay Channel; DC is around INR 220 crores; the Others is around INR 3 crores.

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Operator [113]

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The next question is from the line of Rohit Dokania from IDFC Securities.

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Rohit Dokania, IDFC Securities Limited, Research Division - SVP of Research [114]

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Just 2 questions from my side. So you did allude to the fact that there was some pressure on margin when you end this quarter also because of market shares. So could you please elaborate on that? I mean, where did it hit us? Is it the ad has come down for us? Or does it impact the volumes as well? Or it's the -- both in a falling market share scenario?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [115]

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No, I think I would say, I mean, majority, like I said, external factors, which are constituted around 70%, 80% of the -- I mean, overall impact on the growth. I think the balance is on the pressure on the ER, so the basic reduction in terms of the effective rate. So though we had reasonably good volumes.

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Rohit Dokania, IDFC Securities Limited, Research Division - SVP of Research [116]

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Okay. In terms of year , where would we stand versus the #2, #3 player approximately in the case of Tamil Nadu?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [117]

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We're still months ahead of what the competition in terms of the year, but, see, because as and when we need to create more number of (inaudible) bases, naturally, the price cannot sustain on the same level, coupled with a little bit of pressure on the overall market share, I think they're taking certain strategic [fall] in terms of filling up the inventory by compromising a little bit on the [innings], right? I think once you bounce back and you're able to improve, especially on the core prime time in terms of the rating numbers and the share, I think we are very confident that we will. So though I think we have not really [set down] on the price, but we have done some packaging in such a way that we still sustain the prime time rate, but threw some discount on non-prime time.

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Rohit Dokania, IDFC Securities Limited, Research Division - SVP of Research [118]

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Understood. Could you quantify by how much what we have versus competition? Rough percentage would also help.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [119]

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Hey, come on, Rohit, I don't think we should get into too much of number because I think it's not fair.

Rohit Dokania, IDFC Securities Limited, Research Division - SVP of Research [120]

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No problem, sir. The next question would be if you can quantify the capital employed on the movie production side. And what do you believe would be on an annualized basis. So this year, you had said you are ...

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [121]

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Yes, I think for this quarter, this fiscal you're looking at a cumulative number of INR 275 crores to INR 300 crores. That's the number we're looking at for this quarter. The 2 big blockbusters plus the smaller movie which is Kanchana Muni. That's the number which we are looking at, yes.

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Rohit Dokania, IDFC Securities Limited, Research Division - SVP of Research [122]

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Just one final question on this. So should we assume that this would be the normal run rate because as you said, now you would be continuing with this business side as well? So would this be the normalized run rate every year that one could look at in terms of?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [123]

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I think so, but I think this will be -- if you look at the working capital cycle of this, it's approximately 180 days. Like, if we start to end in terms of the movie, it's 180 days. So like, I think we started the movies, which are releasing the next couple of days, maybe 6 months back or majority of the spend would have happened by that time. But you are pretty efficient in actually getting to the final stage. I think the -- I mean, because of our own knowledge of the market, we've never gotten back with this 2.0, which is I think a great one for the rank period. So I think we are -- we'll be very, very effective and efficient in terms of the cycling in the sense, as what I said, maybe it could be approximate 180 days we are I think, we'll be churning out the business.

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Operator [124]

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The next question is from the line of [Shitesh Bansal] from Albatross Capital Advisors.

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Unidentified Analyst, [125]

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I believe all of my questions have been answered, so I won't sort of push them any further. But thank you for the opportunity.

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K. Vijaykumar, Sun TV Network Limited - CEO, MD & Director [126]

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Thank you.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [127]  
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Thank you.  
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Operator [128]  
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The next question is from the line of Vivekanand from Ambit Capital.  
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Vivekanand Subbaraman, AMBIT Capital Private Limited, Research Division - Media Analyst [129]  
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Two questions. One, the Bengali and Marathi investments that you have, do you have any pre-launch expenditure pertaining to Bengali, which you are slated to launch later this year, sitting anywhere in your balance sheet? Or is it getting expensed? And if so, what would have been the number that you expensed this quarter? Second...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [130]  
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So nothing as of 30 September, my friend. Only the manpower cost, manpower additions and rentals and others. So that's a very small number.  
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Rajaraman Mahesh kumar, Sun TV Network Limited - President [131]  
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With the team which we have built, I think that's getting expensed out of salary and other infrastructure, buildings and all that. I think...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [132]  
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Yes? On content cost, nothing as yet in the September balance sheet.  
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Vivekanand Subbaraman, AMBIT Capital Private Limited, Research Division - Media Analyst [133]  
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You aren't procuring any movies also for these 2 channels?  
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SL Narayanan, [134]  
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The work is in progress but it is not accrued as of the last September quarter.

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Vivekanand Subbaraman, AMBIT Capital Private Limited, Research Division - Media Analyst [135]

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Right, right. And...

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [136]

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That is to be clear.

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Vivekanand Subbaraman, AMBIT Capital Private Limited, Research Division - Media Analyst [137]

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Right. My second question is on the digital business. Sir, you mentioned that now you seem to have more confidence in the audience's willingness to consume and possibly pay for content, given that you are the only pure SVOD platform, all others have a mix of ad-supported and subscription or behind pay wall content, but yours is completely behind pay wall. Can you help us understand some consumption metrics, particularly who are these viewers, are they domestic, international? What's the proportion of viewing that you are getting from the desktop and mobile and also metrics like are you getting any deal-based income from people like Hathway or Airtel or anyone else?

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SL Narayanan, [138]

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We have a fair mix between the domestic and international subscribers, but I think in -- beyond that, getting to specifics what you asked, I don't think it's -- I mean, that's all the information we would like to get into, divulge at this point in time.

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Vivekanand Subbaraman, AMBIT Capital Private Limited, Research Division - Media Analyst [139]

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Right. And what about the thinking on subscription versus advertising? Do you think that you want to continue with being completely behind the pay wall? Or are you able to earn ad revenue over and above the subscription that you are charging from consumers?

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SL Narayanan, [140]

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On this, currently, we are continuing to -- or we just want to continue the grouping model. But we are also talking to some of the big telcos in terms of doing some deals with them. So as and when it gets done, maybe we will announce it at the appropriate time. So our strategy is basically to increase the reach using some really big telco platforms. So once it reaches a certain scale, I think we are also currently in the process of investing on the content. So because currently, we are -- in terms of scale, we are still not as big as what the others are, but we are taking some really conscious steps and we are in the final

stages of configuring some big-ticket themes. So we will currently continue the model and at the appropriate time, we will see how we can -- wanting to progress and start the [telco] business.

Operator [141]

The next question is from the line of Akshay Goswami from SBI Securities.

Akshay Goswami, [142]

I have 1 question. So one of the reasons that you mentioned for lower ad revenue this quarter was because of no (inaudible) that will be shifting from Q2 to Q3. So now considering that shift, what's the ad revenue for H2?

V. C. Unnikrishnan, Sun TV Network Limited - CFO [143]

Come again?

Rajaraman Mahesh kumar, Sun TV Network Limited - President [144]

H2.

SL Narayanan, [145]

H2.

Akshay Goswami, [146]

H2 -- ad revenue of (inaudible) for H2?

V. C. Unnikrishnan, Sun TV Network Limited - CFO [147]

I don't (inaudible) this numbers what should be the range of all the teams.

Akshay Goswami, [148]

All the teams?

V. C. Unnikrishnan, Sun TV Network Limited - CFO [149]

Yes.

Operator [150]

The next question is from the line of Vishnu K G from JM Financial.

Vishnu K G, [151]

Sir, just one question. Could you share some broad content consumption trends on the Sun NXT platform? Like how much would be the movie versus fiction and nonfiction?

SL Narayanan, [152]

I don't think we have those data points with us. We do not have any such data points at this time.

Vishnu K G, [153]

Okay, sir. But is it fair to assume that movies are a majority on the platform?

SL Narayanan, [154]

Yes, yes. That's -- we're convinced it's more towards that one.

Operator [155]

(Operator Instructions) The next question is from the line of Rajesh Ranganathan from Doric Capital.

Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [156]

Any comments on the buyback potentially?

SL Narayanan, [157]

On the buyback of shares you're saying, Rajesh?

Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [158]

Yes, yes, yes.

K. Vijaykumar, Sun TV Network Limited - CEO, MD & Director [159]

So I don't think the -- the matter was briefly discussed with the board, but I think no decision taken on that as of this meeting.

Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [160]

Okay. Any thought processes on how you're thinking about it?

K. Vijaykumar, Sun TV Network Limited - CEO, MD & Director [161]

I think I have no comments on that specific thoughts. The board had a discussion, but I think they didn't conclude or give any direction in that matter.

Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [162]

Okay. And can you please give an update on the account receivable side?

V. C. Unnikrishnan, Sun TV Network Limited - CFO [163]

Accounts receivables? Yes, I think on the other investment, it's around 95 or less. And in terms of the DTH revenues, I think it's slightly more. Thus, we will have the -- some new agreements are done so the billing is slightly high certainly. And on the group company, I think they are within about 180 to about 200 days.

Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [164]

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Okay. Are you seeing improvements on that?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [165]

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Pardon me?

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Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [166]

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Are you see any improvements on that?

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SL Narayanan, [167]

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It is certainly they are keeping that range of around 6 months -- it is beyond 6 months, that's how it is. It's not come down considerably. So in between, they had brought it down, but I think again, there are some pile up, I think that's how it is. Otherwise on the normal pay channels, really it's the same, 3, 3.5 months, that cycle continues to be like that.

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Rajesh Ranganathan, Doric Capital Corporation - Director and Portfolio Manager [168]

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And your deals with the platforms like Airtel or Jio or Amazon or so forth, are they likely to be concluded soon?

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SL Narayanan, [169]

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Yes, they're only -- with both Jio and Bharti -- I mean, Bharti Airtel, we wait response. They're all...

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [170]

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More or less done with the deals for the linear television. So on this, our channels are available in this platform. We are also talking to them around integrating our app, this is Sun NXT. So the discussions are happening, and I think we are really advanced in terms of concluding the deal.

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Operator [171]

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The next question is from the line of Mayur Gathani from Ohm Ohm Portfolio Management Services.

Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [172]

I just missed the point. Did you mention how much of CapEx would you be incurring for the movies this year?

SL Narayanan, [173]

Yes, we said cumulatively, it will be around INR 275 crores to INR 300 crores.

Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [174]

And that should be the run rate...

SL Narayanan, [175]

Mayur, I guess you ask of movies under production by us, right, that's the question? Or is it on amortization?

Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [176]

No, on movie under production, sir.

SL Narayanan, [177]

Thanks. None -- correct.

Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [178]

So that's INR 275 crores approximately?

V. C. Unnikrishnan, Sun TV Network Limited - CFO [179]

Yes.

Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [180]

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And will be the same figure for next year as well? I mean, because you said (inaudible) was the movie that you intend to produce?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [181]

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Yes, that should be the base just to -- yes.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [182]

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(inaudible) new territories.

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Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [183]

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Pardon?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [184]

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Unless we have new territories.

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SL Narayanan, [185]

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Correct. Like Mahesh is saying, we might -- we are also exploring opportunities in other states as well. So the base number of these is INR 225 crores to INR 300 crores. And if we get any good opportunities in the other southern states, then I think that number could go up. But I think, we will phase it out in such a manner that even these 2 movies are done, the average, say, working schedule is about 6 to 7 months. So that's where the capital rotation happens fairly quickly.

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Mayur Gathani, Ohm Stock Broker Pvt. Ltd., Research Division - Research Analyst [186]

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Okay. And on the subscription side, from FY -- next year onward, we should see a big jump considering that you are saying that [DN] will get fully subscribed by March end?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [187]

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Yes, correct. [DN] is progressing well. So I think the full impact will occur in the 2019, '20 fiscal year.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [188]  
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Just for your information, this is -- data is also available in the public domain. But week starting 43, which is the rating which came in yesterday, stopped reporting analog numbers for Tamil Nadu market. So that's a very significant step. So now they are also very clear and comment is also putting pressure on the others, cable and the other MSOs in the state to digitize it ASAP.

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Operator [189]  
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The next question is from the line of Vivekanand from Ambit Capital.

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Vivekanand Subbaraman, AMBIT Capital Private Limited, Research Division - Media Analyst [190]  
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Two questions. Any update on the radio business revenue growth and profitability there? And secondly, after the BARC update which excludes analog measurement, what is our -- what is the impact on the share of Sun TV in the Tamil market?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [191]  
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Just -- well, firstly, data has come, so basically what BARC has done is they have just taken the -- basically the data of the digital homes and then extrapolate it to the entire market. So in the background, they're also converting this analog into digital over a period of time because there are 40% of the homes in the states still in analog. So I think there could be a little bit of volatility in the rating numbers and they're stabilizing. But we are not seeing any drastic changes in the overall numbers of the share. But we are very confident that I think once they get stabilized and streamlined, I think our share could be much better than what it is now, not only on the Sun TV, but we have seen some really good traction in our non-GEC channels because, like, I don't -- I mean, like in the past, we have highlighted that some of the other non-GEC channels had distribution issues in the analog scenario because in digital then there is no issue of distribution. So we are seeing some growth happening in all the non-GEC channels like the movies, the comedy. We have seen some phenomenal growth in our news channel. So I think we are extremely confident and positive on this initiative, though there could be a little bit of pick up to the initial days, there could be volatility, credibility of numbers being reported by BARC. But once it stabilizes, it should give us the good overall chunk in the viewership share.

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SL Narayanan, [192]  
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And on the radio business, I think the revenues have been running around 8% to 9%, and I think profitability continues to enter the normal course. We don't want to give specifics. I think they're not disclosing it as a consolidated number, so -- but I just thought -- the (inaudible) gets about 8% to 9%.

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Operator [193]  
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We'll take one last question from the line of Jay Doshi from Kotak Securities.

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Jaykumar Doshi, Kotak Securities Limited, Research Division - Analyst [194]

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I was wondering if you would be able to -- if you are in position to give us some indication on how we should think about the investment at the aggregate level in Sun NXT. Second, GEC in Tamil, that is the revamping of Sun Life, and Bangalore GEC. At the overall level, how should we think about how much percentage of your margins would you like to invest? And pecking order, how do you see them in terms of priority? What is the most important thinking from management perspective today in the same order of these 3 things?

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SL Narayanan, [195]

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Yes, I think each area is independently handled, so I don't think we will prefer one over the other. And Sun NXT has been there for the last year or so. And like SL was mentioning earlier, the traction was taking time. But we are looking at -- and exploring opportunities of looking exclusive content which possibly could build the growth and to give us better traction in the coming period post that. And Sun Life, I think just started off, which I'm not -- September or October -- October 7. October 7, it started off, and I think we will be investing about INR 30 crores, INR 40 crores. It will be about INR 30 crores to INR 40 crores in the second half of this year. That's the number we're looking for -- for the year, for the year. Okay, sorry. For the year, it should be around INR 30 crores to INR 40 crores. And Sun Bangalore, like I think we'll be investing -- we are looking at about a full year number of around INR 150 crores in the first year of operations. And that's the number we're looking at. And I think we'll scale it up based on how the channel also responds.

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Jaykumar Doshi, Kotak Securities Limited, Research Division - Analyst [196]

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Understood. Now I know it's early stage sort of maybe strategy at Sun NXT, but if maybe 6 months down the line, if you feel the need to invest a lot more in Sun NXT, let's say maybe INR 200 crores, INR 300 crores kind of a number, would you still continue with both Bangalore and Sun NXT? Or at some point of time then you feel that the Bangalore investment will constrain your ability to invest in Sun NXT?

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [197]

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Well, I think the -- it's really too futuristic. It is not yet very clear. Sun NXT is, over a period of time, we acknowledge, that's a very, very compelling piece of business for us. Like I said, basically, we started now, in terms of the response, what we're getting from the market based on our own marketing, and some of the initiatives in terms of me talking to big telcos. So we see some substantial potential of revenue over the next 1 or 2 years. So even we are -- really must (inaudible) into developing the content. I think it could be very meaningful in terms of building that business. So I think basically now as compared to what we were 6 months back, there is a lot of clarity which is emerging in terms of how overall trends are in the OTT space. And also, the response in terms of some of the monetization of having deals with telcos and what we have thought of revenue just over the periods we could get. So based on the revenue, we are working very hard in terms of getting some clarity in terms of how we want to put money there as (inaudible) has been movies or generally fiction, et cetera. I think very soon, we will completely revamp and start investing money in Sun NXT. And that's one of our top priorities. I think Bengal is an extension of the regional market. So that will also probably continue, and we are confident that, I think, we will develop that business over the next couple of years, maybe 2 to 3 years is what our own internal assessment in terms of breakeven, et cetera.

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Jaykumar Doshi, Kotak Securities Limited, Research Division - Analyst [198]

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Understood. And one final question on movie production. So what is your strategy essentially in terms of how do you derisk this business model? Because what I understand is right now, you're just eyeing the large-ticket, big-budget blockbuster movies. So do you plan to retain digital and satellite TV rights for these movies? Or will you sort of presell it to cover some of the cost of production? And are you going ahead with the co-production model or setting some -- I mean, how are you thinking about the risk involved in this business, especially in the large films?

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [199]

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We substantially sell off the theatrical rights and the audio rights. What we retain is the satellite broadcast and the digital rights. And at this point in time, the only other production that we have is the Rashmika movie which is slated for Q4. But I do believe that there is the large opportunity that's emerging, which involves the use of a new genre of directors with some of very offbeat themes and sort of the tried and tested what they call masala movies. There are a new crop of filmmakers who make movies which are off the beaten track, and they are also very often using newcomers and therefore, the production cost is lower. And some of these movies have seen exceptional success in recent years. So that's something which we are looking at with great interest. And in fact, some of the movies that have done exceedingly well in the box office the last few months are movies which are completely different from the tried and tested mold. So it also then lends itself to an 8-part or a 10-part, 25-minute episode, which can be first premiered on Sun NXT, and then maybe even adapted to make it into a movie later. So we are looking at all kinds of options. That's why earlier in the call, I said that we are now shifting gears. You will see a lot more action now on Sun NXT.

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Operator [200]

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Thank you. Ladies and gentlemen, due to time constraints, that was the last question. I now hand the conference over to the management for closing comments.

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Rajaraman Mahesh kumar, Sun TV Network Limited - President [201]

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Thanks very much. And before we end this, let me wish everybody and all your families a very happy Diwali from all of us here in Sun TV. And if there are any follow-up questions, you can please call us, but not over the weekend, but after Diwali. Thank you. Good night.

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SL Narayanan, [202]

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Thank you. Wish you all a happy Diwali.

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V. C. Unnikrishnan, Sun TV Network Limited - CFO [203]

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Thank you. We wish you all a happy Diwali.

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Operator [204]

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Thank you. On behalf of Axis Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.