"Shemaroo Entertainment Limited
Q1- FY'27
Earnings Conference Call"
July 24, 2026

ANALYST:

Mr. Anuj Sonpal – Chief Executive Officer - Valorem Advisors

SHEMAROO ENTERTAINMENT LIMITED

MANAGEMENT	**: Mr. Hiren Gada - CEO**
	: Mr. Arghya Chakrvarty - COO
	: Mr. Ashish Gupta - CFO

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Moderator: Ladies and gentlemen, good day and welcome to the Q1 & FY 27 Conference Call of Shemaroo Entertainment Limited hosted by Valorem Advisors.

As a reminder, all participant line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Thank you, good afternoon, everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Shemaroo Entertainment Limited.

On behalf of the company, I would like to thank you all for participating in the Company's Earnings Call for the 1st Quarter of the Financial Year 2027.

Before we begin, a quick cautionary statement. Some of the statements made in today's conference call may be forward-looking in nature.

Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions.

The purpose of today's Earnings Conference Call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, I would like to introduce you to the management participating with us in today's Earnings Call and hand it over to them for their opening remarks:

We have with us Mr. Hiren Gada – CEO, Mr. Arghya Chakravarty – COO and Mr. Ashish Gupta – CFO.

Without any delay, I request Mr. Ashish Gupta to start with his opening remarks on the financial highlights. Thank you and over to you, sir.

Ashish Gupta: Thank you, Purvangi and good afternoon, everyone. Welcome to our Earnings Call for the 1st Quarter of the Financial Year 2027.

Let me first start by giving you some of the key financial highlights, after which our CEO – Mr. Hiren Gada, will give you some operational highlights for the quarter under review.

Now, for the 1st Quarter of Financial Year 2027, revenue from operations stood at approximately INR 132 crores, reflecting a 6% year-on-year decline. The company significantly narrowed its EBITDA loss to around INR 2 crores compared to INR 56 crores in the corresponding quarter last year. Net loss also materially reduced to approximately INR 8 crores.

With regards to the new initiatives, expenses in the 1st Quarter of the Financial Year 2027 amounted to around INR 20 crores. Adjusting for these investments, the EBITDA for existing operations for the quarter would have been around INR 18 crores.

The digital media revenues for the 1st Quarter stood at approximately INR 56 crores, registering a year-on-year decline of approximately 17%. Traditional media revenues for the quarter were around INR 76 crores and up 5% year-on-year.

Now, I would request our CEO – Mr. Hiren Gada, to give you the operational highlights for the period under review.

Hiren Gada: Thank you, Ashish, and good afternoon, everyone.

This quarter marks an important milestone in our transformation journey, representing the quarter following the successful completion of the inventory charge-off initiative that we embarked on nearly 10 quarters ago.

For the quarter under review, while revenue declined marginally, the EBITDA and PAT loss reduced significantly. Digital revenue for the quarter declined by 17% year-on-year, as select B2B syndication deals were deferred on account of geopolitical uncertainty, coupled with the inherently lumpy nature of this B2B side of the business. This was partially offset by healthy growth in our consumer business, driven by fresh content, stronger audience engagement, and improved advertising monetization. The traditional business registered a 5% year-on-year growth with the closure of select B2B licensing deals, which more than offset the impact of a subdued advertising environment.

Given the ongoing BARC blackout, continuing macroeconomic pressures, and geopolitical tensions, the overall advertising outlook for our traditional business is expected to remain subdued in the near term.

On ShemarooMe Gujarati, the platform acquired the OHO Gujarati catalogue in April 2026, adding over 22 Gujarati original web series. We also released 10 new titles, during the quarter across movies, web series and plays including the original web series Kajodu, and the world digital premiere of Jalebi Rocks.

Other prominent web series released during the quarter include Vitthal Teedi Season 1, Kadak Meethi Season 1 and 2, and Cutting Season 1.

On YouTube, the flagship channel Shemaroo Filmi Gaane surpassed 74.7 million subscribers, while Shemaroo Entertainment crossed the 61.9 million subscriber milestone this quarter.

Across its entire portfolio of channels, the company garnered approximately 9 billion views during the quarter, reflecting sustained digital engagement.

On the syndication front, the company became the worldwide digital and satellite distribution partner for Malayalam action thriller Kattlan. We are also very proud that our first AI-powered campaign, Kindness Badhaye Goodness, received industry-wide recognition, winning the Baby Blue Elephant at the Kyoorius Creative Awards 2026 and a bronze at the Good Ads Matter Awards. These accolades reflect our commitment to combining creativity with technology to build meaningful consumer engagement.

In conclusion, as you all know, it has been a tough couple of years not only for Shemaroo, but for the overall industry. Over the last few years, Shemaroo has withstood the toughest times the industry has ever witnessed. In fact, the company has invested heavily during this period in its people, processes and offerings, thereby building a much agile and sustainable company for the future.

With that, I now open the floor for question-and-answer sessions.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Rehan Sayyed with Trinetra Asset Managers. Please go ahead.

Rehan Sayyed: Good afternoon. I have two questions on the margin side. Despite your 5.6% declining revenue, EBITDA improved sharply to a loss of just 18 million from a loss of 55 million last year. So, excluding the 196 million investments in new initiatives, what would have been the normalized EBITDA margin for the quarter and more importantly…

Hiren Gada: Excuse me, Rehan. Can you just repeat the question? Your line is not very clear.

Rehan Sayyed: My first question is around your EBITDA margin side. Despite your 5.6% declining revenue, EBITDA improved sharply to a loss of just 18 million from a loss of 55.5 million last year. So, if you exclude the 196 million investment in new initiatives, what would have been the normalized EBITDA margin for the quarter and what revenue threshold is required for the government to sustain building a positive EBITDA without reducing its investment? This is my first question.

Hiren Gada: No, as Ashish shared in the opening comments, if we exclude the investment, the EBITDA would have been at about INR 18 crores.

Rehan Sayyed: Can I repeat my question?

Hiren Gada: Actually, your line is a little unclear, so I am not able to fully understand.

Rehan Sayyed: No, I have asked that only that if I remove that 196 million investment part, our EBITDA loss is just 18 crores. So, what would have been the normalized EBITDA margin I am asking for the quarter?

Ashish Gupta: EBITDA gain. Our EBITDA gain would have been 18 crores. So, currently, with this initiative, our EBITDA loss is 2 crores. Excluding this investment, our EBITDA gain would have been 18 crores.

Rehan Sayyed: Yes, I will say this. I am asking on the future part, what revenue threshold we have to maintain to deliver positive EBITDA without reducing growth investment? Yes, this is my full question.

Hiren Gada: No, so ultimately, it is not about that. I think essentially it is a content monetization. So, as our content monetization is growing and we have been working parallelly in the last few quarters on a lot of operational efficiency. So, it is a combination of that. So, margin growth or margin improvement is combination of revenue increasing and cost reduction. So, it is not only on revenue side.

Arghya Chakravarty: And also, one is increasing revenue and obviously as I said reduction of cost. But what is also important is the mix of the revenue because all revenues do not come at similar margins. There are some revenues which come at very increased margins. So, there is also mix angle to it. So, a lot of factors will be at play but we cannot really put a number on terms of a threshold because maybe at some times the lesser revenue also may be profitable and higher revenue also may be not profitable depending on what is the kind of mix. I think that is what is important.

Rehan Sayyed: Okay, that is fine. Yes, I understand this part. And so my second question is around your content monetization strategy. So, like Shemaroo holds one of the largest content libraries in India, yet the revenue trajectory has remained under pressure over the last few years. So, how much of the content library today remains commercially under-monetized and what incremental monetization levels beyond additional utilization do you expect from other asset productivity over the next few years?

Hiren Gada: So, there are two parts to this. I think it is not about under-monetization of the library. I mean today with the kind of digital distribution that is available at everyone's back-end call we have fully utilized our library and not only fully utilized, today if we are generating as we have shared earlier in the call, 9 billion views for the quarter. That shows that there is a very strong traction of the content on the digital media side. So, rest assured that there is no under-utilization of the content. Yes, there are two factors over here which are impacting. One is the fact that traditional media monetization has been steadily and gradually reducing over the last about two to three years. And of course, that has kept the overall monetization of the library at a, in fact, that part of the revenue stream has been on a de-growth side. But on the other hand, the digital monetization on various platforms like YouTube, Meta or many other subscription-based platforms or international platforms, it has been on a growth trajectory.

So, actually even net of that, the good thing I would say is that the content library continues to, I would say connect and track well with audiences. So, because of that, it has ported extremely well on the digital media side, on the digital front and some of our content titles like Welcome, Jab We Met, Phir Hera Pheri, etc., etc., are performers on the YouTube, in fact, on most platforms that they are present on. So, particularly on the digital side, in fact, so that is actually giving us a very good edge and a very good futuristic predictability of the revenue.

Rehan Sayyed: And just last one more question from my side. So, like in numeric term you have to quote some percentage for growth of revenue and other tasks going forward for next three years.

Hiren Gada: Next, how many, next three years?

Rehan Sayyed: Yes, two, three years.

Hiren Gada: So, I think definitely we are aiming at a double digit plus kind of a growth. One has to see the industry context where traditional media has been de-growing and digital media has been growing. Recent growth of digital media has been roughly low double digit kind of number. We are intending to outdo that by at least a couple of percentage points overall. So, blended growth, I think, should we should be at, the aim is to be at more than, I mean, at a healthy double-digit kind of a growth rate.

Rehan Sayyed: Okay. Thank you.

Moderator: Thank you. Our next question comes from the line of Tanmay Golecha with 360 One Capital. Please go ahead.

Tanmay Golecha: Hi, I just wanted to ask about three things in terms of the numbers. One, is there any debt reduction plan? And if you could describe what that is going to look like. A guidance on when we can see a P&L profit and the revenue breakup for FY27 in terms of digital revenue, traditional business, etc.

Hiren Gada: So, on the debt side, I will just go one by one. So, on the debt side, I think by the end of the year, so we may have quarterly ups and downs and particularly given the whole geopolitical and other situation, there could be a little here and there around. But we definitely have a debt reduction plan for this year. Now, how much it will be right now, it's very difficult to say because we started the year with this whole geopolitical uncertainty and that has kind of got compounded last one month with this BARC ratings blackout. So, because of which, definitely there is an impact on the traditional media revenue on the syndication side on many, it has a secondary impact on the traditional media or television linked businesses. But notwithstanding that, I think we are looking forward to a very healthy second half of the year because there is a festive season, there are a lot and lot of operational gains and the digital engine is firing quite nicely on the consumption side. So, I think all of that put together, I think it's no point that I give you a target or a number right now and then it doesn't hold by the end of the year, but we have a reduction plan. Your second question was on profitability.

Tanmay Golecha: Profitability guidance, yes.

Hiren Gada: Yes, profitability. So, let's put it that way that given combination of the fact that digital media continues to grow along nicely and our content has ported extremely well on the digital media, I think that's a revenue stream and a cash flow that is steadily on an upward trajectory. And that combined with the fact that our overall investment plan for the last about almost three quarters has been significantly focused or pivoted towards the digital media and reduced from the traditional media, I think. And the third point is the operational efficiency that again we have been working on over the last, particularly last three quarters or so. I think the results of all of that will be visible. Every quarter, I think we should be seeing an improvement on a quarter-on-quarter basis. Now, when it will tip into a profit it's difficult for me to pinpoint. Let me, if I have to give a conservative view, the aim will be for the year to be EBITDA positive at least. And yes, I think we are very confident that next year we will be bottom-line positive also.

Tanmay Golecha: Sorry, the revenue breakup, yes.

Hiren Gada: So, as I said to the previous caller also, digital we are anticipating or we are looking forward to a double-digit growth rate. And traditional should probably be flat to, yes, I would imagine it would be flattish, not a degrowth. So, hence leading to overall double-digit kind of top-line growth.

Tanmay Golecha: Okay, got it. Thank you. I will get back to the other questions.

Moderator: Thank youOur next question comes from the line of Dhwanil Desai with Turtle Capital. Please go ahead.

Dhwanil Desai: My first question is so we talked about the digital media focus and the overall pie increasing on the digital media side in last call. So, because that segment is growing faster as an industry. So, but if I look at the growth on the digital media side for our own business, FY24 to FY26, we have grown at 9% to 10%-odd. So, how should we look at the growth in this business given the scale or the size at which we are and content likely that we have? Isn't it fair to kind of aspire for (+20%) kind of a growth? What are the challenges to grow at (+20%)?

Hiren Gada: No, I think as I was talking to the previous question also, the context here is, we are finally in an industry environment, right? So, I may want to grow in a certain way and all of that. The question is that, what is the underlying growth that the industry is offering? And our attempt is always to grow faster than the industry. Now, in the last two years, actually the if you see the underlying growth rate has itself been low. So, yes, we have not grown at that pace in the last two years on that side. But there is also an underlying context because of various, various reasons. Now, we can go into some of those reasons. But the idea has been to be growing at faster than industry growth rate. There is another angle to the whole thing is that growth at what cost is another question. So, the idea for us also is to maintain a profitable growth rate and not burn out. I mean, it's very easy for me to, if I take the example of ShemarooMe, okay, we can scale up by burning significantly more amount of money, we can scale up that number, but then that will burn a big hole on our cash flow and balance sheet. And few months or few quarters later, or maybe a year later, we would ourselves scratch our heads and say that is this business worthwhile? Why are we investing in this business? Rather, what we are doing is we have a strong belief in this business. We have a pole position with a very strong leadership and share of mind of consumer as far as the Gujarati entertainment is concerned, and keep building and bringing in more efficiencies. So, balancing growth and profitability, I think is an extremely important part of that managing everything within the available cash flow and balance sheet kind of thing. I think that is the second consideration that will always be linked to growth.

Dhwanil Desai: Is it again our general understanding is that, correct, that we are wrong, but that let's say, keep aside ShemarooMe, which anyway, all the OTTs are kind of spending money and burning money there. But net of that the digital business is a high EBITDA margin business. Many of them do (+25%) to (+30%) kind of EBITDA margin business. Is that a fair way to think about it?

Hiren Gada: So, it depends on what, which part of the business value chain you are residing in, or you are working on. So, if you are in in the consumer facing side at this point, no one is making money, right? So, which is where ShemarooMe is. Then there is a, there is a mid segment where you are owning content and aggregating and licensing content across the industry wide kind of platforms, whether it's Amazon, whether it's YouTube or Meta or many other even internationally, etc. Now, over there, it depends on what is my mix of content. So, if I have legacy content, my margin could be as high as 80%-90% because the underlying cost is all written-off, charged off, paid off everything. But for what I acquire new, the margins could be zero, it could be minus, it could be now marginally positive, depending on whether I overpaid, overbid or at what rates I have acquired. So, the blended margin over there is again a function of what is my mix of existing or legacy content versus new kind of content kind of a thing. And then third part of this value chain is on the creation side, there it's more, you can say like what it was TV side of the things where it was a production work for higher kind of a thing. So, there could be some fixed margin kind of business, which could be in the range of between 10% to 15% or even 20%, depending on who it is. So, I think it's very varied. I wouldn't say it all depends on which side of the value chain you are playing.

Dhwanil Desai: Okay, got it. So, sir, is it safe to say that the YouTube part of the business is the highest margin business, followed by syndication and followed by this kind of work which we do on a kind of pre-approved basis? Is that a hierarchy-wise, that's a fair way to think?

Hiren Gada: I would put it actually again, based on, as I shared earlier, that what is my starting point of the library ownership, what I have already paid for and charged off is highly profitable, irrespective of whether it's on YouTube or on syndication. And what I have freshly acquired, there is a cost I am bearing for that. And whatever IRR, etc., I have worked on, I will kind of deliver based on that.

So, again, whether it's YouTube or syndication, it doesn't matter. So, even for us, for example, say I was talking of a welcome or something where the licensing, if I have licensed welcome to some platform within India or internationally, etc., then the margin is significantly higher because it's already paid for. Same way, welcome on YouTube is also a higher margin, but not necessarily a new acquisition on either of these cases.

Arghya Chakravarty: So, Dhvanil, I think, let me just put a bit of color to it. I think what Hiren is saying is absolutely right. I think just to put a color to it, margins depend on the kind of content that we are monetizing, whether it is through digital video or through syndication. The length of the content till which that we have monetized, that we have charged off or amortized, that is the basis on which the margins come. It would be incorrect to say that YouTube will deliver high margins. For tomorrow, if I acquire a content very recently of a new content and we put it on YouTube which we pay for it, there is a charge in terms of what kind of IRR at which we have acquired it. It's not that the content is being acquired by us alone. There are a lot of other competitors in the market. So, the pricing of the new content that we get on YouTube is a competitive price. So, in that, the margins will not be the same as what we will get in terms of monetizing, say, older content which we have charged off to a larger extent. So, it's a mix of the kind of content that we are monetizing other than the platform, both on syndication as well as on YouTube.

Dhwanil Desai: Got it.I think I have more understanding to get, but I think probably that can happen offline. On the new initiatives, I think we have guided that we will use it by more than 50% in FY27 compared to FY26. And I assume a large part of that will come because the traditional media side, we will kind of contain our turn. So, does it mean that we are kind of scaling back and some of the channels will be kind of shut down, not renewed? How will this come? And is this (+50%) reduction kind of on track for the current year?

Arghya Chakravarty: I think, Dhwanil, you are on the right direction. Because as we said in the beginning, right, our focus on our investments, it is not just money, but in terms of all our investments, whether it is AI work or people investments, everything is towards the new digital business. So, the new initiatives on traditional is obviously something which will get scaled down. Now, whether it is in terms of channel scale rationalization or whatever that will come to know as we go ahead. But for example, new creation of content is something which we have already scaled down a bit, a lot in the traditional business. While new creation, acquisition of content is getting dialed up in the digital business. So, yes, a movement more towards that as we go forward because of the kind of stresses that we are already aware of.

Hiren Gada: And to the second part of the question, yes, as of now, we are on track to, for, for what we have.

Arghya Chakravarty: We are well on track.

Hiren Gada: Yes, in fact, we are well on track.

Moderator: Thank you. Our next question comes from the line of Chirag with Keynote Capitals Limited. Please go ahead.

Chirag: Thank you for the opportunity. I have joined the call late. So, if my questions are repeated, please bear with me. So, I just wanted to understand as now our rationalizing of inventory has been completed and this is a new normal. At an end rate of INR 600 crores top line today, we would be roughly making INR 50 crores to INR 60 crores of EBITDA. And if I am not wrong, we have to service an interest expense of about INR 30 crores to INR 32 crores roughly on an annual basis. So, just want to understand, is this understanding correct about how I am looking at it right now? And down the line as we would be spending more on content, that would be the real kicker for the future revenue growth?

Hiren Gada: Okay. So, you joined a little late. We were talking about the margin profile discussion on. So, basically, without giving much more color, essentially, at this point, I would say it is not exactly one-to-one linear correlation of top line to margin. I think there are three, four factors at play. First is the fact that all business that we do or every content is not necessarily similar or same EBITDA margin.

So, our focus is to juice out and mine more and more of the content which is already paid for and charged off because that adds highest amount to the EBITDA overall margin. Second driver is on the cost side, which is where over the last two, three quarters, there has been a significant operational efficiency drive. And we hope we should see the impact of that over the next few quarters as we go along. The quarter-by-quarter improvement on that should be visible. So, it's not a straight-line answer. But ultimately, at some point, we hope to far exceed the kind of numbers you are talking about.

Chirag: Got it. So, one thing I would like to understand is on the new initiative that we are taking related to the OTT platform. If I am able to understand the initial business curve, where we spend a lot on tech, where we spend a lot of employees, the initial spends that take place, it takes a certain five-year time span if we continue to build a new inventory on the platform. And always new inventory is something that drives the newer subscriptions and continuous form of subscription on the OTT platform. Just wanted to understand, as to you, as you have started it a couple of years back on OTT specifically. So, what will be the time span for to achieve the normalized expense and normalize employee spends to achieve a break-even level on the OTT platform specifically?

Moderator: Hello. Ladies and gentlemen, the management line has been disconnected. Please stay connected while we reconnect. Hello. Ladies and gentlemen, the management line has been connected again. Over to you, sir.

Hiren Gada: Hello.

Chirag: Hello. Yes.

Hiren Gada: Sorry, Chirag. You were asking and I don't know what happened. No worries.

Chirag: I will repeat my question. So, this question is specifically related to the OTT platform I am trying to understand. This business has its own initial curve where we spend a lot on tech, a lot on employees to deploy the platform. And there is a huge initial CAPEX required to set this up. However, this additional cost keeps on reducing with time. So, content is the real driver for the newer subscription that comes on platform. So, just wanted to understand, as per you, how long will it take for us for this bigger CAPEX to keep on happening on the platform? And when can we look or when can we think about that this platform will reach to a break-even level?

Hiren Gada: Okay. So, to kind of correct your understanding a little bit, a lot of the spends are actually, I would say, variable in nature and they are ongoing. So, tech, for example, yes, there is an initial buildout, but then there is an ongoing improvement. Literally every day, every week, there is some new integration, some payment gateway, something, some new feature, something or the other keeps--and that's just one example, the team that works on it, the customer service, etc., etc. All of that is a continuous OPEX kind of nature. On-tend investment also once. So, thankfully, we had a very good starting point. In fact, that was our right to win at the starting point on Gujarati. So, it was not any significant CAPEX to begin with, but on an ongoing basis, there is a content investment as we shared even last quarter, we have released all these web series and we acquired the OHO library, etc., etc. So, firstly, to correct the understanding, that is one part. Coming back, the larger two spends on this business are around customer acquisition and content. So, the customer acquisition cost or CAC, as you may call it, which is a combination of ATL, above the line marketing, as well as performance marketing from a sales point of view, that's one large part of the cost and content is the other large part of the cost. So, how does this business take shape in the way forward? I think what is important is that how are we shaping up in terms of capturing the lifetime value of a consumer? So, if we are able to, for example, build the lifetime value, now for that what we need to do is essentially keep pumping good quality content and make the consumer come and consume more and create it, make it a part of his daily habit, daily, regular routine platform that the consumer keeps visiting because then the loyalty and the lifetime value kind of gets captured. I would say, as far as ShemarooMe is concerned, we are actually in a very, very good position with the Gujarati audience. In fact, we are probably one of the very uniquely placed platform, which runs a two-year plan. I haven't seen a two-year plan virtually anywhere. I don't think any other platform in India offers a two-year plan. We offer a two-year plan and we have a decent uptake on that, which shows that the consumer trusts the brand, A, and is willing to put in money for two years and B, trusts the fact that today while there is no visibility, I cannot tell the consumer that in December, I am going to give you this content and next March, I will give you that content, but he trusts also the fact that we will curate and offer formidable and useful content for which the consumer is willing to pay today for two years. I think that is a very big thumbs up for us in this journey, which gives us a lot of confidence, and the consumer believes in us. So finally, profitability will be based on, are we able to bring in more renewing customers because the cost of acquisition kind of is not applied for the renewing customer than our cost of acquiring fresh customers. And while we haven't reached that point yet and it is still some time away, I would imagine we are at least about two years away from that point, but so would most other OTT platforms, B is what my sense is, but the kind of love that we are getting from the consumer on our platform, the kind of renewal rates or the kind of traction on and the kind of common, I would say, reference to ShemarooMe for Gujarati among Gujarati consumers that it has become a default Gujarati entertainment platform for the consumer. I think that gives us a lot of confidence that we are on the right track. We are doing the right thing. And yes, I mean, that's how I would put it.

Chirag: Got it. So, it totally makes sense because our background was connected to the earlier we are penetrating towards that. What I was able to see that if I look at the regional contents generally in the Indian market, South Indian markets related to movies and all are a big chunk to the overall growth in the Indian movie space, which does not get really highlighted growing at (+20%) if I am not wrong that this particular industry just wanted to check this thing. Are we started providing the data related to DAUs, MAUs, paid or total subscribers that are there on our platform?

Hiren Gada: No, we have not been. And at this point, at least we don't intend to. In fact, most of the platforms globally also they have stopped giving a lot of this data on a regular basis because everyone realized that it's the wrong metric to singularly look at. There are many, many more factors that drive the health of a platform.

Chirag: Okay. And can we know that what kind of revenue the platform is bringing today?

Hiren Gada: Sorry, as I said, unfortunately, at this point, we are not.

Arghya Chakravarty: So, I think Chirag we should understand that we don't give out any of the numbers on Shemaroo. But it is a very strong revenue trajectory is all we can say. Strong double digit revenue growth trajectory and it has been for quite some time. And as Hiren said, we are a fully SVoD platform. So, hence, further scale can be achieved. But we have to be very, we are very prudent about the kind of burn that we also do. So, we want it to grow in a healthy way. And on your profitability question, I will just add one small thing is that the objective here is to build as big a permanent life base as possible. And once that is there, keep giving as good a content as we can. If the consumer experience is high, so that the churn is minimized. Once the churn gets minimized, the route to profitability is to build a significant base and then to reduce the churn. That's the route to profitability and it is some distance away, but we are at it.

Chirag: Understood. Will it be fair to assume that once we achieve a certain size like INR 100 crores early for the OTT platform, then only we will start at least having the broader revenue numbers for this?

Hiren Gada: Sorry, your voice cracked.

Chirag: Yes, I was just trying to understand. It is fair to assume that currently we are on a growing stage, we are growing in double digits. But generally, after achieving a certain size, generally companies start giving out the numbers. Like if we are reaching, let's say a mark of INR 100 crores, then only we will start providing the OTT platform revenue numbers at least on a separate basis. Till then it would be like it is better to not get it out.

Hiren Gada: Chirag it is too early to speculate. I think let's take it as it goes.

Chirag: Fair enough. Just one last question from my side. What I was able to see is that if I look at a longer term picture of the YouTube views that you probably give through a particular line chart, I was able to see that it has roughly become flat for us. So, any particular reason that you are finding that that is the reason that the views on a daily basis, on a quarterly basis have become flat on YouTube for us? Or is it like once the additional content will go on the platform, we can expect this to continuously jump?

Arghya Chakravarty: Sure. So, Chirag whatever you are saying is flat, so YouTube views have a lot of components to it. While yes, our views remain very strong at 9 billion in the quarter as we said, views keep going up and down to various phenomena. It is finally another viewership platform compared to everything else. There is a seasonality attached to it, depends on what kind of events are happening around it. And there are various components around it. There is a Hindi film content, there is kids content, there is devotion, there are various categories. On the categories that we play, we see significant good traction on our views and we also look at something called the viewership share. Our viewership shares have been very strong. At an overall platform level, the platform views keep going up and down and we just keep riding that way. And we keep looking at our viewership shares, which remain very strong and very good. So, it is not something which we are concerned about. We keep looking at it, obviously there is a very sharp focus to it. We keep adding content to it. There is a lot of content addition which has happened in the quarter which will keep seeing its output in terms of better views and which will convert into revenues in the coming quarter. So, it is not something which is a big worry as of now. Got it.

Moderator: Thank you, Chirag. I am sorry to interrupt you, but you may please rejoin the queue for more questions. Thank you. Ladies and gentlemen, in order to ensure that the management will be able to answer all the questions from the participants, we kindly request you to please limit your question to two questions only per participant. If you have a follow-up question, please rejoin the queue. Our next question comes from the line of Dhwanil Desai with Turtle Capital. Please go ahead.

Dhwanil Desai: Hi, sir. Thanks for the follow-up. Sir, if I look at a very longer-term trajectory of Shemaroo, it has moved and the margins have oscillated between 29%-30% on the positive side to negative side 30%. And we have no way to understand what is the steady-state margin because the business mix also has gone a shift to a very different level. We have kept on investing through P&L. So, how should we think about margin? Because this quarter we did a net new investment. We did around 14% margin. Now, going forward as we look at next two years, should we assume steady-state margin of 17%-18% because there has to be some benchmark, right? We can't be oscillating between two extremes. So, what is the steady-state margin profile that you guys are thinking is appropriate for the business that you built in next two-three years?

Hiren Gada: I agree with you. All the points that you made are very valid. One is the fact that there has been a significant shift over the years in the revenue mix itself in terms of traditional to digital. And at the same time, the investment has continued. If you ask me personally and I think at a company level, coming out of a couple of black swan events like the BARC blackout or the geopolitical kind of situation and all of that, then considering all of that, I think we have been able to manage margins still at a decent level. Are we satisfied with it? Definitely not. I think our intent is to move significantly higher on the margin and which is what I was referring to earlier that there is a lot of operational changes, there is a significant doubling down on the digital investment and all of that which will ultimately lead to a higher, better margin improvement. I think if I see a 2-3 year perspective, I think definitely upwards of 20% EBITDA is something that we should aim for. I don't know whether we will be able to achieve that or not, but definitely something that we would aspire for that. One small clarification is that the negative margin that you are talking of is primarily on account of the accelerated charge-off of the content. But otherwise, as far as the positive margin trajectory?

Dhwanil Desai: No, I get that point. But the reported basis, all those things, the charge-off, the new investment, all those things. There are so many moving parts there.

Hiren Gada: I started my analysis agreeing with you.

Dhwanil Desai: No, I understand. I am just clarifying that the 20% number that you are saying is on reported basis the net of investment, everything. That's the aspiration.

Hiren Gada: I think let's currently not split hair for that right now. But I think suffice to say that aspiration should be of a significantly higher margin. We have already been there always. It’s not that we will not go there. It is just that there are tectonic shifts that we are all adjusting to and I think we should come back again to repeat back what I said earlier our content is tracking extremely well on the digital front. So, the library that we have invested is totally digital ready or digital kind of tracking.

Arghya Chakravarty: I think the point which you have said is very valid. In terms of the last 2-3 years you are talking about that the margins varied a lot. . You are right. But since I am sure you are tracking the media world, the media industry last 2 years and today are 2 different industries. I am sure you are aware of that. There was a very large component of traditional TV business which is drastically coming down quarter-on-quarter and today all FICCI reports are out in the public domain. So, the business model of the media world has changed. And we are also going through this change. Of course, there was an additional impact of the charge-off which you are all aware of. And hence the new model of the business, the focus is completely on digital, but the margin structures are very different from what it used to be in the traditional business. So, it is also a structural shift happening in the business and we are aligning ourselves to it. When will we achieve that aspirational double-digit 20% EBITDA number is a point of debate. But we are on the way is all I can say. Whether it will happen over this year or next year is something I will not be splitting hairs. But directionally we are moving towards that. But the margins structures that exist are very different from what it was to what it is today in the industry.

Dhwanil Desai: No, point taken. My last request, sir. Sir, there are too many things which are not disclosed and hence very difficult to figure out from an analyst perspective how the business is moving, how the numbers are panning out across segments. I think slightly more disclosure or more granularity will be very helpful. That's my only request, sir.

Hiren Gada: We are fully committed to higher standards of disclosure. In fact, if you see, we have added a lot of color over the last few years to the overall disclosures. But happy to understand more offline and what we can provide out of that. You know, if it is easily doable, we have no problem in sharing that.

Dhwanil Desai: Perfect. Sure. Thank you.

Moderator: And next question comes from the line of Akshay Darji, an Individual Investor. Please go ahead.

Akshay Darji: Yes. Hello. Good afternoon. So, my question is on inventory, which has been written off over previous quarters. Are there any remaining write-down risk or further content to rationalize plans?

Hiren Gada: No. Now we are in a normal charge-off cycle. So, whatever as per consumption, as per our policy, that is being charged off accordingly.

Akshay Darji: Okay. And what is the debt , as on date?

Hiren Gada: We are at INR 311 crores. No, we closed the quarter at INR 311 crores.

Akshay Darji: And what is the inventory as on date?

Hiren Gada: Inventory, we closed the quarter at INR 348 crores.

Akshay Darji: One last question. ShemarooMe Gujarati there is a recent content release. What was incremental subscribers and ARPU impact of the some release in the Quarter 1?

Hiren Gada: Akshay, can you please be more clear

Akshay Darji: My question is like a recent Gujarati ShemarooMe content release. What is the incremental subscribers and ARPU increase from this release in Quarter 1?

Hiren Gada: So, as we just shared in to the previous question, that we are currently not sharing any data on ShemarooMe. So, unfortunately, we cannot give any details further on that.

Moderator: Thank you. Our next question comes from the line of Chirag from Keynote Capitals Limited. Please go ahead.

Chirag: Thank you for the opportunity again. Sir, just one thing I wanted to know, YouTube Shorts, is there any update related to monetization policy change related to YouTube because it can be a big driver.

Arghya Chakravarty: Chirag, while as part of the overall ecosystem on YouTube, there is a movement and there has been a movement towards Shorts for quite some time. And we are also adding that we have significantly put our content also in form of Shorts. But in terms of the monetization, there has been no movement. Monetization is still not happening to the kind of extent that one had assumed. The needle has nearly not moved.

Chirag: Fair enough. So, just wanted to check, because if I am not wrong, it was expected, it was expected that on July 26, this month, there was some sort of an update to be coming from the YouTube side, if I am not wrong.

Arghya Chakravarty: We are yet to, I mean, it's possible.

Hiren Gada: But at this point in time, from what we understand, the focus for YouTube actually on the other end of the spectrum, which is on connected TV, which is on the long form content. And actually, I think you had asked earlier about the views, this thing on YouTube. I think while the views are what they are, I think our focus has actually been on driving significant consumption on the connected TV kind of platform, which has significantly better monetization. So, finally, more than views, I think, finally, your revenue per view or monetization metrics are far more important. And that's what really our focus has been around. So, Shorts is on one end of the spectrum, but long form content on-connected TV consumption, I think that's really where YouTube itself seems to be focusing significantly as far as the monetization part is concerned.

Chirag: Got it. No, fair enough. Thank you, sir. All the very best. Thank you.

Moderator: Thank you. Next question comes from the line of Raunak Pathak, an individual investor. Please go ahead.

Raunak Pathak: Yes, good afternoon, sir. So, what is the, so what is the performance of FAST channels? And either you say that connected TV channels, that two channels you are operating, like Shemaroo Bollywood and Shemaroo Filmi Gaane. And this is one of the segments which is increasingly attracting advertisers. So, please, can you enlighten me regarding this, means companies plans, future, how this is evolving and how it will evolve in all those stuff I want to know that.

Hiren Gada: Sure. So, basically, as I just shared towards the end of the last question was about connected TV. So, there are multiple ways in which the connected TV, the audience is kind of consuming content in multiple ways, either through an on demand kind of a thing or through a linear channel or through OTT on the connected TV or many such manner. FAST is one such way. And Fast, while it has, it has a certain amount of monetization happening. In terms of the FAST ecosystem globally, it has actually been degrowing in the last, I would say about almost 18 to 12 to 18 months, it has been degrowing. So there was a point when there was a huge number of FAST channels up there and that number has shrunk significantly now globally. In fact, we also to begin with had more channels, we also have shrunk it down to two channels. So, yes, I mean, we continue to participate in it. It's still not scaled to what promise it held at the early stages. In fact, so we are kind of tracking and monitoring it. We are participating to understand and keep our, keep track. If it scales, we will scale up. I mean, we have all the wherewithal to scale up, but if it doesn't scale, we will scale back. So, currently, I would say it is still at very early stages, more experimental stage of monetization.

Raunak Pathak: Okay, sir. And regarding digital segment, there is also means some OTT apps are also focusing on short dramas. There is a significant growth in short drama. Sir, are you planning to get into that segment? Because short drama ad spend has roughly surged to 400% in India's subcontinent.

Arghya Chakravarty: Raunak, yes, I mean, micro drama is something which has seen a lot of explosions, especially in countries like China, and also is happening in India. It requires a different kind of tech enablement on your OTT app, which we are on board with that. We are also looking at this segment. But you know, while there is a lot of consumption growth in short form, monetization is still something which is still a bit of a question mark. So, while we are keeping ourselves and while we have kept ourselves technically ready in the back end and we are also investing in some kind of experimental stuff. But to press the pedal on that will take some time unless we are very sure about what is happening on the monetization front of short form. But yes, it is something which is globally expanding. And we are constantly looking at it. We have kept ourselves technologically capable to accommodate micro dramas in it, but not yet gone full throttle in terms of acquisition of content around it.

Raunak Pathak: Means, when you will see a significant boom, then you are ready to go in this segment. If you see significant growth in monetization, then you will definitely jump into this segment.

Arghya Chakravarty: Yes.

Raunak Pathak: And sir, there are two more questions. Sir, have all our TV broadcast channels like ShemarooMe, Shemaroo Umang, MarathiBana and Shemaroo Josh has achieved a great even point? They are looking profitable individually.

Arghya Chakravarty: No, first of all, there is no TV channel called Shemaroo Me. There is one Shemaroo TV. Shemaroo TV, Shemaroo Umang. So, as a portfolio, as we have talked about right at the beginning, since we are completely in free-dish, our monetization of the channels are completely dependent on advertising. And advertising over the last couple of years, I mean, consistently now over a long period of time, the whole advertising market has remained subdued. And while the monetization has been steady, but in some channels, the monetization is not good enough to make it a break-even business. And since it is an ad-led business for us, till that advertising environment really improves, that is where we are in some way in terms of profitability. And we are keeping our investments hence prudent and controlled in that business. And which you heard at the beginning of the call, I don't know whether you listened to it, our investments around traditional new initiatives have been pared down significantly.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the Management for closing remarks. Thank you and over to you team.

Hiren Gada: Thank you. Yes. So, thank you everyone for participating in today's Earnings Call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR manager, Valorem Advisors. Thank you and looking forward to seeing you all next quarter. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, on behalf of Shemaroo Entertainment Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.