

Operator

Ladies and gentlemen, good afternoon and welcome to the Zee Entertainment Enterprises Limited's Q4, FY2011 Results Conference Call. As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions at the end of today's presentation. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Kawaljit Singh of Zee Entertainment Enterprises Limited. Thank you and over to you, sir.

Corporate Participant

Thank you Farah. Ladies and gentlemen, thank you for joining us today. This conference call has been organized to update our investors on the company's performance in the fourth quarter of fiscal 2011 and to share with you the outlook of the management of Zee Entertainment Enterprises Limited.

We do hope that you have had the chance to go through the earnings release and results, both of which have been uploaded on our corporate website www.zeetelevision.com. To discuss the results and performance, joining me today is

Mr. Punit Goenka, Managing Director and CEO of Zee, along with the members of our senior management team of the company including; Mr. Hitesh Vakil, President and CFO and Mr. Atul Das, President and Head, Corporate Strategy & Business Development.

We will start with the brief statements from Mr. Goenka on the fourth quarter performance and we'll then open the discussion for questions and answers. I would like to remind everybody that anything we say during this call that refers to our outlook for the future is a forward-looking statement and must be taken in the context of the risks that we face. We would also like to add that this call is purely for our analysts and investors and if there are any media companies on the call, we request them to please disconnect.

I now request Mr. Goenka to address the audience.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you, Kawaljeet. Good afternoon ladies and gentlemen. I would like to welcome everybody to this call and appreciate you are joining us for the discussions on the results of the fourth quarter of fiscal 2011.

Let's begin with details of some of the key financials of the quarter, which should give a clearer picture of our financial performance. The 9X business undertaking of 9X Media Private Limited and ETC Networks Limited were merged with the company with effect from March 31, 2010. Post to merger of ETC Networks Limited with ZEEL, the entire education business undertaking of ZEEL was demerged into a new listed company Zee Learn Limited with effect from April 1, 2010.

Hence the numbers for this quarter are not strictly comparable on a like-to-like basis. I am happy to note that the overall revenues of the company during fiscal 2011 have crossed Rs. 30 billion for the first time and we crossed the year with Rs. 30.1 billion revenue. ZEEL's advertising revenues during the quarter were Rs. 4.8 billion, an increase of 36.4% as compared to the corresponding quarter last fiscal.

Advertising revenues continue to show a robust increase due to strong market share across the network. For the full year financial year 2011, advertising revenue increased by 60%. The subscription revenue for the quarter was worth Rs. 3.1 billion, registering an increase of 23.7% over the corresponding quarter last fiscal. Domestic subscription revenues stood at Rs. 2 billion, while international subscription revenues were Rs. 1.1 billion. Revenues for the domestic DTH operators, part of the domestic subscription revenue were Rs. 984 million, up 41.1% year-on-year.

Subscription revenues from international operations increased by 7.5%, while the subscription revenue for domestic cable increased by 26.5% on year-on-year basis. For the full year 2011, subscription revenues increased by 14.8%.

Moving around to the cost, programming and operating cost in the quarter were Rs. 3.7 billion, as compared to Rs. 2.6 billion in the corresponding period last fiscal, an increase of 43%. Employee cost increased by 19.8% over the corresponding period last fiscal. Selling and other expenses in the quarter were Rs. 1.2 billion indicating a decline of 14.9% over the corresponding period last fiscal.

Total cost incurred by the company in this quarter were Rs. 5.7 billion showing an increase of 22.6% over the corresponding period

last fiscal. During the quarter the company's operating profit were Rs. 2.3 billion, an increase of 23.5% over the corresponding period last fiscal.

Operating profit margins for the quarter stood at 28.4%. Profit before tax for the quarter stood at 2.4 billion while profit after tax was at Rs. 1.9 billion representing an increase of 22.7% and 49%, respectively over the corresponding quarter last fiscal.

During the quarter the company repaid debt of Rs. 910 million. As on March 31, 2011 it has a gross debt of Rs. 1.2 million and a net cash of Rs. 12.5 billion. Financial expenses in the quarter were Rs. 23 million down 79.1% year-on-year. I am happy to report that sports losses are contained to Rs. 152 million during the fourth quarter inline with our fourth forecast earlier. We do expect losses to continue the sports business for some more time to come.

I would now like to cover the business performance.

Zee TV, the network's flagship channel in the Hindi GEC recorded an average relative channel share of 23% and an average weekly gross rating point of 217 during the quarter. The performance was better in All Day Prime Time Band, where Zee TV averaged 156 GRPs during the quarter.

The channel delivered weekly averages of 24 shows amongst the top 100 shows during the quarter led by top rated shows like Pavitra Rishta, Jhansi Ki Rani and Yahan Main Ghar Ghar Kheli. The quarter saw the launch of DID Doubles, Choti Bahu and Sanskar Laxmi. The key events showcased during the quarter were Zee Cine Awards and a Holi event. The key properties planned in the forthcoming quarter include Chhoti Si Zindagi, a soap, Dance Ke Superstar and Sa Re Ga Ma Pa Li'l Champs.

The network's Hindi movie channel Zee Cinema averaged 122 GRPs during the quarter translating to an average channel share of 25%. One of the key properties of the channel during the quarter was best of Shanivar Ki Raat, Amitabh Ke Saath. The quarter also saw the channel acquiring rights of popular movies like Tanu Weds Manu, Thank you and Break Ke Baad. The networks channels in the English entertainment and movies genres Zee Café and Zee Studio have been steadily consolidating their presence.

Zee Café launched popular properties such as Keeping up with the Kardashians and The Mentalist - Season 2. The annual highlights for Zee Studio were Director's Night, Academy Spotlights and the 17th Annual Screen Actors Guild Awards during the quarter.

Zee Khana Kazana which is India's first 24 hour food channel lived up to its promise of delivering rich programming mix across India and abroad, featuring shows like Khana Khazana itself, Quick Chef and High on Food. The quarter saw the launch of new shows like New British Kitchen, Ching's Kitchen and Gordon's Great Escape.

Ten Sports showcased WWE-Royal Rumble. The quarter saw the airing on La Liga on Ten Action+, whereas Ten Cricket aired several popular cricketing events such as India versus South Africa Tests, ODIs and T20. In the forthcoming quarter the key events planned on the sports network include UEFA Champions League, UEFA EUROPA Cup Knock-out matches, La Liga Knock-out matches and ATP 1,000 tournament.

In addition, Ten Cricket will telecast the popular cricketing event like India tour of West Indies and Pakistan tour of West Indies. ZEE's international operations saw new initiatives to go further, to further strengthen its dominance. In America, Zee Cine Awards where aired at average of 4.6 Live HH rating in the Asian Indian universe.

In Malaysia Zee was relaunched with the brand new look as Zee Variasi. In Middle East the newly launched Zee Cinema featured in the top 10 channels targeted as South Asians garnering more than 50% viewership share amongst the movie channels. Zee Aflam attained its maximum viewership share in all Arab TVs even for a non-Ramadan month.

In Singapore Zee TV Asia Pacific became the first and only Hindi General Entertainment Channel to get rated on Kantar Media Rating Systems as its viewership crossed the minimum threshold of defining the local rating agency, which is TNS.

We continue to see robust growth in the regional segment. Zee Marathi maintained its leadership position in Maharashtra, averaged a delivery of 219 GRPs, with 37 of the top 50 shows. Some of the shows that it leads with is Marathi Paul Padte Pudhe, sorry for my Marathi, Eka Peksha Ek-Apsara Aali and Bhagyalaxmi. Another highlight for the quarter was telecast of Zee Gaurav Puraskar 2011, the biggest award function on Marathi television.

Zee Bangla averaged at 369 weekly GRPs in the quarter, ranking a clear second, number two in second in the Bangla GEC genre with the relative channel share of 33%.

Zee Telugu averaged 343 weekly GRPs led by popular shows like Chinna Kodalalu, Muddubidda and Nachore. Zee Kannada averaged 229 weekly GRPs during the quarter, up from 178 during the third quarter, led by shows like Parvati Parameshwara, Chi Sow Savitri and Bruhat Bhramanda.

In a year which recorded a resurgence of advertising revenues on television we have yet again outperformed the industry. We ended fiscal 2011 on a good note getting viewership across... viewership share across several genres combined with improved revenue shares, better operating margins and increased cash flow. With our subscription revenues growing at a healthy pace, our overall revenues have recorded a 23% growth over the fourth quarter of last year.

For fiscal 2011 our revenues grew by 37% to reach Rs. 30.1 billion, while our EBITDA grew 36% despite increased losses in sports business. Our content focus approach combined with the better monetization of subscription revenues will contribute to company delivering steady return in the years ahead.

With this I thank you again for joining us. And now I'd like open up the floor for question-and-answers.

Corporate Participant

Thank you, sir. Ladies and gentlemen, we are ready for questions now. I would request all the participants to kindly limit themselves to two questions each, so that we can take as many people on as possible.

Questions And Answers

Operator

Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. [Operator Instructions]. Our first question is from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy

Sir, great performance from every call. My first question is on the DTH revenues. We have seen a 44% growth Y-o-Y and 19% growth Q-o-Q. Is there any one-off item in this because in the past we have seen that Q-o-Q growth was 4% and prior to that 10% Q-o-Q growth. Any one-off in this?

Punit Goenka, Managing Director and Chief Executive Officer

Atul?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Abneesh on the DTH revenue front, the growth has, it's not a one-off but it has come because of an additional channel which we launched last quarter if you remember, Ten Cricket.

We had explained in detail during the last conference call, the fact that we did not had monetization of the sports business in the third quarter which will start coming through in the fourth quarter. So there is an element of DTH revenues as well on account of the re-launch of channels which has come through because of the launch.

Abneesh Roy

So, this was a Q4 number only or even the Q3 of what we lost, any numbers because of that also?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Largely, a large part of the incremental has come up in Q4. Of course there is normal growth in the business as well. It's not only,

incremental growth is not only on account of sports but a good portion is on account of sports.

Abneesh Roy

Okay. My second question is again DTH, with respect to DTH yesterday Supreme Court has said that instead of 50% the rate applicable for DTH operators will be 42%. So when re-negotiation happens with the DTH operators, how do you see this ruling really affecting. Do you think that because bargaining power is relatively high for you, the impact might be minimum?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

See some particular impacts of this Supreme Court order, it is not impacting anyway on revenues that we have negotiated contractually. Only those rates which are on a first half basis what we call IRA rates those would be impacted to the extent that it will come down from the current 50% which you are getting to the 42% till the case gets settled. So this is as of now an interim audit till the gate is experienced.

Abneesh Roy

My last question is on the huge cash which we have of around 12.5 billion. How do we propose to use this. One of your competitor has come with full page ads of two HD channels. So where are we in terms of that? Where are we in terms of hours of programing and where are we in terms of dividend payout?

Punit Goenka, Managing Director and Chief Executive Officer

On the cash part published, we have already announced a share buyback, which is still pending. On the other thing, on HD, I would like to report that we have already been running about five channels in high definition mode, which will further be enhanced in the coming fiscal. But that is not a huge cost per say in fact, the conversation cost of standard definition or high definition doesn't require such a large deal of cash, it's more of a CapEx investment rather than that.

But we are working on future plans as to what kind of organic and inorganic growth we would like to see. Dividend policy as of now there is no change in it, we are going to maintain our 25% payout ratio.

Abneesh Roy

And ours is also end-to-end HD, what the competitors has done?

Punit Goenka, Managing Director and Chief Executive Officer

No, not yet, we are actually working on doing end-to-end HD.

Abneesh Roy

Okay. Thanks for this. And all the best sir, I will come back if I have more.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you, Abneesh.

Operator

Thank you. Our next question is from the line of Mayur Gathani from OHM Group. Please go ahead. Mr. Mayur Gathani your line has been unmuted. You may ask your questions.

Mayur Gathani

Hello, regarding this Ten Cricket with this new series coming up India-West Indies and Pakistan-West Indies, will you see more losses in the coming quarters then?

Punit Goenka, Managing Director and Chief Executive Officer

Our estimate loss for the next fiscal on sports business is between 80 to 100 crores.

Mayur Gathani

Okay. Great thanks and so what about... how come the selling and other expenses have fallen year-on-year basis? What was the reasons behind that?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Sorry, come again, your question is?

Mayur Gathani

Selling earnings and other expenses have fallen 15% approximately year-on-year.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

On a consolidated basis, our selling expenses has grown up.

Hitesh Vakil, Chief Financial Officer

Mayur, it has definitely gone down on a year-on-year basis.

Mayur Gathani

Right.

Hitesh Vakil, Chief Financial Officer

If you look at the last few quarters trends

Mayur Gathani

Okay.

Hitesh Vakil, Chief Financial Officer

You will notice that they are more or less inline with what we have been recording in the last few quarter. So if I want to quote you, first quarter we had selling and distribution is admin and selling expense of 1.2 billion, second quarter 1.1 billion, third quarter 1.1 billion and fourth quarter is also 1.1 billion. So if you see the recent trends it's been inline.

Mayur Gathani

But with regards to last year was has changed for these expenses to come down?

Hitesh Vakil, Chief Financial Officer

I mean we have controlled the cost. So that's why I gave you the last four quarters picture to give you a sense that we are controlling the cost, while in the first quarter of this fiscal itself and that trend has continued then.

Mayur Gathani

Okay. So we can assume that these are now normalized expenses on a quarterly basis.

Hitesh Vakil, Chief Financial Officer

Yes, more or less.

Mayur Gathani

Okay. So, one final question any new plan to launch any other channels sport channels for this year?

Punit Goenka, Managing Director and Chief Executive Officer

We are waiting one permission from the Ministry of I&B which is for our sports channel.

Mayur Gathani

Okay. Fair enough. Thank you and good luck sir.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Thank you.

Operator

Thank you. Our next question is from the line of Vipul Prasad from Morgan Stanley. Please go ahead.

Vipul Prasad

Yes two questions. Firstly, what are you thinking on the advertising industry growth in India, and particularly for the regional channels? And secondly in sports business did you say that, next year you are kind of looking at EBITDA loss of 80 to 100 crore, did I hear it correctly? Or if not I mean what kind of number are you looking at?

Punit Goenka, Managing Director and Chief Executive Officer

You're absolutely right. You heard it correct.

Vipul Prasad

Okay. And for the ad revenue growth, what kind of numbers are you kind of I mean working with rough ranges?

Punit Goenka, Managing Director and Chief Executive Officer

We are working on our estimate for ourselves to be anywhere between 12 to 14% growth next year in the advertising market.

Vipul Prasad

Okay. So and industry growth will be inline or do you think that you will be losing market share there?

Punit Goenka, Managing Director and Chief Executive Officer

No. I think our consistent performance has shown that we have always beaten market.

Vipul Prasad

Exactly.

Punit Goenka, Managing Director and Chief Executive Officer

Levels, but doesn't what we are working towards I think today at this point in time.

Vipul Prasad

Okay. Thank you.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Operator

Thank you. Our next question is from the line of Siddharth Goenka from JM Financial. Please go ahead.

Siddharth Goenka

Good set of numbers. Sir, my question is on again on the advertising growth, you mentioned that we'll be probably growing at around 12 to 14%. But will this growth also include the sports revenues? Are we talking about the entertainment business growth or also the sports growth?

Punit Goenka, Managing Director and Chief Executive Officer

Siddharth, as you know sports is highly event-based.

Siddharth Goenka

Right.

Punit Goenka, Managing Director and Chief Executive Officer

So, I'm talking about without sports business.

Siddharth Goenka

Without sports, okay, fine. Okay, fine. And sir can you give us how much were the paid DTH subscribers in 4Q and what has been the yield?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah. If you look at the total numbers, DTH revenues have been 984 million.

Siddharth Goenka

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

And the total industry size in terms of DTH subscribers have been around 34 million. Our subscriber base is, paid subscriber base is 17.1 million subscribers.

Siddharth Goenka

And sir last question, we have seen a sequential increase in staff cost and also other sales and services it just came at around 76 million. So, can you just throw some light, I mean how should we, on other sales and services what should be a base assumption going forward?

Hitesh Vakil, Chief Financial Officer

See staff cost Siddharth is largely an increase only on account of year-end incentives and all that.

Siddharth Goenka

Okay.

Hitesh Vakil, Chief Financial Officer

Not really an organic change in the number.

Siddharth Goenka

Okay.

Hitesh Vakil, Chief Financial Officer

As we go along into the first quarter of next fiscal, obviously the number will look lesser. Of course we will continue to keep adding into our manpower and therefore some increase in staff cost will continue to be seen.

Siddharth Goenka

Sure.

Hitesh Vakil, Chief Financial Officer

Industry is in the buoyant mode right now.

Siddharth Goenka

Sure.

Hitesh Vakil, Chief Financial Officer

So that is on the manpower front. What was the second question you had?

Siddharth Goenka

On the other sales and services, the revenues is just 76 million.

Hitesh Vakil, Chief Financial Officer

Yeah.

Siddharth Goenka

So I mean what kind of...

Hitesh Vakil, Chief Financial Officer

See, part of the other sales and services, there the big chunks come is also because of syndication revenues.

Siddharth Goenka

Right.

Hitesh Vakil, Chief Financial Officer

Earlier till last year, we used to have education business as part of our company, which has now been demerged.

Siddharth Goenka

Right.

Hitesh Vakil, Chief Financial Officer

So that element has now gone.

Siddharth Goenka

Sure.

Hitesh Vakil, Chief Financial Officer

Whatever significant revenues come are on account of syndication revenues to some extent on sports and the balance from non-sports. So, this quarter we did not have any significant syndication revenues and therefore the number is less. But I think on a overall yearly

basis, I would say that anywhere in the region of 50 crores to 100 crores per annum

depending on the syndication of sports we can generate.

Siddharth Goenka

Okay, fine. Okay. Thank you so much. I will come back if have more questions.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Operator

Thank you. [Operator Instructions]. Our next question is from the line Vikash Mantri from ICICI Securities. Please go ahead.

Vikash Mantri

Congratulations for a good set of numbers. Basically wanted to understand what is the contribution of Zee Cine Awards in the top-line in this quarter? And second question is in terms of our sports property's performance, is there a significant variance in how a test match costing is done vis-à-vis revenue potential. And one day costing is done vis-à-vis revenue potential, given we had 10 days of South Africa, India last quarter and 10 days in this quarter, yet a significant difference in performance per se?

Punit Goenka, Managing Director and Chief Executive Officer

Well, definitely with revenue on one days and T20 is far more significant than on test matches, that's why you see the disproportion that's been coming in. Whereas costing is based on per day and those kind of things that's why we had that huge impacted loss in the last quarter which we saw. So I think the answer is already you have done that, that it's because of the monetization of one day and T20 is far more significant, which results in this kind of performance. Sorry, what was your first question?

Vikash Mantri

Contribution of Zee Cine Awards?

Punit Goenka, Managing Director and Chief Executive Officer

I don't think we breakup that revenue, just one event in our life.

Vikash Mantri

Okay. And sir in terms of the programming hours in the last quarter we did mentioned that we intend to increase a slate of programing, but we haven't done much in terms of from last quarter to this quarter with just one hour of programing increase. Whereas Colors has increased four hours of programming and Star Plus has increased five hours of programming. So, anything different that we see in our strategy now?

Punit Goenka, Managing Director and Chief Executive Officer

Very simple, we don't want to waste fresh hours of programming right in the middle of World Cup and IPL, where World Cup, you saw matches, individual matches getting ratings above of 20 levels, which should have been a complete waste in my view. But you will see growth of hours expansion happening from the Q2 onwards.

Vikash Mantri

So, we will wait for IPL, post-IPL we should see an increase in programming hours?

Punit Goenka, Managing Director and Chief Executive Officer

Yes. You can say that.

Vikash Mantri

Okay. And sir on the sports business losses, we gave a guidance of 80 to 100 crores. Now it would be better if you could know, what we know definitely is the cost that we are setting on for the year. Now last year, we did a total cost of 650 crores, out of which significant portion will be content cost paid to the cricket boards. So can we share the cost this year that we will have in FY12 rather than the loss per se?

Hitesh Vakil, Chief Financial Officer

Vikash it will be difficult, we don't share that number, but as we have said in the past that the cost structure in FY12 will be lesser than FY11, beyond that specifics will be difficult to share.

Vikash Mantri

Sir, only point here is this number of 80 to 100 crores will have a lot of estimation, whereas the cost number will have very low amount of estimation on your side. So that would be a most better number to model in?

Hitesh Vakil, Chief Financial Officer

That's true but then confidentiality doesn't permit us to share that numbers.

Vikash Mantri

Okay, sir. Fair enough. Thank you.

Operator

Thank you. Our next question is from the line of Akash Chattopadhyay from IIFL. Please go ahead.

Akash Chattopadhyay

Hello?

Punit Goenka, Managing Director and Chief Executive Officer

Yes, Akash.

Akash Chattopadhyay

Yeah and congratulations on fantastic set of quarter numbers.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Akash Chattopadhyay

Most of my questions have been answered. If you can just help, if you could give me a breakup of your sports business revenues, rough ballpark in terms of advertising and subscription, just to get a trend of how other competitors are doing in terms of advertising?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Unfortunately Akash, we don't split our revenues property wise.

Akash Chattopadhyay

Okay, okay. No problem sir. And just a one small thing, in terms of your consolidated and standalone financials, if I look at the numbers, your subsidiary revenues are roughly around 1.5 billion, the difference between consol and standalone, which has been the trend usually, but in terms of the subsidiary costs there is a significant drop. So is there some adjustment involved in terms of Ten Cricket and other Ten Sports properties, if you could just throw some light on that?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah, there has been some shift of the cost to India.

Akash Chattopadhyay

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Other than that it is all normal business, which is going on. So it's nothing exceptional.

Akash Chattopadhyay

Okay, okay. Okay, sir no more questions from my side. Thanks.

Operator

Thank you. Our next question is from the line from Nihar Shah from Enam Holdings. Please go ahead.

Nihar Shah

Hi, sir. Congratulations on your results. I just have a follow-up on one of the earlier questions. The Supreme Court ruling you mentioned would only effect channels that are charged on a per sub basis. Can I know a rough ballpark amount in terms of what proportion of your subscription revenues either from DTH or from cable would be coming? Where the channels have charged on a per sub basis versus where you'll be doing sort of bouquet pricing or fixed pricing?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

We will be constrained to give those details. Again these are contractual agreements which have confidentiality clause.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But suffice it to say that a larger portion of our revenues will not be impacted.

Nihar Shah

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

As things stand today. And to the extent that those revenues which are on the per sub basis, will get impacted to extent of 14% or so.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Because of this change. Also one needs to keep in mind that there is a change which is happening from a digitization perspective you would have noticed that Ministry of I&B has put up a new schedule.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Assuming those deadlines I adhered to then the same Supreme Court order will also apply to the new digital homes that will come under the coverage. So which is a positive, because earlier under the old regime Rs. 5 per channel and a certain percentage of that was applicable.

Nihar Shah

Right.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But under the new Supreme Court order the tariff order will be applicable even to the, I mean the digitizing homes, whether they go through digital cable or DTH. So that will be also a positive.

Nihar Shah

Sure, sir. But just clarification, do you believe that the Supreme Court ruling sort of limits the upside that you would potentially see in the short-term, medium-term from say digitization, if there was digitization then what you're currently getting from analog subscribers you should see a manifold increase when all the subscribers are sort of recognized by the system. But under the current ruling does that sort of get limited to any extent you think?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

To the extent we would have liked for 50%. And if you look at the history...

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

The broadcasters were the ones who pushed it for changing from 35% to 50%.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

And till that case is disposed off. The current Supreme Court order just says that till that it is disposed, we will keep it at 42%. So obviously we will be happier with 50%.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But as of now 42% is what we will get.

Nihar Shah

Okay. And sir my last question would be on the advertising revenue. As you've seen strong sort of quarter-on-quarter growth in advertising revenues despite there been the World Cup and the sports events this quarter. Can you sort of give me some sort of qualitative color on where this revenue growth in advertising came from? That's all from my side. Thank you.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

You must also note that 36% growth in advertising this quarter, which is the fourth quarter of this fiscal, on a Y-o-Y basis is not a strong organic growth, in a sense we have done very well.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But it is also to some extent contributed from the sports business.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

And if you followed our numbers in the last quarter, we had explained this that the third quarter unfortunately did not get monetized on the sports revenue front.

Nihar Shah

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

And the one days were all falling into the fourth quarter.

Nihar Shah

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

And therefore, a larger part of the revenues we have recorded in the fourth quarter.

Nihar Shah

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

So to that extent the 36% growth may look a little high.

Nihar Shah

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

And that's why if you look at the numbers that we guided for in the next fiscal excluding sports is more in the 12 to 14% range.

Nihar Shah

Okay, sir.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Well, we will not extrapolate that 36% growth into the next year.

Nihar Shah

So even the quarter-on-quarter advertising growth of 9% largely is explained by the sports revenues sort of falling into this quarter.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah, yeah.

Nihar Shah

Okay. Great. Thank you sir. Thank you. That's all from my side.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Operator

Thank you. Our next question is from the line of Miten Lathia from HDFC Mutual Fund. Please go ahead.

Miten Lathia

Yeah, thanks. Could you quantify the impact of the ETC merger on the revenue and the operating profits, because if the merger has been given effect in the quarter four, how were we accounting for ETC till the nine month ended period? And what is it that has changed in Q4?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

No, it has been accounted from day one.

Punit Goenka, Managing Director and Chief Executive Officer

Which is 1 April '10.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

April 2010 onwards.

Miten Lathia

So right from Q1 itself you were taking 100% of ETC revenue, ETC broadcasting business revenue into?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But the effect of that was given in the second quarter. See if you look at the old numbers Miten, you will see that we had recorded a revenue item on account of education in the first quarter. In the second quarter post the demerger, we actually took a write-back of the revenues, because it happened during the second quarter. So, second quarter had a write-back of that revenues. And since then we have been reporting non-education business.

Miten Lathia

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Education revenue.

Miten Lathia

Q4 versus Q3 has no difference in the treatment for ETC?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

No.

Miten Lathia

Okay. Secondly on DTH, would it be fair to assume that FY12 revenues will track the subscriber growth numbers, especially 42% were sort of going to become a final order also?

Hitesh Vakil, Chief Financial Officer

We'll have to see, I mean the order as you know has come only yesterday. So, we are also studying the implication and how much impact it will happen. So, I really can't, we can't really quantify it right now. But I would say the trend line of, on growth of DTH revenues should more or less continuing, except for a small adjustment because of this tariff order, because of the Supreme Court order.

Miten Lathia

Okay. And the analog revenues have sort of smartly trended up during the year. Is there any change on the ground or what is that cost variable that we are not able sort of see?

Punit Goenka, Managing Director and Chief Executive Officer

That's on two accounts, one, we were able to push and get higher share for ourselves from the networks on the ground. And secondly, our sports business has performed well on that front, which has given us a further kick up on analog as well.

Miten Lathia

So, can current numbers, we sort of assume to be run rate or will that have some volatility as we go forward?

Punit Goenka, Managing Director and Chief Executive Officer

On annualized basis, I think it's a safe assumption.

Miten Lathia

Okay. Thanks and congratulations on a good set of numbers.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Operator

Thank you. Our next question is from the line of Namrata Sharma from PINC Research. Please go ahead.

Namrata Sharma

Congrats for such results. When and, what is the recent added hike taken by Zee?

Punit Goenka, Managing Director and Chief Executive Officer

Not much, because we have not signed too many deals going into the financial year right now. We are still under negotiation as we speak. So there is no price taken as of now.

Namrata Sharma

Any plans for future?

Punit Goenka, Managing Director and Chief Executive Officer

Of course every buying cycle we see that we try and renegotiate higher rates.

Namrata Sharma

Okay.

Punit Goenka, Managing Director and Chief Executive Officer

Until that's done I would not like to speculate.

Namrata Sharma

Okay. Thank you.

Operator

Thank you. Our next question is from the line of Pranav Tendulkar from IDBI Mutual Fund. Please go ahead.

Analyst

Yeah. Actually I wanted to know, if you can provide me the DTH yield per user? And what is the DTH market going to be panning out in say next 12 months, because the penetration levels are still not as high as some of the developed markets?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

See currently as we entered 2011, the total subscriber base on DTH is around 34 million subscribers. As far as Zee is concerned we are getting paid for 17.1 million subs and that gives us a yield of Rs. 19 plus. And for your second question in terms of the movement of digital subscribers, the current trends are also almost 1 million a month, which means every month DTH subscribers are increasing by a million or so. So we can safely assume between 11 to 12 million subscribers getting added for the industry going forward for the next couple of years.

And of course what we will get a lift on that is the recent move by the Ministry of Information and Broadcasting to get the digitization on, in rest of the country. They have put out a schedule, which requires the four metros to go into complete digital by FY2012 end and schedule till FY2013 and '14. So that should also additionally give a lift to the speed of digitization and we will only increase that number. We'll have to see as far as the implementation goes, whether digital cable can also pickup speed during this year.

Analyst

Okay, okay. And just a follow-up question. What is the, I just want a ballpark figure, for a DTH user what is your EBITDA level breakeven time? For example if the user gets added up this month then you will breakeven in how much, I mean because you will subsidize the equipments, et cetera?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

You are probably asking this question from a DTH perspective?

Analyst

Correct.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

DTH operator's perspective, we get, every penny that we get is EBITDA only.

Analyst

Okay, okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

We don't make an investment into DTH subscriber. So, there is no question of return on that.

Analyst

Okay, okay. Thanks.

Operator

Thank you. Our next question is from the line of Riken Gopani from Infina Finance. Please go ahead.

Analyst

Hello?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yes.

Analyst

Sir, just wanted to understand more on the advertising revenue front. If you could give some color on the ex-sports advertising revenue, how would it have grown? Any ballpark number that you could talk about?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

As we said earlier, we don't split out our revenues business-wise.

Analyst

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

So, we will be constrained to talk about specific growth patterns on specific businesses.

Analyst

But at least if you could guide that whatever growth of... on advertising which we have seen on a sequential basis about 9, 10% is what we have seen on a sequential basis during a period where you had a World Cup and the festive season had just gone by. Is it suffice that most of it is on account of sports only?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah. A large part of that is definitely coming from sports. It's not a case that compared to third quarter, our revenues on a ongoing basis have increased by 9%, definitely not.

Analyst

All right.

Punit Goenka, Managing Director and Chief Executive Officer

In fact just to add a little bit vary, third quarter is what is a peak quarter for us in terms of advertizing revenue. Even if you look at the trending over several years, fourth quarter in absolute terms does see flattening or even a small dip over fourth quarter, over the third quarter.

Analyst

That's true. That's why I was wondering what exactly...

Punit Goenka, Managing Director and Chief Executive Officer

Large part of that as Atul said is coming from the sports part.

Analyst

All right, all right. That's it from my side, yeah.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Operator

Thank you. The next question is from the line of Swati Nangalia from IDFC Securities. Please go ahead.

Nikhil Vora

Hi, Nihil Vora here. Just one question, if you look at the standalone and consolidated numbers for the last four quarters, there is EBIT loss in Q1, Q2, Q3 and that moves to a profit of around 90 crores in Q4. Can you just explain the variance?

Punit Goenka, Managing Director and Chief Executive Officer

Standalone you are looking at?

Nikhil Vora

From standalone to consol. So if I look at the variance in revenues and EBIT. The revenues have actually come off to close to around 173 crores in Q4. Whereas the EBIT profit have actually moved to 90 crores in Q4, against a loss in the first three quarters.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But on standalone basis, we were never in loss.

Nikhil Vora

No, no the difference between standalone and consol. So if I just look at Q1, Q2, Q3, Q4, the difference between the standalone and consol, standalone made more money on EBIT than consol did for the first three quarters.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah.

Nikhil Vora

In Q4, standalone profit EBIT is around 130 crore, whereas as the consol profit is 219 crore. So there is a 90 crore difference here.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

I think it would require around... and perhaps we will be able to share on one-on-one basis.

Nikhil Vora

Could you just give a broad indication of what this is about?

Hitesh Vakil, Chief Financial Officer

We will come back to you Nikhil on that. I don't have it immediately.

Nikhil Vora

Okay. Thanks.

Operator

Thank you. Our next question is from the line of Vikas Mantri from B&K Securities. Please go ahead.

Vikas Mantri

Good Afternoon sir. First of all congratulation on good set of numbers. Sir, actually Nikhil asked my question, I was also asking the similar sort of question. Okay, can you just tell us what is the difference between a consolidated revenue and standalone revenue?

Which all companies come additionally in consolidated revenue? So that we can figure out as to where the difference is coming from. Because if Ten Sports is making losses, so it is more likely that this consolidated number should be lower than the standalone numbers. But they are considerably higher than the standalone numbers. So just wondering if you could help me out with that.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Well, standalone is nothing but Zee Entertainment Enterprise Limited.

Vikas Mantri

Okay.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Okay. And rest all subsidiaries are accounting for is consolidated results.

Vikas Mantri

Sir, could you help us with few names if you if it is there?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

All our international subsidiaries including, Taj TV and then our U.S. based and UK based and Mauritius based entities.

Vikas Mantri

So all your -- so majority of international revenue that comes from abroad...

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah.

Vikas Mantri

Subscription revenue as well as the advertising revenue falls into consolidated.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Right.

Vikas Mantri

Okay. And sir, my second question would be that since we have a cash of 1,250 crores and if I were to look into your consolidated statement of assets and liabilities, we have 319 crores under cash, and we have 697 crores under investments.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Right.

Vikas Mantri

So if I add this together, it gives me a figure of 1,016. Even if I assume that entire amount that is there, 1,250 crores of cash has been either in cash or investments, there is still some shortage there.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah. The loans and advances also include some inter-corporate deposits to the third party.

Vikas Mantri

So, how much that would be if you could quantify that sir?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Well, we'll not be able to bring out that and those details.

Vikas Mantri

But sir you will be anyway mentioning that in the Annual Report.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

You can consider it as a difference in our -- amount is all loans as I said.

Vikas Mantri

So investment -- so you mean to say that...

Hitesh Vakil, Chief Financial Officer

The cash is entirely cash obviously.

Vikas Mantri

Yes.

Hitesh Vakil, Chief Financial Officer

And the investments almost, say, for 50 to 60 crores, everything is cash equivalent.

Vikas Mantri

Okay.

Hitesh Vakil, Chief Financial Officer

And roughly around 250 crores in loans and advances will be a cash equivalent which are in ICDs.

Vikas Mantri

Okay. So 250 crores is ICD, inter-corporate deposits.

Hitesh Vakil, Chief Financial Officer

Roughly.

Vikas Mantri

Okay. And sir what would be the yield, if you would share, on such deposits?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

On an average 10% plus.

Vikas Mantri

On an average 10% plus. Okay. Thank you so much sir. Wish you all the best.

Punit Goenka, Managing Director and Chief Executive Officer

Thank you.

Operator

Thank you. Our next question is from the line of Ankit Kedia from Centrum Broking. Please go ahead.

Ankit Kedia

Sir just wanted to know what has led to increase in your international subscription revenues as well during the quarter?

Punit Goenka, Managing Director and Chief Executive Officer

It will be a combination of several markets that have grown like the United States is still a growing market as we talked about, the Americas, sorry. And also the sports business would have done well in this fourth quarter there as well outside.

Ankit Kedia

So going forward...

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

It's not a dramatic increase as you can see from 101 crores in the third quarter, it has gone to 108 crores.

Ankit Kedia

But last five quarters it's been at around 100, 101 crores, so.

Punit Goenka, Managing Director and Chief Executive Officer

Yes. So we have done well in the Middle East also. And we've done well in the U.S. So it's a combination of -- again, it's not a very dramatic increase, but it is a combination of good performance in the international business.

Ankit Kedia

Right. And my second question is regarding the tax rate. During the quarter that's really come down significantly. So what could we take back the reason for that?

Punit Goenka, Managing Director and Chief Executive Officer

We had mentioned it earlier also that on an annual basis our tax rate would remain at around 31 to 32%. And we are today at around 32%.

Ankit Kedia

So going forward this 21% could be in only the quarterly annual aberration, and going forward we could have it about 32%?

Punit Goenka, Managing Director and Chief Executive Officer

Yes.

Ankit Kedia

Okay sir. Thank you.

Operator

Thank you. Our next question is from the line of Pratish Krishnan from Bank of America/Merrill Lynch. Please go ahead.

Pratish Krishnan

Yeah, hi thanks. And I just want to clarify on the sports business, you did mention that in terms of the losses, probably you're looking at around 80 to 100 crores of loss for next year. And in terms of the cost may be it will be lower than this year? Somewhere are you suggesting that in terms of the revenue line you are looking at a growth in revenues in sports for next year, despite we having a good property this year.

Punit Goenka, Managing Director and Chief Executive Officer

Unlikely for that to happen, Mr. Krishnan because, as I said, sports business is so event-linked, and this last fiscal we have seen two large India properties with us.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Pratish, to add to that, there are two elements to the revenue stream. One is the advertising, one is subscription. So subscription obviously there will be a growth because we will launch a new channel which will continue to deliver growth both on cable and DTH.

Pratish Krishnan

Sure.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

But on the advertising, as Punit was saying, it is event-led. And therefore, depending on what kind of properties are coming through. So obviously there is next year we don't have a property which is equivalent of the India-South Africa series which was there in FY11.

Pratish Krishnan

Yes.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

To that extent the numbers will be slightly less.

Pratish Krishnan

Yeah. And I'm just wondering in terms of for you to get that 80 to 100 crores loss, with the cost structure of this lower than this year. I mean you will need to have a growth in revenues. So...

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah. So what -- I have probably have answered your question. But beyond that we can't go in details.

Pratish Krishnan

Okay. Fair enough, thanks.

Operator

Thank you. Our next question is from the line of Amit Kumar from Kotak Securities. Please go ahead.

Amit Kumar

Yeah, thank you so much for the opportunity sir. And sir, just wanted to understand -- but I mean, I know you have given a guidance of annual tax rate of 31, 32%. I just wanted to understand why were the tax rates so high in the first three quarters and what has changed in the fourth quarter to resulting in a decline to over 21% effective tax rate?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Well, reason is fairly simple. In first three quarters, there were a lot of mergers and acquisitions which were yet to be affected planning the iCord approvals and other staff. All these were was affected the moment we received the orders. And as a result, now we have a truly representative tax rates.

Amit Kumar

So are you saying that these mergers... I mean these mergers and acquisitions that you have done, there were some tax rated on account of that?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Yeah, there are tax implications from that.

Amit Kumar

Okay, got it. Sir, on the sports side, I just wanted to understand... I think this point was highlighted during the call also that... I understand the revenue piece that why that has gone up, but your cost has also declined by almost 45 crores on a Q-on-Q basis while the number of cricket days were 10 in the last quarter and a similar number in this quarter as well. So what is driving this cost decline on a Q-on-Q basis?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Well, offline I can tell you that number of days of cricket is one thing and there are so many other factors, other events other than the cricket, is also included. Q4 had only cricket this time and against that all first three quarters had cricket plus various other events and which has represented the cost.

Amit Kumar

Sir, could you highlight what was the -- besides cricket, what was the major event which led to this sort of a cost increase in third quarter?

Punit Goenka, Managing Director and Chief Executive Officer

We had mentioned in our initial address also that there are lot of other properties -- I right now, I don't have the calendar with me, but we can share it with you.

Amit Kumar

Okay. And I'll touch with you offline on this one. Sir, on the HD investment piece, I think there was some discussion on going end to end, the company thinking about going for end-to-end HD as well. What sort of CapEx are you looking at for that purpose in the coming years?

Punit Goenka, Managing Director and Chief Executive Officer

Well, it's not a huge capital, it's normally valued within our regular CapEx that we budget which should raise between 70 to 100 crores a year.

Amit Kumar

70 to 100 crores. Fine. Thank you so much sir.

Operator

Thank you. Ladies and gentlemen we will now be taking the last few questions. The next question is from the line of Ritesh Poladia from RBS. Please go ahead.

Analyst

Good afternoon sir. Thanks for the giving an opportunity. In your consolidated balance sheet your fixed asset is 1,958 to 1,936 crore. So does that mean during the year we didn't have any CapEx?

Hitesh Vakil, Chief Financial Officer

We had the normal CapEx there is nothing specific in this financial year, but besides that there are also some dilution of the goodwill

amount due to acquisition of Taj TV.

Analyst

Okay.

Hitesh Vakil, Chief Financial Officer

So that was the...

Analyst

So a what could be...

Punit Goenka, Managing Director and Chief Executive Officer

It is diluted because of Zee Learn, sorry, not Taj TV, it is Zee Learn.

Analyst

But with the M&A happening in this quarter, I believe it would be goodwill accretion and not depletion?

Punit Goenka, Managing Director and Chief Executive Officer

No, there was -- Zee Learn has been hived off.

Analyst

Yeah. But you have merged to the Taj to greater extent than even your other companies are also merged in this year, so...

Punit Goenka, Managing Director and Chief Executive Officer

Taj TV acquisition was largely in the last financial year.

Analyst

Okay. So what would have been normal CapEx, say, cash CapEx during this year?

Punit Goenka, Managing Director and Chief Executive Officer

It is roughly around 50 to Rs.70 crores.

Analyst

Okay. Only 50 to 70 crore. Okay, that's all from my side. Thank you.

Operator

Thank you. We will now be taking the last two questions. Our next question is from the line of Vikash Mantri from ICICI Securities. Please go ahead.

Vikas Mantri

On the other sales and services we have a sudden dip from last quarter to this quarter from 33 crores to 7 crores. What could be the reason for that?

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

As I explained earlier, last year we had...

Vikash Mantri

Last quarter, sir.

Atul Das, Chief Executive Officer of Sports Business supervising Ten Sports, Ten Cricket and Ten Action+

Last quarter we had exceptional item, representing termination fees for football rights, which was there Rs. 70 crores was there at one time.

Vikash Mantri

After adjusting for that I am saying sir.

Hitesh Vakil, Chief Financial Officer

That's largely, Vikash, on account of syndication sales which as I explained earlier is sports rights whenever there is an opportunity, we do syndication. So last quarter there was some syndication opportunity, this quarter we've not had any

syndication therefore the numbers are not. So on a regular basis I mean, the larger items used to be syndication of sports properties and education business. Education business is not there.

So the numbers will be minimal unless we do have some syndication opportunities.

Vikash Mantri

Sir, if I may understand this for the last quarter the 96 crores of revenues we had in sports, had significant syndication revenues also. After adjusting for that, you have nearly doubled the revenues in the sports business.

Hitesh Vakil, Chief Financial Officer

Sir, what's your question?

Vikash Mantri

In the sports business, we gave 96 crores as a revenues, and since we did syndication last year, I should remove that portion to see that quarter's performance. So it would be nearly 70 crores of sports revenue going up to 140 crores.

Hitesh Vakil, Chief Financial Officer

Whatever, we are not detailing out the numbers in each heads, but...

Vikash Mantri

But, I am just trying to understand this quarter without syndication revenues we have such a very strong quarter in terms of sports revenues.

Hitesh Vakil, Chief Financial Officer

Yeah.

Vikash Mantri

Whereas last quarter in spite of so much of syndication revenues the number was small.

Hitesh Vakil, Chief Financial Officer

Yeah.

Vikash Mantri

Okay, thank you.

Operator

Thank you. Our last question comes from the line of Siddharth Goenka from JM Financial. Please go ahead.

Siddharth Goenka

Yes, sir just one question. There is an exceptional item in your fourth quarter of around 13 crores. So can you just throw some light on that, what is it exactly?

Punit Goenka, Managing Director and Chief Executive Officer

Well it's a normal write back of the provisions for taxations. [Call Ends Abruptly].