



Extraordinary Together

August 26, 2020

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code Equity: 505537
Preference: 717503

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE Symbol: ZEEL EQ
: ZEEL P2

Dear Sirs,

Sub: Annual Report of the Company for the financial year ended March 31, 2020

This is further to our letter dated July 24, 2020, wherein the Company had informed that the Annual General Meeting (AGM) of the Company will be held on Friday, September 18, 2020 at 3.30 p.m. through Video Conferencing/Other Audio Visual Means.

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2019-20 along with the Notice of the AGM which is being sent through electronic mode to the members of the Company.

The attached Annual Report (containing the Notice of AGM) of the Company is also available on the website of the Company i.e. www.zeeentertainment.com.

Kindly take the above on record.

Thanking you,

Yours faithfully,
For Zee Entertainment Enterprises Limited


Ashish Agarwal
Chief Compliance Officer & Company Secretary
FCS6669



Encl: As above

Zee Entertainment Enterprises Limited

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Sharpening Consumer **Focus**.
Creating **Extraordinary** Experiences.

Entertainment has been an integral part of our lives, even before the evolution of concept of society. Though the form and shape of entertainment activities have changed drastically over time, at its core, entertainment serves to relieve the human life of the ennui which accompanies the monotony of the daily schedule. While our ancestors had to rely on themselves or their peers for their entertainment needs, the consumer of today is far more lucky. There is a surfeit of content choices available today and these options are available at the mere click of a button. The content preferences are evolving at an unprecedented pace, partially driven by this barrage of choices and innovations. Besides the ever-changing needs, every consumer is an amalgamation of different personalities, which define his content preference at a particular instant. An intensely personal experience such as entertainment needs to cater to these different avatars. More importantly, given the unique nature and aspirations of different individuals, a one-size-fits-all approach to entertainment cannot provide a fulfilling experience. Technology has added new facets to the process of understanding the consumer with tons of data that is now available and serving the vast spectrum of their dynamic content needs. These factors have transformed the job of creating content experiences, making it easy and difficult at the same time.

At ZEEL, 'consumer-first' is the mantra, to maintain focus on the most important aspect amidst all the pandemonium. Consumer has been the focal point of the decision-making process at Zee to serve his multi-faceted entertainment needs. Our evolution has been shaped by consumers' changing entertainment needs as we continuously sift through trends and adapt our offerings for audiences across mediums. This has helped us consistently widen our content profile to reach audience with varied tastes, preferences, cultural backgrounds and demographics. As we embark on our new journey of ZEE 4.0 we have made *Consumer Centricity* the overarching objective in every endeavour of the organisation to deliver extraordinary experiences to our consumers.



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CONSOLIDATED

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



View Annual and Quarterly financials:

<https://www.zeeentertainment.com/investors/financials/>

KEY PERFORMANCE INDICATORS GROWING STEADILY



Revenues

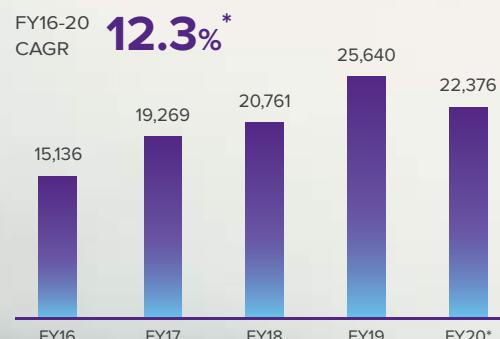
₹ Million



ZEEL's revenues have grown at 10.7% CAGR over the past five years. Excluding the Sports business which was divested in FY17, revenues grew at 13.8% CAGR over the same period. This growth has been driven by improvement in our TV network share, digitization of pay-TV subscriber base and growth in revenues from new businesses. During FY20, our domestic subscription revenues grew by 33%, driven by the implementation of New Tariff Order in the broadcast business and growth in ZEE5 subscription revenue. Advertising revenue declined by 7.1% due to the continued macro-economic slowdown during the year.

EBITDA

₹ Million

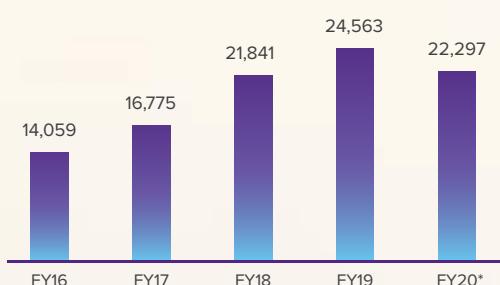


Our EBITDA CAGR of 12.3% over the last five years is better than the revenue growth. EBITDA margins declined 480bps YoY in FY20 to 27.5%. The fall in EBITDA margin was due to decline in advertising revenue and increase in programming costs driven by elevated content investments over the last 2 years.

*Excluding one-offs in operational cost and other expenses in FY20

PBT Before Exceptional Items

FY16-20 CAGR **9.7%***



Our Profit before Tax has grown at 9.7% CAGR over the past five years led by robust revenue growth and improving margins. During FY20, Profit before Tax declined by 9.2% due to lower EBITDA margins

*Excluding exceptional items and one-offs in operational cost and other expenses in FY20

Return on Capital Employed

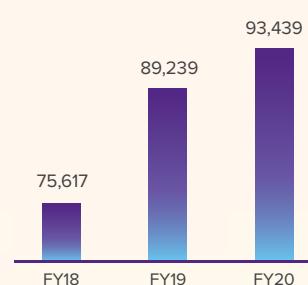
FY20 (YoY) **-480bps**



ZEE5's return on capital employed (ROCE) declined by 480bps YoY to 19.6% during FY20. The decline in ROCE is due to lower EBIT margins which decreased by 520bps YoY to 24.2%.

Networth

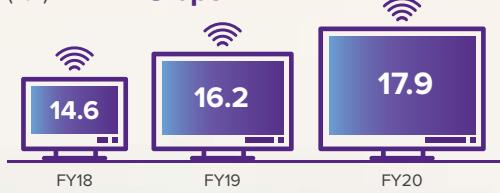
FY20 (YoY) **4.7%**



In FY20, ZEE5's networth increased by 4.7%. This is primarily due to profit from operations.

Television Network Share

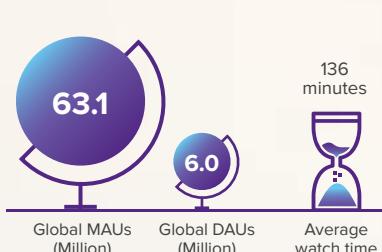
FY20 (YoY) **+170bps***



ZEE5 converted two of its FTA (Free to Air) channels to pay in Mar'19 and subsequently removed them from the DD FreeDish platform. Due to this move, viewership of these two channels dropped significantly and the overall share of ZEE5 network declined to 18.4% in FY20 vs 19.7% in FY19. However, excluding the share of these two channels, network share grew by 170bps in FY20, driven by the strong performance of Hindi movie channels and several regional channels.

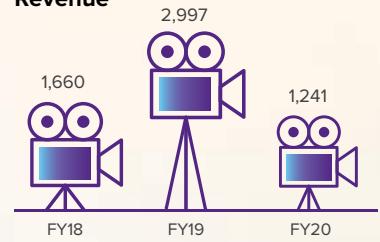
*Viewership share numbers exclude Zee Anmol and Zee Anmol Cinema which were converted to pay channels in Mar'19

ZEE5



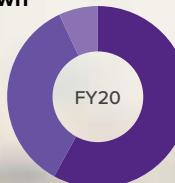
ZEE5 MAU (Monthly Active User) base saw a modest growth YoY, however this was accomplished with lesser marketing spends on user acquisition, highlighting the growth in organic user base. ZEE5 also reported a global DAU (Daily Active User) base of 6 million with a watch time of 136 minutes per viewer during the month. ZEE5 established itself as the biggest producer of digital original content in India with 80+ shows/movies released during the year.

Movie Business Revenue



Zee Studios co-produced/distributed 14 movies during the year across Hindi, Marathi, Tamil and Punjabi languages. The movie business revenue declined as the movies released in FY20 could not match the success of the movies released last year.

Revenue Breakdown



Revenue: ₹ 81,299 million

58% Advertising revenues
35% Subscription revenues
7% Other Sales and Services

Distribution of Expenses



Total Expenses: ₹ 58,922 million*

61% Operating Costs
26% Other Costs
13% Employee benefit expenses

*Total expense excludes one-offs in operational cost (₹2,598mn) and other expenses (₹3,433mn)

MESSAGE FROM THE MD & CEO



Dear Shareholders,

ZEE, in its illustrious history of 27 years, has not only created a multi-faceted entertainment content company but has also played a pivotal role in shaping India's media and entertainment industry. Today, ZEE stands on the threshold of a new beginning, to create a stronger version of itself and define the future of the media & entertainment landscape in the country. The last financial year has been a year of transformation. A year of leaving behind our old selves, creating a newer version and taking a leap to create a legacy that will elevate the Company to greater heights. The new beginning, which I term as ZEE 4.0, will be the harbinger of enhanced consumer focus, further innovation in content creation, and leveraging technology to deliver a heightened entertainment experience to all our consumers across multiple consumption platforms.

The mantra at ZEE has always been to lead by example, and we have demonstrated that effectively through our success across markets and businesses. Every challenge we faced on this path was met with an equal determination to overcome and forge ahead. Though we cannot go back and alter our decisions, no one can stop us from creating a brand new future.

ZEE 4.0

I have shared my vision for ZEE 4.0 in my 'Open Letter', harboring a sharper, leaner and greener version of the Company. The five pillars of the new ZEE 4.0 or the 5G approach as I have termed it, will encompass a robust focus on – Governance, Granularity, Growth, Goodwill and Gusto. As a first step in this direction, the Board of the Company has been reconstituted with new members who bring in the required blend of experience and expertise. I am confident that a Board with majority independent directors will be instrumental in setting the standards for corporate governance going forward. We have also adopted a more granular and transparent approach for business reporting which will help all stakeholders make well-informed decisions. We will be rolling out detailed disclosures of business KPIs, segmental reporting, a refreshed Corporate Social Responsibility (CSR) policy, and measurable ESG goals, to achieve the same.

Over the years we have grown, vertically and horizontally, becoming one of the most loved content brands in India and around the world. Going forward, we will continue to maintain a sharp focus on growth as we invest our time and energy in maximizing our core, expanding into adjacent spaces and exploring new areas of business. We have initiated a strategy exercise within the Company to carve a 5-year roadmap, to transform the organization and its strategic approach with consumer centricity and profitable growth as the two cornerstones.

All our plans and strategies would not fructify unless we nurture our most important asset – our people. I truly believe that one does not build a business; but builds people who then build the business. ZEE is extremely fortunate to have a strong professional leadership team at the helm to drive this new strategy forward with renewed energy and gusto.

The unprecedented times brought upon by the COVID-19 pandemic are leaving us with a lot of food for thought. Businesses across the globe have suffered unprecedent losses and some are going through extremely difficult situations. We have been more fortunate, and I believe the primary reason for that has been our unrelenting focus on customer centricity. The speed and agility with which our teams adapted to the situation have been instrumental in maintaining business continuity and ensuring undisrupted entertainment to our viewers. We believe that in this rapidly evolving media & entertainment landscape, only the ones who adapt to change will survive in the future. These will be the companies which succeed in adapting themselves best to the environment while ensuring a strong hold on the pulse of their consumers and a keen eye on growth and profitability.

The year gone by

FY20 was a year of highs and lows for our business. While we reported a decline in our advertising revenue for only the second time in more than a decade, on the operating front we achieved new feats. Our broadcast business now has the widest language footprint in the country, making it a truly pan-India network for consumers. New Tariff Order upset the equilibrium in the distribution space with the slew of changes it introduced. However, the network not only withstood the challenges of the transition, it emerged much stronger post implementation, expanding its reach and revenue in most markets. ZEE5 took giant leaps towards becoming India's leading digital entertainment platform. Over a short period, ZEE5 has become the biggest producer of digital exclusive content in the country. It is also gradually strengthening its presence outside India, which will help us remain relevant in markets which are transitioning to digital. Zee Music Company continues to grow, and I am happy to report that it turned profitable last year, validating our decision to venture into music publishing business 5 years ago. Zee Studios fell short of our expectations for the in-house production business, but the distribution segment delivered a string of successful films.

Despite a decline in advertisement revenues, the topline of the Company grew by 2.5%. This domestic subscription led growth is a reflection of the increasing balance of our revenue portfolio. The macro-economic slowdown experienced last year, coupled with the fall in consumer demand led to a decline in advertising. In India, brands still look at advertising as a cost to be incurred in good times and not as a lever for building resilient consumer connect. As we move into an extremely cluttered world, we will see a gradual change towards a more holistic approach which has advertising as an integral part of the brand.

Meanwhile, our aim is to insulate the growth of the Company from the macro-economic cycles, as far as possible, by offering holistic solutions to our partners. Despite the slowdown, we continued to invest in growth opportunities which will enable us to grow ahead of the industry once the economy recovers. Continued investments coupled with the fall in advertisement revenue led to a decline in EBITDA margin to 27.5%. Next fiscal is also going to be challenging, as advertising revenue will decline further in the first half due to the impact of COVID-19. However, I believe that this phase is just a blip in India's long-term growth story, and the economy will bounce back with vigor once the impact of the pandemic subsides.

Our fight against COVID-19

The pandemic left many vulnerable to its harsh impact, and in such times, we focused on the need to come together and support each other. Acknowledging the work done by frontline workers, we stepped up our efforts in all directions to support the nation in strengthening its medical infrastructure, providing essential equipment like ambulances, personal protective equipment kits, oxygen humidifiers and daily meals to families affected by the pandemic. As a responsible player in the media & entertainment sector, we also ensured that the lives and livelihoods of the daily wage earners in our content production ecosystem were least impacted, by supporting them financially during the lockdown. The Company also used the massive reach of its network to increase awareness about the pandemic.

Vote of thanks

I would like to thank all the shareholders for their continuous trust in the Company. It is your undying faith that enables us to strive towards achieving greater heights, growing at a faster clip than the industry, and generate higher value year on year. I would also like to thank all our partners who

help us in creating content, ensuring its delivery to the consumers and most importantly monetizing it. And lastly, I would like to convey my gratitude to all our people, who relentlessly work towards turning our vision into reality. It is the confidence in their collective ability that enables me to say with conviction that we are on our way to successfully build a new version of ZEE.

Until then, celebrate endings, for they precede new beginnings. For us at ZEE, a new and exciting journey has just begun.

Sincerely,
Punit Goenka



ZEE 4.0, will be the harbinger of enhanced consumer focus, further innovation in content creation, and leveraging technology to deliver a heightened entertainment experience to all our consumers across multiple consumption platforms.

STRATEGY & BUSINESS MODEL

STRATEGY



Diversify and strengthen content offering

Creating engaging and entertaining content is critical for ZEE to succeed in its mission of becoming India's biggest entertainment content company. ZEE has been continuously expanding its content offerings across genres, languages and platforms to cater to the wide spectrum of audience segments in India.



Consumer focus

Consumers are the focal point of everything we do at ZEE. The varied cultural backgrounds and native languages of ZEE's audience make it imperative to have an in-depth understanding of consumer preferences. The Company is continuously trying to strengthen the bridge between consumer insights, content creation and content delivery process for a seamless consumer experience.



Increase reach

ZEE is committed to making its content accessible to consumers across platforms. The Company is continuously expanding its network of partnerships with content distributors, aggregators and device manufacturers to ensure the widest possible reach of its content, which also helps to serve advertisers better.



Build capabilities

Entertainment needs of consumers are continuously evolving, especially in today's rapidly changing landscape. To succeed in this environment requires constant capability building. The Company is focused on upskilling its workforce, investing in data analytics, and upgrading production facilities and IT infrastructure to deliver extraordinary entertainment experience to its consumers.

STRATEGIC ASSETS



Library

Intellectual Property rights of 250,000+ hours of content



Strong brand

Built over 27 years



People

Extraordinary Together

COMPETITIVE ADVANTAGES

01 Content creation capabilities

Our in-house expertise along with strong partnerships in the content creation, aggregation and distribution eco-system enable us to create and deliver engaging content at a competitive cost. This helps ZEEL to expand and strengthen its presence across media verticals.

We produce **~500 hours** of content every week

We produce original content in **12 languages**

We own the IP rights of all the content we produce

02 Synergies across businesses

We realize significant synergies, in both cost and revenue, due to our presence across markets and platforms. Content created for a market or a platform travels to another with little or no efforts, increasing its economic value. Our diverse presence not only allows us to manage the content creation and acquisition costs better but also enables cross-platform marketing.

All **35 channels** in International markets run on content produced for our Indian channels

Digital platform hosts content from Broadcast, Movies, Music and Live Businesses

03 Reach

Our businesses cover the entire spectrum of consumers' entertainment needs across formats, geographies and platforms. This enables us to reach almost every consumer of entertainment content in India and one in ten in rest of the world. This strong reach makes us the default partner for brand building as well as the preferred partner for content creators.

600mn+ individuals reached in India every week

Presence in over **170 countries**

3,000+ brands connect with their consumers through our network in India

REVENUE STREAMS

01 Advertising

It is an important revenue stream for our broadcast and digital businesses. Advertising revenue is primarily driven by reach and viewership of our content. Consumer staples, consumer durables, telecom, auto and e-commerce are our key advertisers.

02 Subscription

Broadcast and digital businesses generate subscription revenue. Our content reaches through distribution partners such as DTH and cable companies in case of our broadcast business. In digital, subscription revenue comes directly from consumers or through our partnerships with telecom operators and other players in the digital eco-system.

03 Syndication

This primarily relates to licensing of our content (shows, movies etc.) in the international markets or to other broadcasters and OTTs in India.

04 Theatrical

Revenue from the theatrical release of the movies produced by us.

05 Music licensing

Revenue from the licensing of our music catalogue to music streaming platforms and from any other events/platforms where our music titles are utilized.

06 Others

Movie distribution:

Revenues earned from distribution of movies.

Ticketing and Sponsorships:

Revenues from on-ground events, live shows and theatre.

CREATING VALUE



For audiences

By providing engaging, inspirational and uplifting content to audience's satisfaction.



For advertisers

We offer brand building solutions for our advertisers to reach their consumers through multiple touch-points.



For distribution partners

Our content is an integral part of offering of our distribution partners – cable, DTH and telecom operators.



For talent

Our network provides unparalleled reach to our content partners. We are also instrumental in continuously bringing new talent to the industry.



For shareholders

Through a track record of consistent financial performance.



For our people

By providing enriching experience at the work place, work life balance, adequate learning and growth opportunities.

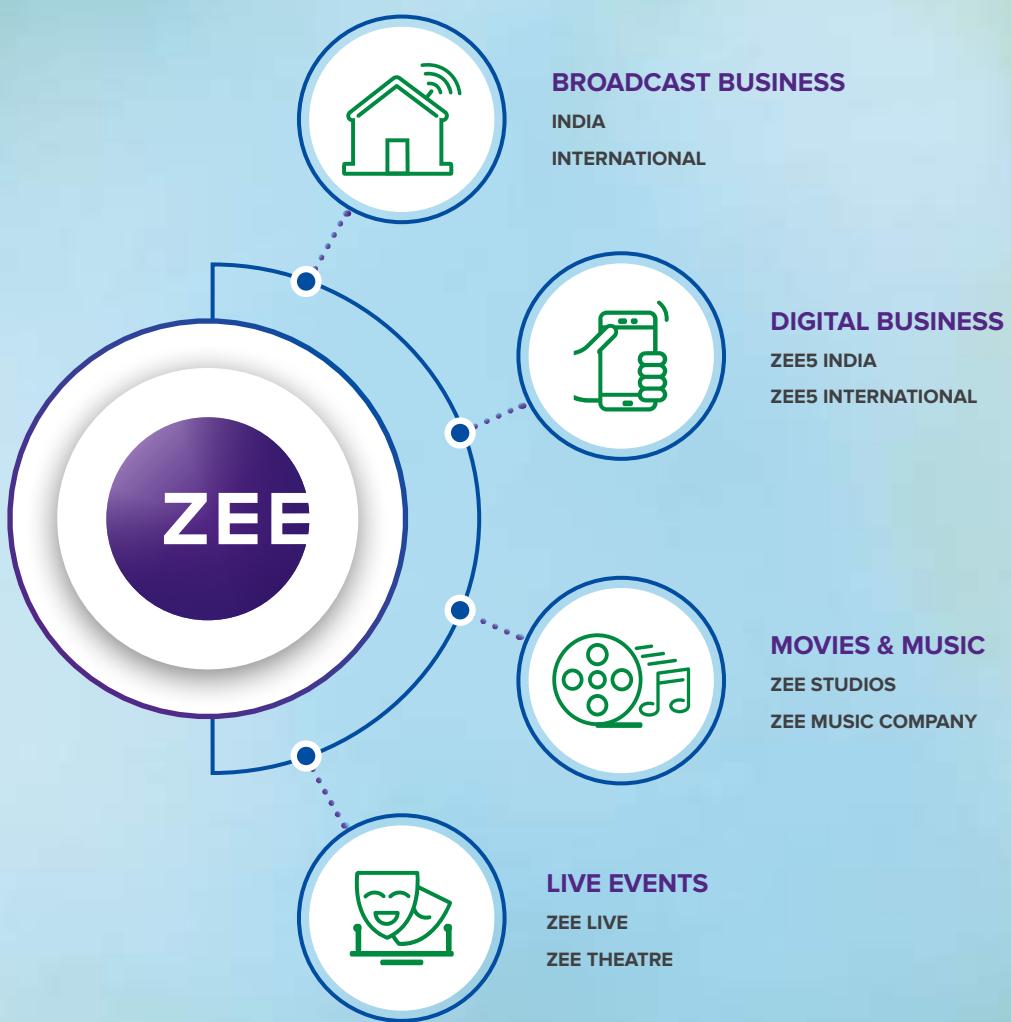


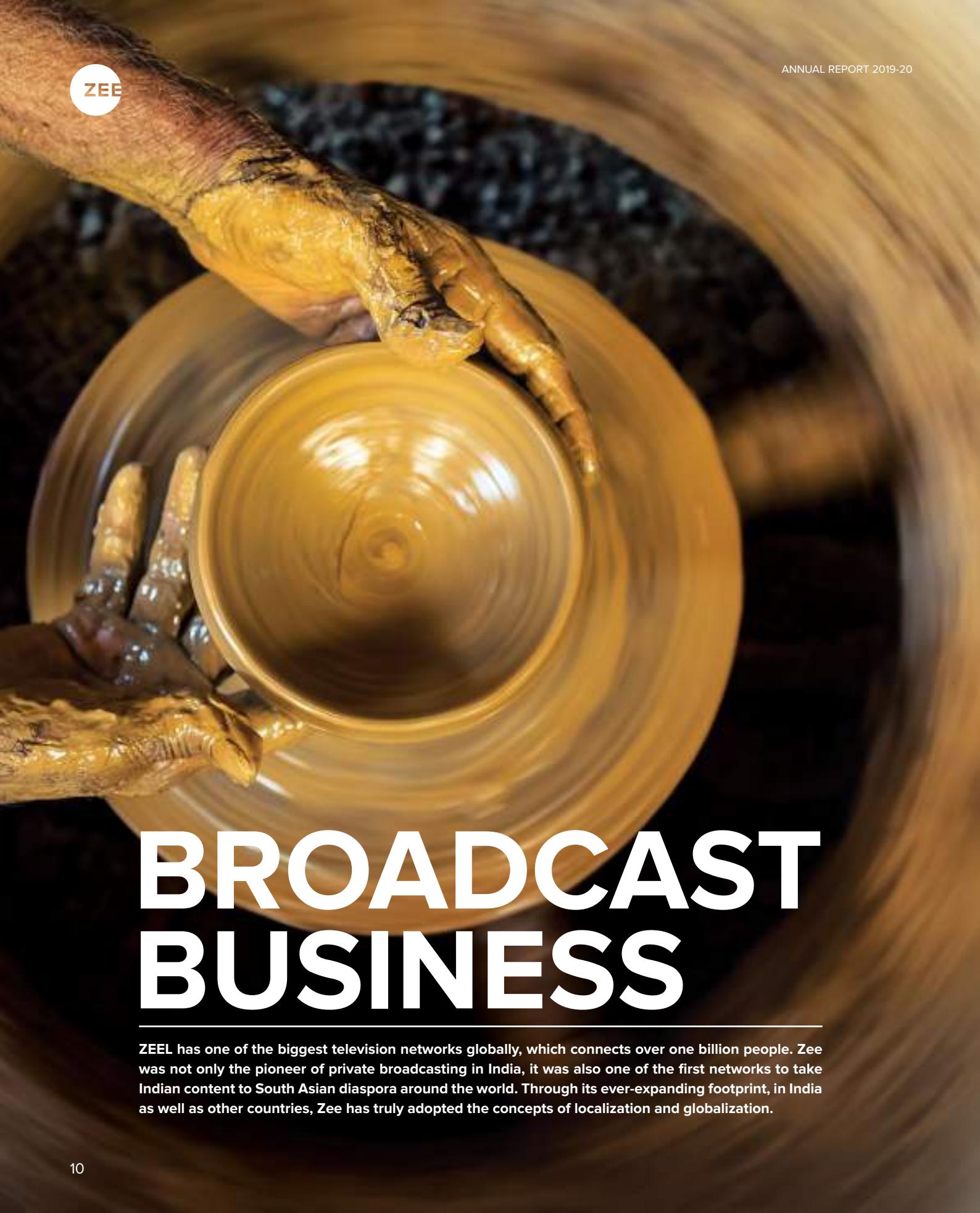
BUSINESS OVERVIEW

At ZEEL, consumer is the focal point of decision making. An insatiable desire for 'consumer delight' has been the driving force behind its rise as India's leading entertainment content company. In order to serve a continuously evolving audience base, the Company has been on a constant transformation journey. It has not only expanded its presence in new language markets, it has ensured that its content is available to consumers on platforms of their choice. It has also added capabilities to integrate user feedback into output to improve user experience. Over the last 27 years, it has continuously strived to enhance its understanding of consumer to create quality content that engages them.

Zee has been entertaining its viewers by showcasing stories set in varied cultural backdrops and it relentlessly endeavours to improve its comprehension of the socio-cultural nuances that separate different sets of audiences. It is this understanding that enables it to successfully create same stories in different cultural contexts. On the other hand, OTT and social media platforms have brought Zee closer to consumer, for collecting their feedback as well as content delivery. It is enhancing its capabilities in the digital space to give its users a seamless 360° experience.







BROADCAST BUSINESS

ZEEL has one of the biggest television networks globally, which connects over one billion people. Zee was not only the pioneer of private broadcasting in India, it was also one of the first networks to take Indian content to South Asian diaspora around the world. Through its ever-expanding footprint, in India as well as other countries, Zee has truly adopted the concepts of localization and globalization.

DOMESTIC BROADCAST BUSINESS

ZEEL's television network reaches around 600mn consumers in India on a weekly basis and engages them with a high-quality programming mix of engrossing fiction shows, exciting reality show formats, popular movies, and curated licensed content. As India's oldest home-grown entertainment network, Zee's domestic broadcast business has been continuously expanding its reach and depth to serve consumers across the country. Over the years, the network has not only entered new markets, it has led content innovations which have captured the imagination of Indian audiences. With consumers at the core of the decision-making process, the business has always focussed on meeting diverse audience needs. To understand consumers better and establish a deeper connection with them, Zee has continuously adopted new initiatives for consumer insights and outreach. In its quest to serve viewers better, the network has been working relentlessly to understand the socio-cultural nuances that differentiate consumers across the country and incorporate these learnings in the content that is crafted for different sets of audiences. The business engages in meaningful interactions with viewers through round the year consumer-connect initiatives, which help improving its understanding of consumers. This approach has enabled Zee to successfully evolve from a single channel broadcaster to a pan-India network of 46 channels.

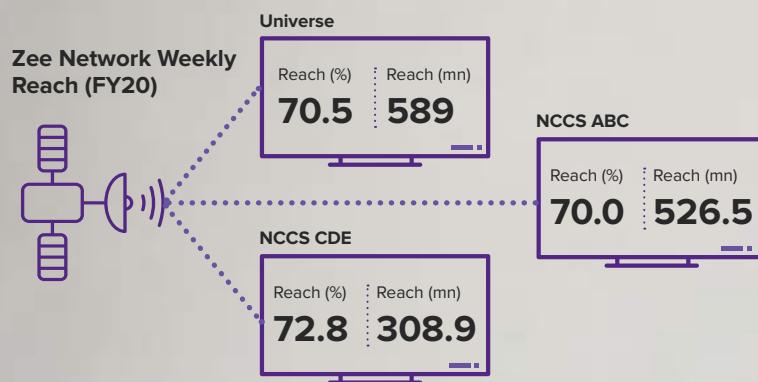
India's widest TV entertainment network – presence in 11 languages make it truly pan-India network

With the launch of 4 regional channels, Zee now has presence in 11 languages, making it the widest language footprint private network in the country. Zee is the first private broadcaster to foray into Punjabi and Bhojpuri markets, highlighting the lead role the business has played in the development of regional markets over the years.



India's highest reach entertainment network

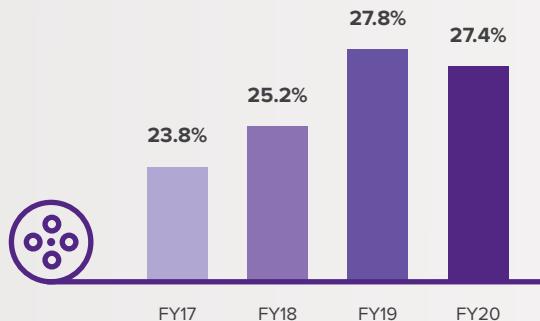
7 out of 10 total TV consumers in India access Zee's content every week, which makes it the entertainment network with the highest reach in the country. Zee's diverse content offering draws ~350mn consumers to its network daily, giving advertisers an unparalleled reach.



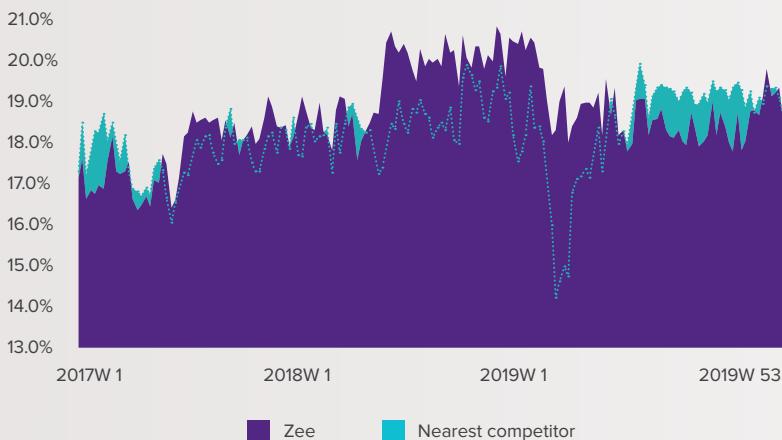


Strengthening presence and viewership in the movie genre

With 20 channels across 8 languages, Zee has one of the biggest portfolios of movie channels in the country, backed by an expansive multi-lingual movie library. Zee's portfolio of movie channels leads in the Hindi and Marathi markets. In the Bengali, Telugu and Bhojpuri speaking markets, its channels are ranked second. The recently launched movie channels in Tamil and Kannada markets have started on a strong footing and would gradually strengthen their viewership shares.



Source: BARC, All India share in pay movie channels across languages

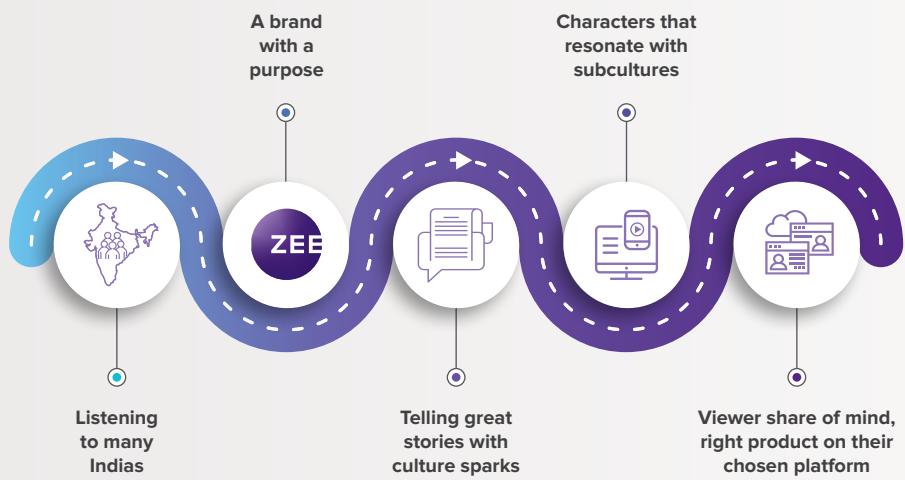


India's #1 entertainment network

Zee has consistently been India's #1 entertainment network, briefly losing the position after the merger of two of its peers last year. However, the network ended the year on a strong note, reclaiming the leadership position in the last two months of FY20. With the launch of new channels in FY20, it is expected that Zee would further strengthen the leadership position.

Soul to screen

In a dramatically changing consumer and content landscape, understanding the pulse of the consumer and translating it into content regularly is critical for success. The business is on a journey to instill obsessive consumer focus to build this competitive advantage. 200+ employees spent 2500+ hours across 28 socio-cultural regions last year to understand the nuances that differentiate the many Bharats that exist within India, and bring back actionable insights to create compelling stories and memorable characters. Our teams go through customized training programs to become consumer evangelists and have deeper conversations with the viewers. There is a constant endeavor to become native to the viewers' complex and intriguing worlds, and bring out stories that connect with their souls.



INTERNATIONAL BROADCAST BUSINESS

ZEEL's International Broadcast Business leverages the content library of the parent network to serve Indian and South Asian diaspora around the world. ZEEL was the first Indian M&E company to start overseas operations and over the years has added linear operations across more than 170 countries. The network has a mix of channels that mirror India feed as well as channels that curate content specifically for some of the markets. It also has a bouquet of channels in foreign languages with dubbed content which helps taking popular Indian shows and movies to local audience in their native languages. While the International business mostly relies on the rich Indian content library, it also produces content locally in some of the markets which helps create a stronger connect with consumers.



AMERICA



EUROPE



APAC

5 Channels



MENA

4 Channels



AFRICA

4 Channels

9 Dedicated non-Indian language channels offering content to audiences in their local languages



35 channels in international markets

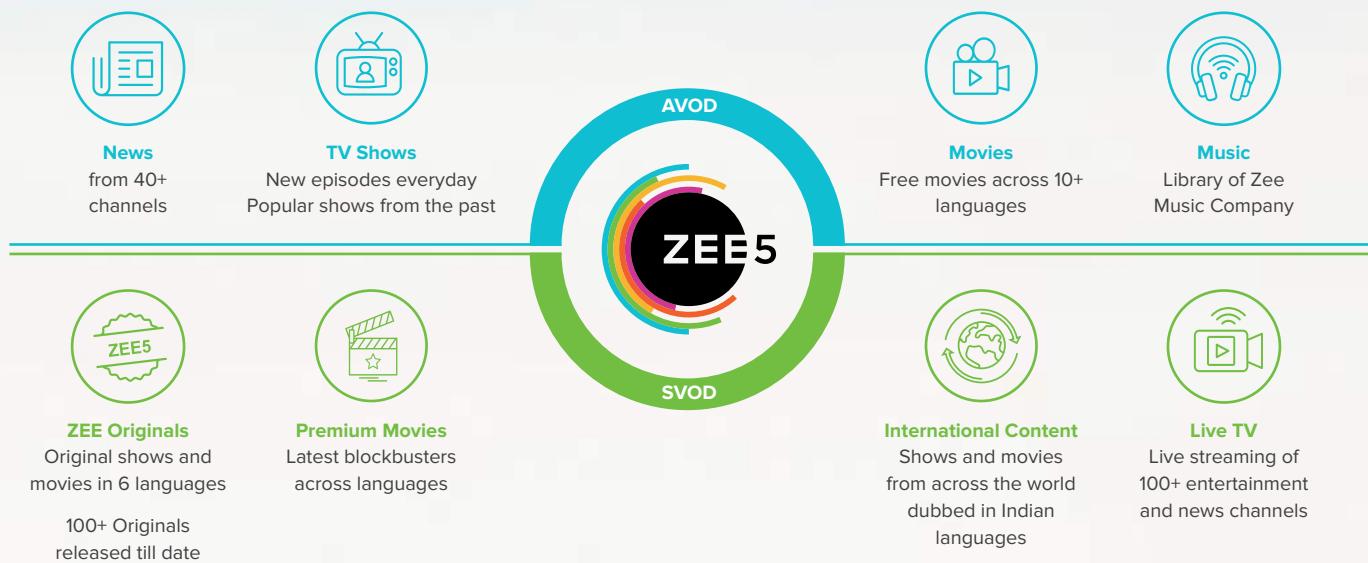
Content available in **8** non-Indian languages

DIGITAL

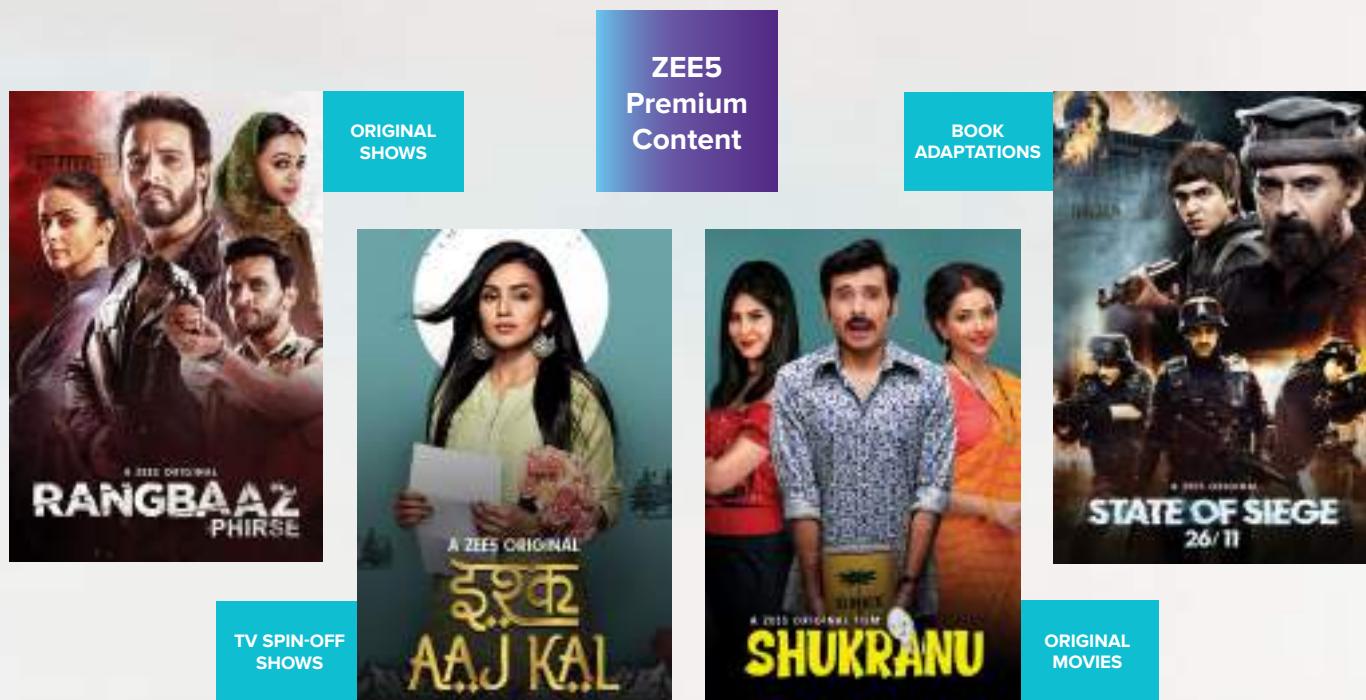
ZEE5 aims to become the number one OTT entertainment platform in the country by serving diverse consumer segments with varied content tastes, platform requirements, and paying propensities. To accomplish this, ZEE5 has identified content, technology and partnerships as the three pillars for success. True to the parent company's philosophy of creating engaging content, ZEE5's 360° content catalogue offers content for every audience segment. Within just two years of launch, the platform has released more than 100 Original shows and movies for consumers looking for differentiated content. As the biggest producer of digital content in the country, ZEE5 has continuously experimented with new genres. ZEE5's multi-lingual movie library, live TV and catch-up content, music videos, kids' entertainment and education content make it a one-stop entertainment destination for Indian consumers. It also relies on partnerships and robust technology to make ZEE5 available on multiple platforms and provide consumers a seamless experience. Interface in 10+ languages and voice search was designed specifically for Indian consumers. ZEE5 has partnerships with multiple players in the digital eco-system like telecom operators, e-commerce companies, travel and hospitality players, and e-wallets, which enable ease of access and payment for the consumers. ZEE5 is continuously working to expand its content offering and improving the user experience which will enable it to strengthen its consumer proposition.

To capture the growing digital content consumption opportunity outside India, ZEE5 is ramping up its presence across geographies. It is strengthening ZEEL's presence in markets where digital is emerging as the primary medium for consuming content and will help establish additional point of connect with consumers in others. Having tasted early success in APAC and Middle-East markets, ZEE5 is ramping up its presence in western geographies.

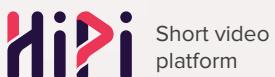
CONTENT FOR EVERYONE



DIVERSE ORIGINAL CONTENT ACROSS GENRES



NEW USE CASES



Exclusive licensed kids content



Premium educational content



Hyper-casual gaming

ZEE5 EXPANDING IN INTERNATIONAL MARKETS

APAC



EUROPE



UK



CANADA



Following entry in APAC region, ZEE5 was commercially launched in Middle East, UK, Europe and Canada during the year. ZEE5's international expansion is seeing initial signs of success in the APAC and MENA regions which has close affinity to Indian content. A mix of high-decibel marketing campaigns along with partnerships with local telecom operators in key target markets like Bangladesh, Sri Lanka, UAE, among others is helping increase the platform's reach. Additionally, to tap into the existing demand for Indian content in several markets, it also soft-launched dubbed content in 5 international languages.

MOVIES & MUSIC



#3 movie studio in India in terms of box-office collections

14 movies released in 5 languages

22 movies released in international markets



ZEE STUDIOS

Zee Studios is the content production and distribution arm of ZEEL. It is focused on production, acquisition and distribution of films across languages, genres, and budgets. Zee Studios also creates TV and digital content for Zee and other platforms. Launched as a film distribution company, Zee Studios has established a strong presence in the movie production business over the last few years. In the Marathi language market, where it began operations, the studio has delivered some of the most popular movies over the last decade. In Hindi market, it has established a strong presence with a string of successful movies

over the last few years. Zee Studios also produces and distributes movies in regional languages and international territories. The studio leverages the cross-platform strengths and institutional learnings of the parent network for conceptualizing and marketing of movies. Zee Studios is working to strengthen its position as a credible player in the movie production space with a strong pipeline of in-house and co-production projects. This would also help it become the preferred partner for the best talent in the industry. Zee Studios is also strategically important for ZEEL as it helps to secure satellite, digital and music rights of movies.



Detailed business review on page 41





2nd most subscribed Indian music channel on YouTube

Pan-India music label with presence across 10+ languages

29.6 billion video views on YouTube, growth of ~45% YoY



Detailed business review on page 42

LIVE BUSINESS



Zee LIVE is the Company's offering for consumers in the live events space. Zee LIVE is focussed on creating IPs and experiences in music, comedy, cultural, food, education, and gaming genres. Zee LIVE aims to collaborate with global producers to bring iconic live entertainment experiences home and take its homegrown properties overseas. A young player in the live events space, Zee LIVE is experimenting with different formats to establish a competitive position. It plans to create host of properties targeted at audience of diverse interests and across various age groups. Zee LIVE is also working on creating digital IPs which will enable a wider reach. Some of the flagship IPs of Zee LIVE include Arth, Supermoon, and ZEE Educare. Zee LIVE also has a branded original content division focused on client owned consumer properties.

Supermoon Comedy, 6 city-tour featuring Russel Peters



Supermoon Music, 11 city-tour featuring Prateek Kuhad



Detailed business review on page 43

BOARD OF DIRECTORS



Subhash Chandra
Chairman Emeritus

Mr. Subhash Chandra is an educationist, philanthropist and a parliamentarian (Member of Rajya Sabha). Rightly referred as 'The Father of Indian Television', Shri Chandra's pioneering vision has gifted India, not just its first private satellite television company but an entire industry in itself. ZEE now caters to over 1.3 billion viewers from 173 countries in more than 19 languages. As the Chairman of Ekal Global, which works for the under-privileged children, especially in the tribal areas, he has enabled 86,000 schools in 22 Indian states and in Nepal, educating over 2.3 Mn children and is working towards rural development in as many villages. Shri Chandra has been contributing towards society in association with various NGOs including TALEEM Foundation, Ekal Vidyalaya, Global Vipassana Foundation, Global Foundation for Civilisation Harmony and Subhash Chandra Foundation. For his contributions to the industry, Shri Chandra was awarded the 2011 International Emmy Directorate Award at the 39th International Emmy Awards in New York. He became the first Indian ever to receive a Directorate Award recognizing excellence in television programming outside the United States.



R Gopalan
Chairman

Mr. R. Gopalan, who holds Masters in Public Administration & Management from Harvard University, MA in Economics from Boston University and Bachelor degree in Chemistry from Madras University, has a rich experience in economic and financial administration of the country with long stints in Ministry of Commerce and Finance Ministry, and in Manufacturing and Services Sectors. As an Officer of Indian Administrative Service (IAS), Mr. Gopalan held various responsible positions including inter alia, Member of Public Enterprises Selection Board, Secretary - Department of Economic affairs, Secretary - Department of Financial Services, CMD Tamil Nadu Newsprints and Papers Limited, MD Tidel Parks Limited, MD Tamil Nadu Agro Industries Corporation Limited, Director Department of Chemicals & Petrochemicals etc. During his career spanning 36 years, Mr. Gopalan gained rich experience in establishing and managing venture capital funds; heading industrial undertakings, managing infrastructure financing, Managing Financial Institutions, Creating Institutions & Corporates, negotiating for India in multilateral trade negotiations and formulating policies for the country in finance, trade and economy.

C1



Ashok Kurien
Non-Executive Director

Mr. Ashok Kurien has been in the business of building brands for over 35 years now, particularly in the fields of Media, Marketing and Communications. An early bird, he has a keen eye of driving start-ups in emerging businesses, helping in guiding them to size and scale. He is associated with a startup manufacturing Face Masks, Water Filters (without electricity) and Menstrual Hygiene - he has co-invented 'Saafkins', the ideal solution for the billion women who can't afford sanitary napkins, making it affordable and reusable, all this for the poor and the marginalised. Mr. Kurien is one of the founder-promoters of ZEE. He is also founder and promoter of various business ventures including Ambience Advertising (now Publicis India), Hanmer & Partners - one of India's top-3 PR agencies.

C1

C2

C3

C5



Alicia Yi
Independent Director

Ms. Alicia Yi is B.A. in Economics from the Northwestern University, Evanston, Illinois and has completed her Executive Education, YPO Presidents Program, from Harvard Business School. Ms. Alicia Yi has held a series of leadership roles working with top tier industry executives across consumer goods, retail, hospitality, travel, leisure, consumer health, media and entertainment. Currently, she is the Vice Chair of Korn Ferry's Global Consumer Market based in Singapore. She is also a member of the Board & CEO Services Practice, Human Resources Practice and Private Equity Practice. She regularly serves as a trusted advisor to boards in building and developing high performing leadership teams and CEO succession. As a champion of diversity and inclusion, she helps companies in strengthening leadership at the executive and Board levels. She is on the Advisory Board for Women's Forum for the Economy and is an active member of the Young President Organization (YPO), Global Learning Committee, Global Taskforce of Champion Lifecycle, Singapore Chapter Chair and Singapore Chapter Learning Officer.

C2

Committee Chairmanship

Committee Membership



Manish Chokhani
Independent Director

A Chartered Accountant and MBA from the London Business School, Mr. Manish Chokhani is one of India's most respected financial experts and investors. From 2006 to 2011, he was the CEO of Enam Securities, India's leading investment bank. He led its \$400 million merger with Axis Bank in 2011 to create Axis Capital Ltd, which he led as MD & CEO until the end of 2013. From 2014 to 2016, he served as Chairman of TPG Growth in India and from 2017 to 2019 as Senior Advisor to TPG Group, one of the world's largest PE firms. He currently serves as independent director on boards that include Westlife Development (McDonalds), Shoppers Stop, Auxilo Finserve Pvt Ltd among others. He also serves on the Governing Board of Flame University. Mr. Chokhani is a member of the Young Presidents' Organization. He has served as a member of SEBI's Alternative Investment Promotion Advisory Committee and also as Co-Chairman of the Capital Markets Committee at the IMC. He has been a visiting faculty member at IIM Kozhikode and has served on the International Alumni Board and scholarship panels of the London Business School.

C1 C2 C4

Board Committees



Adesh Kumar Gupta
Independent Director

Mr. Adesh Kumar Gupta is a Chartered Accountant, Company Secretary and AMP from Harvard. He is a professional with rich experience of over 40 years in Corporate Strategy, M&A, Business restructuring, Fund raising, Taxation etc. During his distinguished career of over 3 decades in Aditya Birla Group, Mr. Adesh Gupta held various senior positions (including Board positions) in companies in various fields including Indian Rayon, Birla Global Finance, Aditya Birla Nuvo Ltd and Grasim Industries Ltd. Post his retirement as Whole-Time Director & CFO of Grasim Industries Ltd., Mr. Adesh Gupta is working as an insolvency professional and is currently serving on the board of various companies including Care Ratings Ltd, Vinati Organics Ltd. Mr. Adesh Gupta was awarded the Best CFO award by ICAI, IMA and Business Today. He has also represented FICCI as a Member of NACAS (National Accounting and Auditing Standards) which was instrumental in setting up Accounting Standards in India.

C1 C4

C1- Audit Committee

C2- Nomination & Remuneration Committee



Piyush Pandey
Independent Director

Mr. Piyush Pandey is MA from St. Stephens College, Delhi and a Post Graduate in History from University of Delhi. He has a rich experience of over 37 years in the field of advertising. He is the Executive Chairman of Ogilvy India and the Chief Creative Officer of Ogilvy Worldwide. He is the only Indian to have won three Grand Prizes at the London International Advertising Awards. He was awarded the Clio Lifetime Achievement Award in 2012 and the Lion of St. Mark at the Cannes International Festival of Creativity in 2018, the first Asian to be given this recognition. In 2016, he was awarded the Padma Shri in recognition of his distinguished service in the field of Advertising and Communication, the first Indian to be awarded in this field. He also published his first book 'Pandeymonium' in 2015. Mr. Pandey has been a brand ambassador for Indian advertising at many international/Indian forums and was also a mentor at the Berlin School of Creative Leadership. His work has won over 1,000 awards at both national and international levels. Mr. Pandey also serves on the Boards of various companies including D B Corp Ltd. and Pidilite Industries Ltd. among others.

C2 C3 C5

C3- Corporate Social Responsibility Committee

C4- Risk Management Committee



Punit Goenka
Managing Director & CEO

As the MD and CEO of ZEE, Mr. Goenka has been extremely successful in enhancing the company's performance and in driving the company towards its set goals. His futuristic vision and sharp acumen in the new media domain, has led the company to a global stature today. He is also responsible for expanding the company's international presence across 173 countries, and its reach to over 1.3 billion viewers. Mr. Goenka was also listed amongst the top 100 CEOs of India in a study published by Business Today. He was conferred the 'Outstanding Contribution to Media' award at the Managing India Awards hosted by AIMA and bagged the prestigious IAA Leadership Award under the category of Media Person of the Year Award. He has also been awarded the esteemed Medaille d'Honneur Award at MIPTV. He plays an active role in shaping the future of the M&E industry as the President of IAA India Chapter and the Chairman of BARC India. He also serves as a Board of Director for the Indian Broadcasting Foundation (IBF).

C3 C4 C5

C5- Stake Holders Relationship Committee

Q & A

Rohit Gupta

CFO

Could you please explain the reasons for decline in advertising revenues during FY20? What is the outlook for FY21 amid the pandemic?

Advertising revenues for the year declined by 7% largely due to the macro-economic slowdown, fall in FTA revenue and loss of viewership in certain markets. Private consumption growth in the country was tepid during FY20 which forced marketers to reduce their advertising spends. Additionally, in March 2019 we had converted two of our popular FTA channels to pay and pulled them out from DD FreeDish. This had a significant impact on their viewership and affected the revenue of the network.

COVID-19 further impacted the economy which was already on a slowdown path. During the lockdown, advertisers reduced their spends significantly and a few completely stopped advertising. Lack of original content aggravated the situation. With the wheels of economy back in motion and resumption of fresh content on our channels, we are seeing advertisers coming back and increasing their spends. However, we are still far from complete recovery. We believe that the festive season will see brands come back with full force and by the end of this fiscal the ad growth could return to its normal trajectory. Our estimate is that the advertising revenue for the entertainment industry could decline by 25-30% during FY21.

What led to the strong growth in ZEEL's subscription revenues? Do you expect this growth to continue?

During FY20, domestic subscription revenues witnessed a growth of 33% led by better monetization of TV viewership after implementation of NTO and growth in ZEE5's subscriber base. Over the past decade, the viewership share of our television network has

almost doubled from 11% to ~19%. However, our subscription revenue did not grow commensurately over the same period due to legacy pricing. The implementation of NTO gave flexibility to consumers to choose and pay for content they want, and it allowed broadcasters to decide the pricing of their content. NTO has given the Company an opportunity to monetize these strong viewership gains, especially in the Southern markets. This resulted in industry leading growth in subscription revenues for ZEEL during the year. The offtake of our channels under the new regime is a testament to the strength of our content offering to the end consumers. Additionally, ZEE5 subscription revenue grew on the back of 80+ original shows/movies released during the year and partnerships with players across the digital eco-system. After a step jump in FY20 and due to uncertainty relating to implementation of NTO 2.0, television subscription revenue growth will moderate this year. However, ZEE5 subscription revenue should scale up faster as it continues its investments in original content and further expands the partnership network.

Could you explain the provisions and one-offs during the year which has impacted the P&L?

During the year we have taken provisions, accelerated amortization and impairment in some of the balance sheet items. This is primarily due to the COVID-19 pandemic and the changed business environment. There are four such one-offs and exceptional items, of which the first two impacted the EBITDA. One, we have taken an accelerated content amortization charge of ₹ 2.6bn in the profit and loss account under operating costs. Two, an amount of ₹ 3.4bn, including ₹ 1.2bn from a related party distributor, has been provided for the balances related to advertisement, subscription and other receivables where recovery has become doubtful due to uncertainty caused by COVID-19. Three, we have taken a loss of ₹ 3.8bn in overseas investments in accordance with IND-AS 113 to reflect the movement in fair value of these investments as on 31st March. During



the year, the Company had decided to sell these investments and appointed a consultant to identify a buyer for the same. While these investments were deployed in high yield assets, due to the impact of the pandemic, the value of the underlying assets declined significantly and potentially delayed the disposal and realization of the investments. Four, ₹ 2.8bn was recognized as exceptional items during the year. Of this ₹ 1.1bn was on account of goodwill write-off in acquired digital businesses and the balance ₹ 1.7bn was due to delay in recovery of Inter-Corporate Deposits.

How would you rate the Company's financial performance during the year?

Despite the macro-economic headwinds faced by the industry, the operating performance of the Company was resilient. Our continuous focus on creating quality content for consumers and reaching out to them across platforms has held us in good stead. Our consolidated revenues grew by 2.5% to ₹ 81.3bn despite a 7% decline in advertising revenue. FY20 was a phenomenal year on the subscription front. 33% growth in domestic subscription revenues is a testimony to the strength of the network we have built over the years. During the year, our cost base was elevated due to higher content investments in digital as well as broadcast businesses. The operating cost to revenue ratio also went up due to a subdued revenue growth. However, I believe that this should normalize next fiscal (FY22). Excluding one-offs, EBITDA and EBITDA margin for the year stood at ₹ 22.4bn and 27.5%, respectively.

What is the outlook on business profitability given the slowdown due to pandemic?

We are living in unprecedented times and the pandemic has led to a lot of uncertainty across businesses. While the viewership is witnessing a significant spike on both TV and digital platforms, ad monetization has gone down sharply. In the first quarter, lockdown and absence of fresh content led to a sharp decline in advertising revenue. Though things are improving sequentially, the loss of revenue in the first half will lead to de-growth in the advertising revenue for the year. On the cost front, we have initiated a company-wide exercise to relook at every cost item, across businesses and functions, resorting to zero-based

budgeting. That said, we are cognizant of the competitive intensity in our key businesses and are committed to make necessary investments to build and retain viewership. The cost optimization measures undertaken will only partially offset the decline in revenues, and the margins for the year will be impacted. Our endeavor remains to quickly revert to the historical margin profile of the Company.

Could you explain why there is a sharp increase in working capital? What is the outlook on key balance sheet items for FY21?

The increase in working capital is primarily attributable to our movie strategy across key businesses – television, digital and international. As indicated over the past three years, movie genre is an important piece in our television portfolio across languages. Our existing movie channels continue to strengthen their viewership and revenue shares. We have also filled the white spaces in our portfolio by launching three regional movie channels in FY20. On the digital front, movies are a critical driver for customer acquisition and retention, helping expand the paid subscriber base. The accrual of revenues from these investments has already started and will benefit the company in the coming years. The increase in inventory is also led by acquisition of movie rights from content aggregators who were paid advances during the previous year. The increase in receivables has been led by delay in payments from few distribution partners. ZEEL has received payment plans from two strategic distributors who are facing some specific issues and is collecting the same as per plans submitted. Higher receivables are also due to the lockdown towards the end of the year, leading to challenges in collection. That said, peak investments in inventory is behind us and the working capital intensity will start reducing from FY21 itself, and the company will witness improvement in cash generation. Our endeavor is to improve cash generation to the best standards in the industry.

What is the outlook for investment in digital and other new businesses?

The new businesses – digital, movies and music, live events – are scaling up well and headed in the planned direction. ZEE5 continues to release higher number of original shows and movies than any other OTT platform

in the country. It is also developing new use cases like short-videos which will enable it to grow faster. We are clear that we want to invest in content, technology and marketing for ZEE5 which will help it to become the leading OTT platform in the country. During the year, we also announced plans to scale-up the other digital business, SugarBox (Margo Technologies). However, due to COVID-19, the investment timelines have shifted, and we will get more clarity on the same towards the end of FY21. Zee Studios is strengthening its pipeline of in-house production projects while also venturing into producing content for digital platforms. As this business largely works on a rolling working capital basis, we don't see a need for significant incremental investments. After aggressively acquiring titles over the last five years, Zee Music Company is past its investment phase. Zee LIVE's FY21 plans have been impacted by the global pandemic situation and it is experimenting with digital-first properties. In the broadcast business, our portfolio is near-complete after the launch of 4 regional channels during the year and incremental investments would be limited.



LEADING WITH PEOPLE



ZEEL's people strategy is founded on three pillars – creating an organizational context that inspires employees to do their best, enhancing organization effectiveness through capability building, and improving the employer brand. These three pillars, derived from the strategic planning exercise for the human resource function conducted in FY19, are critical to achieve the broader strategic plan of the Company. At ZEEL, all the people initiatives are focused on strengthening one or more of these pillars that help the Company to become an employer of choice and in turn enable it to hire and retain the best talent from the industry.

CREATING AN ORGANIZATIONAL CONTEXT

Creating an organizational context is imperative to align employees with company's vision and mission while deploying progressive systems, policies and processes. It allows to establish a common framework of success for the employee and the organisation. In this context, the performance management system of the organisation is geared to maximize the growth of the company while providing satisfying career progression opportunities to its employees. To keep the workforce motivated continuously, a round-the-year engagement calendar was

launched which had a different theme for each month and activities planned around it. These activities saw active employee participation. With a view to providing employees with a personalized experience throughout their tenure, a cloud based HCM (Human Capital Management) solution – SAP SuccessFactors, was rolled-out. It is a crucial tool to effectively manage business alignment, recruitment, performance and learning activities for the employees and addresses all their requirements with a one-stop portal.



CAPABILITY DEVELOPMENT

ZEEL's significant investments in capability development of its people is a testimony to the impetus it lays on creating an organization culture which has people at its core. In the wake of the current global disruption, it becomes even more critical to equip employees with the necessary skills in order to make a tangible business impact. With this in mind, the Company

substantively increased the coverage and quantum of learning initiatives during FY20. ZEEL is working towards fulfilling its commitment of building a fit-for-future organisation by nurturing future-ready leaders. During the year it launched EMBARK – a learning program for developing people managers in the organization. It is the largest learning and development

program for frontline managers in the Media & Entertainment industry, delivered in partnership with KPMG Learning Academy. With the new thrust on digital interventions, which has been further accelerated by the COVID pandemic situation, we have moved most of our training programmes online. We continue to partner with learning avenues such as Coursera to provide a fruitful learning environment for our employees. In order to enable ZEEL to evolve as per the rapidly changing business needs, a systematic transition from unidimensional interventions to a more flexible and agile approach to learning has been planned in the next fiscal.



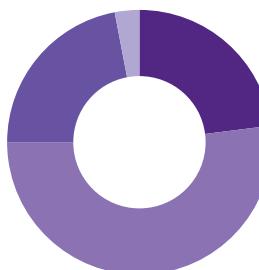
EMPLOYER BRAND

ZEEL continuously strives to be one of the best companies to work for in the M&E industry. It has been recognized as a Great Place to Work for 3 consecutive years by the GPTW Institute. As per the Culture Audit conducted by GPTW, ZEEL has been recognised as an organization with a significantly positive employee perception as a result of the robust practices that have been implemented effectively. Zee was the only M&E brand to feature in the Top 25 most valuable Indian brands list in the study conducted by BrandZ™ in 2019.

COVID RESPONSE TO ENSURE PEOPLE SAFETY AND BUSINESS CONTINUITY

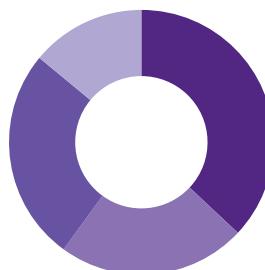
As safety of people is paramount, ZEEL responded with a swift plan that ensured business continuity along with employee safety. Multiple advisories for taking precautions, improved sanitisation measures in offices, monitoring of international and domestic travel, and commencement of work from home plan before the announcement of lockdown highlighted Company's proactive approach to fighting the pandemic. Post lockdown, roles that required working out of office premises

were identified and a roster was prepared, with backup to ensure uninterrupted business operations. Regular thermal checks, sanitisation of office premises at repeated intervals and social distancing measures ensured that all necessary operations were carried out without any risk to the health of our people. Access to all critical business applications ensured 24x7 support for WFH with zero compromise on data and content security.



AGE GROUP

23%	Below 30 years
52%	Between 30-40 years
22%	Between 40-50 years
3%	Above 50 years



TENURE

31%	0-2 years	32%	2-5 years
23%	5-10 years	14%	>10 years

COMMUNITY OUTREACH

#Zeefightscovid19 Campaign

As the country was fighting against the COVID-19 pandemic, ZEEL initiated #ZEELFightsCovid19 campaign to help state governments and citizens with critical healthcare interventions across 12 cities. The Company flagged-off the healthcare infrastructure initiatives of the campaign with Mumbai, by donating 46 Ambulances and 50 High Flow Heated Respiratory Humidifiers to the

city's municipal corporation, BMC. In addition, a Dedicated Covid Healthcare Centre (DCHC) for frontline workers is being constructed by ZEEL in the Thane Municipality. The Company donated a total of 246 Ambulances, 95 oxygen humidifiers, 46,500 PPE kits and 5,000 sanitizers, face masks, plastic face shields each, across the nation. ZEEL also led the broadcasting industry's

initiative to support the daily wage earners by offering financial support during the lockdown phase to 5,000 workers, who were associated with the Company directly or indirectly in the content production eco-system. ZEEL also partnered with Akshaya Patra Foundation to provide 600,000 daily meals to 10,000 migrants across the nation for a month. ZEEL's employees also came forward to collaborate in these efforts and collectively donated ₹ 9.3 mn to the PM-CARES fund, and a matching contribution was made by the Company. The Company also used the collective strength of all its consumer touchpoints, including its television channels, digital and social media platforms to spread awareness about combating the pandemic via campaigns like #HumAndarCoronaBajar and #PhirSeHogaSavera. ZEEL implemented a first of its kind initiative titled as #BreakTheCoronaOutbreak, where viewers were encouraged to wash their hands during the special 30 seconds break introduced on its 40+ channels throughout the day.



#MAINBHIKESARI CAMPAIGN

With the premier of Hindi film 'Kesari', Zee Cinema launched #MainBhiKesari campaign. Paying an ode to country's defense personnel who sacrificed their lives in the line of duty, the campaign urged people to come together to help their kin. Fans could extend their support by donating any amount on the 'Bharat Ke Veer' app/website or through Freecharge and sharing a screenshot tagging Zee Cinema using the hashtag #MainBhiKesari. 'Bharat Ke Veer' was launched in 2017 by Akshay Kumar and the Ministry of Home Affairs, to extend financial help to the families of deceased soldiers. For every donation made, the channel made a contribution of ₹500 to 'Bharat Ke Veer'.



BURN THE BHED BHAAV CAMPAIGN

&pictures launched the Burn The Bhed Bhaav campaign driven by the insight that discrimination isn't always a consciously performed act. It took this opportunity to make people aware of the small acts of discrimination that people do in daily lives without even realising. The movement was launched to spread the message of inclusiveness, keeping equality as the central peg. Leveraging Facebook's unique 10-second Thumbstopper format, the campaign ran a series of short impactful stories on social media with an objective to spread awareness on discrimination.



GREEN COVER CAMPAIGN

In collaboration with SankalpTaru Foundation, an IT-enabled NGO with the core philosophy of 'planting trees for the people, by the people', ZEEL initiated the Green Cover campaign. This campaign was initiated with a view to plant the tress in order to improve forest density. Under this campaign over 10,000 trees were planted across five states of Karnataka, Maharashtra, Uttarakhand, Rajasthan and Odisha.

THOUGHT LEADERSHIP



ZEE MELT 2019

ZEE Melt is a festival of creativity and innovation in the field of marketing and communication. The event brings together industry leaders and brand marketers from across the globe under one roof. With 'Disruption' as the theme, ZEE MELT 2019 had 1,413 unique visitors in attendance to hear industry leaders talk about disruption at the convergence of advertising, marketing, media and digital with a heightened focus on innovation and technology. The event hosted 76 speakers including R S Sodhi (MD, Amul), Fernando Machado (Global CMO, Burger King), Dave Trott (Author & Creative Director), Gerardo Mazzeo (Global Innovation Director & CSV Manager, Nestle) and Rory Sutherland (Vice Chairman, Ogilvy UK) amongst others. ZEE extended its association with the event by reinforcing the 'Power of Television' through panel discussions featuring the senior management of the Company and integrating Mindspace as a property with ZEE5.

DRIVING STRONG BRAND ASSOCIATIONS

KYOORIUS DESIGNYATRA 2019

An initiative that celebrates all aspects of creative communication and marketing, Kyoorius Designyatra provides a platform to empower and sustain the creative industry in India and secure its rightful place in shaping the growth of the country. The theme for Designyatra 2019 was 'On the Contrary' and featured the design rebels who have paved new paths against existing, prevalent narratives through out-of-the-box-thinking. The 14th edition of the design festival witnessed attendance from industry leaders like David Carson, Marian Bantjes, Marjan van Aubel, Kelli Anderson, Timothy Goodman, Dina Amin and Arunima Sen amongst others. The event, featuring 33 speakers from the world of design and architecture, was attended by 1,150 delegates. It reached more than 4mn people across social media and digital platforms. ZEEL extended its association with the event through key integrations of product brands including Zee Bollywood, Zee Café and Zee LIVE.



ZEE JLF 2020

Described as the 'greatest literary show on Earth', ZEE Jaipur Literature Festival is an annual literary festival attracting writers, humanitarians, historians, politicians, business leaders, sports people and entertainers to the Pink City (Jaipur) in the month of January. The 13th edition of ZEE JLF witnessed 300+ speakers, including a plethora of writers, poets and activists who conversed on a range of topics from history and politics to artificial intelligence. Strengthening ZEEL's brand connect with JLF, a key initiative of Zee's Broadcast Business on storytelling, 'Katha Caravan', was launched during the event. Special session was curated on 'Books to Digital', highlighting ZEE5's strategy of creating original content for OTT from books. Some members of the Company's leadership team were also part of the panel discussions on building cultural connect with consumers to create strong, resonating stories.

IAA LEADERSHIP AWARDS

Reinforcing its commitment to work towards creating initiatives that benefit the M&E industry at large, ZEE partnered with industry association IAA for their flagship property. The seventh edition of IAA's flagship property, IAA Leadership Awards, celebrated and applauded industry leaders who have made significant contribution to the economy, changed the landscape of the M&E industry and created global brands. The event was attended by CXO's of the media and entertainment companies. Mr. Punit Misra – CEO, Zee's Domestic Broadcast Business, shared his thoughts in a panel discussion on the link between content, platform and the consumer and how data driven insights are helpful in generating relevant content.

AWARDS AND MILESTONES



AWARDS AND ACCOLADES

- ZEEL became the only M&E brand to feature among the 'Top-25 most valued brands' of the country in a Millward brown study.
- For the third consecutive year, ZEEL was recognized amongst 'India's Best Places to Work For' in a study done by the The great place to work institute.
- Won multiple awards in Promax 2019 across channels – ZEE TV, &TV, ZEE Tamil.
- Won multiple awards in CMO Asia Awards across channels – Zee Talkies, ZEE Cinema, &tv.
- ZEE Cinema won Global Marketing Excellence award for best use of social media and marketing campaigns.
- ZEE5 won 'OTT platform of the year award' in Promax 2020 OTT Digital Marketing & Innovation Awards
- ZEE5 won 'India's Most Desired Video Streaming Brand' by Trust Research Advisory
- Ruchir Tiwari - business head, hindi movies cluster and Raghavendra Hunsur - business head, ZEE Kannada and ZEE Picchar, featured in 'IMPACT's top 40 under 40' 2019 list which recognizes changemakers for exemplary work in the media, advertising and marketing world.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Subhash Chandra Chairman Emeritus	R Gopalan Chairman
Ashok Kurien Non-Executive Director	Alicia Yi Independent Director
Manish Chokhani Independent Director	Adesh Kumar Gupta Independent Director
Piyush Pandey Independent Director	Punit Goenka Managing Director & CEO

SENIOR MANAGEMENT

Amit Goenka CEO – International Broadcast Business and ZEE5 Global	Anurag Bedi Business Head – Zee Music Co.
Punit Misra CEO – Domestic Broadcast	Swaroop Banerjee COO – Zee Live
Tarun Katial CEO – ZEE5 India	Rohit Gupta Chief Finance Officer
Shariq Patel CEO – Zee Studios	Animesh Kumar Chief People Officer

COMPANY SECRETARY

Ashish Agarwal

AUDITORS

M/s Deloitte Haskins & Sells,
LLP

BANKERS

BNP Paribas
HDFC Bank Ltd.

REGISTERED OFFICE

18th Floor, A-wing,
Marathon Futurex, N. M.Joshi Marg,
Lower Parel, Mumbai – 400 013.

MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN MACROECONOMIC OUTLOOK

India has been the growth leader amongst major economies, including Emerging Markets and Developing Economies (EMDEs) over the last few years. However, the momentum of the strong economic growth weakened gradually during FY20 due to the liquidity crunch, rising unemployment and weak consumer demand. GDP on GVA basis grew by just 4.2% in FY20 compared to 6.1% in FY19. An already slowing economy was hit by the whammy of COVID-19, like most of the countries around the globe. After the government announced a nationwide lockdown beginning 25th March, the economic activity came to a near-complete shutdown. After two months of lockdown, economic activity resumed in a phased manner, with some restrictions still in place.

The impact of the shutdown and gradual opening will be felt sharply on the economy in the first half of FY21. While there is still uncertainty on how fast the economic growth would bounce back, most of the estimates suggest that India's economy will shrink in the first half but as the impact of the pandemic subsides in the second half, the economic growth would return to its normal trajectory. The government has unveiled a ₹ 20 trillion relief package to support economy. This package includes liquidity measures taken by the Reserve Bank of India (RBI), easing of lending to MSMEs, and specific measure for key sectors like manufacturing, agriculture,

and infrastructure. The RBI, besides providing liquidity support and regulatory relief, also cut the lending rates twice to record lows. Apart from the relief package announced in May, the government has taken several steps to revive economic growth. Few steps like overhaul of the corporate tax rate structure, announcement of NIP (National Infrastructure Pipeline), far reaching reforms in agriculture sector, initiatives to boost 'Make in India', and recapitalisation of public sector banks would help strengthen the economy in the long run.

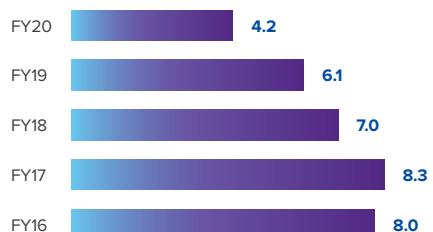
Unlike economic slowdowns over the past decade, the present deceleration in growth is driven by moderation in consumption growth. The growth in PFCE (Private Final Consumption Expenditure) in FY20 decelerated to 9% after several years of double-digit growth. The prospects of M&E industry have a high co-relation with consumption growth in economy and will therefore be impacted in FY21. However, it is expected that the slew of economic policies and liquidity measures introduced by the government will push PFCE and GDP growth back to previous levels in FY22. Indian consumption story is driven by strong secular trends of growing middle class, rising disposable income and increasing discretionary spends. The current slowdown is temporary and consumption growth would revive as the impact of government's initiatives start showing results.

Nominal PFCE Growth (%)



Source: CSO

Real GDP Growth (%)



Source: CSO

INDIAN MEDIA & ENTERTAINMENT INDUSTRY

The Indian Media and Entertainment (M&E) industry continued to grow during the year, albeit at a slower rate as compared to the previous year due to the weak macroeconomic environment. According to the FICCI-EY report (the Report), M&E industry revenue reached ₹ 1,822 billion in 2019 with a 9% YoY growth. During the year, television continued to maintain its leadership in the M&E space as the primary choice of entertainment for Indian consumers despite a major regulatory

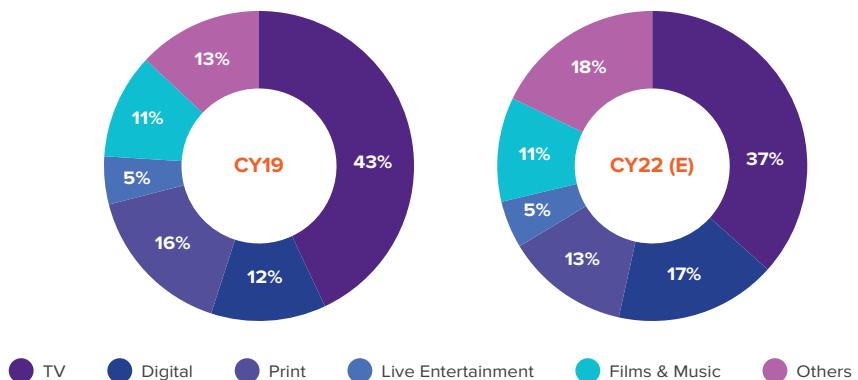
change. Online video consumption sustained the momentum of widening its audience base driven by increasing content options, growing internet penetration and affordable data tariffs. Print revenue declined during the year but retained its position as the second biggest revenue segment. Movie industry growth was driven by domestic revenue while the revenue from international markets declined during the year. Radio segment shrank due to decline in ad revenues in second half of the year. Live

events' growth was led by premium properties, activations and sports events.

M&E industry was expected to grow at a CAGR of 10% to reach ₹ 2,416 billion by 2022, driven by the growing content consumption across mediums. As the Report was published before the complete impact of COVID-19 on the economy was known, the growth estimates are likely to see a downward revision. While all mediums saw a massive growth in time spent

and reach during the lockdown, the viewership could not be monetised as consumer spending was limited only to essential goods. The current slowdown should not have a meaningful impact on the long-term growth trajectory of the M&E industry. Per capita entertainment consumption and spends in India still remain lower than most of its peers. The Report estimates that the total screen count (TV + Smartphone) will reach 1 billion (from the current 550mn) by 2025, which represents a sizable growth opportunity. Coupled with the largest youth population and rising disposable incomes, Indian M&E industry is poised for a long-term sustainable growth.

M&E Industry Composition



TELEVISION

The year gone by was an interesting one for the Indian television industry. It began with the challenges faced in migrating the 160mn pay TV subscribers to the NTO (New Tariff Order) regime and the teething issues that accompanied the structural changes brought by its introduction. And it ended with the production of original content being halted across the country due to COVID-19, for the first time in the history of the industry. The fact that the Indian economy was on a slowing trajectory through the year did not help the cause. Implementation of NTO has brought about a paradigm change by redefining the relationship between broadcasters, consumers and distributors. On the other hand, COVID-19 has negatively impacted the business operations. This disruption is transient and might be a catalyst for innovations and stronger operating processes in the broadcasting industry. After a double-digit growth last year, the television industry grew by only 6.4% to ₹ 788bn in CY2019.

As per the Report, subscription revenue for the industry grew by 7.6% and the advertising revenue grew by only 4.9% during the year 2019. Macro-economic slowdown was the primary reason for the subdued ad growth during FY20. The slowdown resulted in weak consumption demand across categories, which in turn affected the advertising spends. The situation was further worsened due to impact of COVID-19 in the month of March. Advertising growth for the year was also impacted due to NTO implementation, as advertisers were reluctant to spend during the NTO transition

period (first 6 months of 2019). The systemic change in channel packaging and distribution resulted in uncertainty regarding the availability of the channels, leading to pull-back in ad spends. Some of the advertisers allocated a higher portion of their budgets on ICC cricket World Cup and FTA (Free to Air) news channels that guaranteed a higher reach during this period.

As per the Report, India will have 220-235mn TV sets (70% penetration), consisting of pay TV, DD FreeDish, and internet connected TV sets. Due to its massive reach and high engagement levels, it is expected that television advertising will grow at a CAGR of 10% to ₹ 570bn, retaining the biggest share of the advertising pie in 2025. However, the advertising outlook for FY21 is tepid as the first half of the year will suffer from the impact of COVID-19. In the past, patches of weak advertising growth have been followed by strong growth periods, and if the economic growth sees a revival in the second half, advertising will also rebound sharply. Subscription growth, unlike advertising, is not directly linked to the macro-economic growth. Despite an increase post NTO, pay TV ARPU in India is still one of the lowest across the world. For less than \$4, Indian consumers have access to 200+ TV channels, making pay TV a really compelling offering. Television subscription continues to be a long-term growth opportunity with increasing television penetration, ARPU growth, increasing HD base and the continued efforts of the industry to reduce the under declared subscriber base as the key growth drivers.

MAJOR DEVELOPMENTS DURING THE YEAR

NTO – a paradigm shift in the distribution landscape

After multiple litigations and timeline shifts, the NTO (New Tariff Order) implementation finally started in March'19. Given that it involved shifting 160mn pay TV subscribers to the new system, the exercise was completed by July'19. The NTO brought a few structural changes in the distribution eco-system, which will have a long-term positive impact on the industry. The flexibility available to consumers to choose and pay for content they want and the ability of broadcasters to decide pricing of their content will help increase customer value proposition and content quality. The clear segregation between the fees paid by consumer for distribution service and content will enable improvement in consumer service standards. NTO implementation led to 7.6% growth in the industry subscription revenues and the broadcasters' revenue grew by ~10% to ₹ 130bn (28% of industry subscription revenue). Despite the option to select individual channels, ~85% of the consumers chose packages offered by their distributors, highlighting the need for a diverse range of content for a household. There was a decline in the overall paid subs post NTO due to some of the multi-TV homes retaining subscription for only one TV, continued piracy of television feed, migration of some consumers to DD FreeDish as ARPU increased in a few markets, and the continued under reporting of pay TV homes.

NTO 2.0 – uncertainty prevails

During the year, TRAI, the regulatory authority, proposed a slew of changes to the NTO. These changes included restrictions on number of channels that can be part of a broadcaster's bouquet as well as the price of channels which can be included in these bouquets. It also included a proposal for allowing discount to

distributors only on a-la-carte channels and not on bouquets. The number of channels to be provided in the base NCF (Network Carriage Fees) of ₹ 130 charged by distributors was proposed to be doubled to 200. These changes have been challenged by multiple stakeholders in different Indian courts. If these

changes are implemented in the current form, it could lead to another round of temporary disruption in the distribution ecosystem. However, we believe that the networks with a strong bouquet of channels will be able to navigate any challenges posed by the implementation of this new regulation.

Television viewership trends – NTO impacted viewership, temporarily

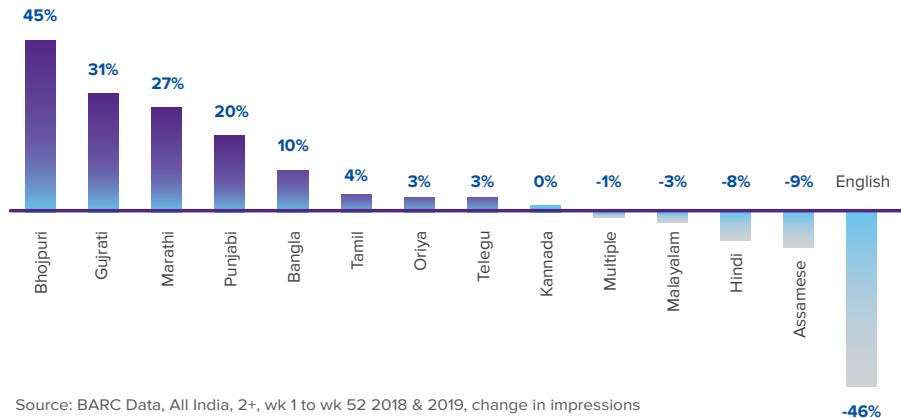
During the implementation phase of NTO, there was a drop in the total TV impressions as consumers faced partial or complete blackout of TV channels. This impact was transient, and the viewership recovered gradually, albeit to slightly lower levels than earlier. Reach of most pay channels also suffered in the immediate period after the implementation, but slowly inched back up during the year, settling at 85-95% of the earlier levels. Average daily time spent by viewers across age groups saw a marginal (2-5%) decline compared to FY19. Share of regional viewership in the overall pie grew from 45% in FY19 to 49%, signalling a preference for local language content. News viewership gained share due to general elections and several other high decibel events that took place during the year.

Viewership of HD channels grew by 56% post NTO, including a 48% increase in NCCS A viewership. HD adoption and viewership increased post NTO but HD still continues to be only a small proportion of the overall STB

universe and viewership pie. On the other hand, niche genres like English and Lifestyle had an adverse impact on viewership after the implementation of NTO. Impressions of English language content declined by ~50%

in 2019. Viewership of English and lifestyle genres is mainly concentrated in metros cities and a substantial portion of this viewership has moved to online platforms which offer a wider choice of English content.

Viewership change by language



Source: BARC Data, All India, 2+, wk 1 to wk 52 2018 & 2019, change in impressions

DD FreeDish continues to be a strong platform

The state-owned distribution platform allows consumers to access FTA channels for free with one-time investment in a set top box. DD FreeDish is especially popular in some of the northern and eastern markets of India which have lower per capita incomes. In Mar'19, few of the leading FTA channels were converted to pay and pulled out from DD FreeDish.

This was expected to catalyse the migration of FTA consumers to pay TV. However, this coincided with the implementation of NTO, and due to the increase in pay TV ARPU post NTO, the movement of consumers did not happen as expected. Given the reach of the platform, especially in the rural markets, some of these channels were relaunched on

DD FreeDish in June'20. As per the Report, it is estimated that the DD FreeDish user base grew by ~2 mn during 2019. Channels like Dangal and Big Magic saw a spurt in viewership over the last one year after the leading channels went off the platform. DD FreeDish also added 24 channels, taking the count of channels to 104.

COVID-19 brought consumers closer to their television screens

With the enforcement of a nationwide lockdown in the third week of March, consumers flocked to their TV sets as they spent time indoors. Similar to trends observed around the world, TV consumption in India also soared. At 1,266bn minutes, weekly viewership saw a peak growth of 43% compared to the month of January. Peak average daily reach grew to 627mn (12% growth) and the viewers who consume content on TV all seven days of the week jumped up by 52% (363mn). Given the lack of new content on general entertainment channels, share of movies, news and kids genres increased in the total viewership pie. Some of the GECs experimented with re-runs of old mythology shows which garnered good viewership ratings. During the lockdown phase, some of the broadcasters aired shows from their OTT platforms, but the viewership of these shows was poor except in the metro markets, highlighting the clear audience segmentation for OTT and TV content.

Total TV viewership crossed 1.2 trillion viewing minutes

Weekly viewing minutes (in bn)

PreCOVID		887
2020 W13		1266
2020 W20		1018

Change%: W20 vs Pre-COVID **15%**

Source: BARC Data

Daily avg reach (in mn)

PreCOVID		560
2020 W14		627
2020 W20		601

Change%: W20 vs Pre-COVID **7%**

Daily ATS/Viewer (HH:MM)

PreCOVID		03:46
2020 W13		04:48
2020 W20		04:01

Change%: W20 vs Pre-COVID **7%**

Domestic Broadcast Business – The year in review

The Domestic Broadcast Business had a mixed performance in FY20. It reclaimed its position as India's #1 entertainment network in the last two months of the year after losing the leadership post the merger of Disney and Star India early in the year. In FY20, ZEEL had an all India entertainment viewership share of 18.4%, 20bps behind the merged entity. The advertising in the second half of the year witnessed a double-digit decline but the strong consumer-pull of the network enabled an industry leading subscription growth.

Consumer centricity is at the core of Zee's Domestic Broadcast Business. The principles of 'consumer first' and 'consumer delight' have been the driving forces behind the continued success of the business. These fundamentals are the reason that despite the sharp macro-economic slowdown in FY20, the business managed to grow its overall revenues. Over the years, the business has widened its reach and deepened its understanding of the different socio-cultural aspects of the consumers. With a

pan-India reach and strong consumer connect, Zee has been at the forefront of developing new markets and leading the change in the industry.

Leading the NTO implementation

As the industry prepared to roll-out NTO, ZEEL was the first broadcaster to officially release the pricing of its channels which was based on extensive research, consumer surveys and in-depth analyses of market structures across the country. The pricing set the benchmark for the industry and also ensured that the content offering for most consumers did not undergo a significant change. Zee also took the lead in engaging with smaller distribution partners, many of whom were grappling with the multiple changes introduced in NTO, helping them prepare for business in the new regime. NTO provided an opportunity for Zee to grow its subscription revenue in markets where its revenue share was not commensurate with the viewership share. In FY20, ZEEL's subscription growth was the highest amongst its peers, a testimony to the strong network of channels and

deep consumer understanding built over the years.

Expansion in regional markets, expanding the regional markets

India is a unique market in terms of the number of languages spoken by the people. Given the socio-cultural nuances between different sets of audiences, only content in native language can provide a truly satisfying experience. Understanding this innate need, Zee has gradually expanded its presence in regional markets to serve as many consumers in their native languages. Regional viewership has seen a consistent rise in India over the years and Zee's regional network has been one of the major drivers of that growth. During the year, Zee strengthened its pan-India proposition with addition of 4 channels in regional markets – Zee Punjabi (Punjabi GEC), Zee Biskope (Bhojpuri movie channel), Zee Thirai (Tamil movie channel), and Zee Picchar (Kannada movie channel). With the launch of these channels, Zee now has the biggest language footprint in India, producing content in 11 languages. The new channels have established strong competitive positions in their markets within a short time after launch.

Launch of regional channels has not only helped the growth of ZEEL's network share, it has also led to the growth of the local language markets. Availability of quality content in a language draws more viewers who can relate to that content, leading to a growth in engagement. For example, after the launch of Zee Punjabi, consumption of Punjabi language content grew by 41% compared to the 6% growth in total TV viewership over the same time. Similarly, post launch of Zee Biskope, Bhojpuri content viewership grew by 17% versus 9% growth in TV viewership.





A consultative approach to sales model

Understanding the cyclical nature of the macro-economy and its impact on the advertising revenues, ZEEL is trying to extend its sales function from a purely FCT (Free Commercial Time) selling approach to include a consultative approach. This approach is focused on providing holistic solutions to brands and is geared to drive a higher mindshare for the partners. It involves having a deep understanding of the brand context, vertical expertise backed by market insights and ability to offer platform agnostic solutions. Zee is increasingly working on content-brand integrations, providing multi-platform (TV, OTT, social media, live events) reach solutions, and offering end-to-end solutions to smaller clients. A successful transition to this model will help soften the impact of macro-economic downturns on the advertising revenue.

Zee took small steps towards this objective in FY20 through partnerships with some of the key clients. Zee partnered with a leading hair care brand to improve its trust and spontaneous recall metrics in Maharashtra market. Leveraging the strong brand equity of Zee Marathi in the market, campaigns using the lead characters of its shows were created and integrated on the TV channel



and social media platforms. The campaign achieved extraordinary results with 100%+ and 60%+ growth in recall and trust metrics respectively. Zee partnered with a digital learning platform to drive app downloads by seamlessly integrating brand narrative in the fiction storyline. In another partnership with an e-commerce player, stars of Zee TV shows promoted the brand's fashion wear through their on-screen characters. A clear call to action demonstrated the effectiveness in terms of sales by prompting the viewers to scan the QR code being flashed on the screen during the show. The success of these campaigns has established the credibility of the business beyond the traditional role of an advertiser and will help forge more meaningful partnerships with brands.

Soul to screen – real to reel

In a dramatically changing consumer and content landscape, understanding the pulse of the consumer and translating it regularly into content is critical for success. In FY20, Zee embarked on a journey to instil obsessive consumer focus through its 'Soul to Screen' approach. The objective is to become native to the viewers' complex and intriguing worlds and bring out stories that establish deep connections with them. An important building block of this approach is making cultural immersions a way of life. 200+ employees spent ~2,500 hours across 28 SCRs (socio-cultural regions) last year to understand the nuances that separate the many *Bharats* that exist within India. Teams immersed themselves in consumers' cultures and came back with actionable insights to create compelling stories and memorable characters. They also got

an in-depth understanding of specific regions which helps in creating rich content experiences for viewers and equally compelling propositions for our advertisers. We are conducting training programs for our people to build an environment within the organization where every employee becomes a consumer evangelist and can have deeper conversations with viewers. This obsessive focus on consumer centricity has been critical in achieving undisputed leadership in markets like Kannada and Marathi and the business is focused on replicating this approach across markets.

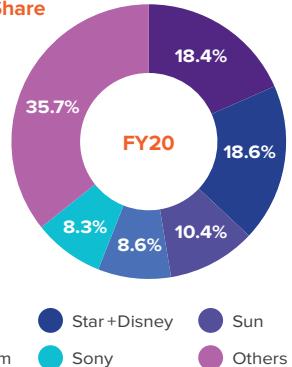


OPERATING PERFORMANCE REVIEW

FY20 began with challenges of NTO implementation but ended on a high note with the network reclaiming the leadership position towards the end of the year. Like all other networks across the country, reach of the Zee network dropped post NTO. However, the strong consumer-pull of the channels ensured that it bounced back quickly. Channels across the network witnessed varying degrees of drop in reach but most of them recovered to 90-95% of the earlier levels in a short time. Our channels in the Hindi speaking markets witnessed a higher drop due to their non-availability in base packs of some of the distributors. The conversion of two leading Hindi FTA channels to pay in March'19 also led to a decline in the network's FTA viewership. However, the two other Hindi FTA

channels, Big Magic and Zing, strengthened their viewership. Despite the slowdown in revenue growth, the network continued to invest in growth opportunities and expanded its portfolio with the launch of 1 general entertainment and 3 movie channels. Along with one of the biggest bouquets of Hindi movie channels, the business now has one of the widest portfolios of movie channels in regional languages as well. With the launch of Zee Biske (Bhojpuri), Zee Thirai (Tamil) and Zee Picchar (Kannada) in FY20, Zee's movie portfolio now has 20 channels – 9 in Hindi, 3 in English, and 8 in regional languages. In June'20, Zee Anmol and Zee Anmol Cinema were relaunched on DD FreeDish to serve the FTA consumer base.

Market Share



Network shares of broadcasters does not include news and sports share

Hindi General Entertainment

Zee's bouquet of 6 general entertainment channels caters to the varied entertainment needs of the consumers in the HSM (Hindi Speaking Market). The business has two differentiated offerings of FTA and Pay channels in the market based on the audience profile. The network has built a deep understanding of consumers in Hindi GEC category over 25+ years, which helps in delivering engaging content despite the intense competition.

Zee TV was the #2 channel in Hindi GEC category during the year. It maintained its leadership in the weekday primetime despite losing share in the overall viewership, especially in the urban markets. While the weekday fiction shows had the loyal audience tuning in daily to catch-up on the lives of their favourite characters, the non-fiction shows did not excite the viewers to the same extent. Zee TV's viewership declined gradually



during the year and saw a sharper fall during the lockdown period compared to its peers. The channel is focussed on consolidating its weekday leadership while also trying to strengthen its weekend programming line-up with new formats.

&TV tweaked its strategy to focus on the viewers of the Hindi heartland – Delhi, UP, MP, Bihar and Jharkhand. The stories on &tv are curated specifically for the audience of these markets, which are some of the most populous states in the Hindi speaking markets. Two of the channel's shows were already popular in the Hindi heartland and the channel revamped the rest of its programming line-up with shows tailored for audience in these markets.

Zee Anmol continued to curate the best of library content from the network.

Big Magic is an FTA channel offering kids centric content. The channel improved its viewership significantly during the year with a mix of general entertainment content and movies focussed on kids' entertainment.



Hindi Movie Cluster

Hindi Movie cluster of the company has 9 channels – Zee Cinema, &pictures, Zee Bollywood, Zee Action, Zee Classic, Zee Anmol Cinema, Zee Cinema HD, &pictures HD, and &explor HD. The widest bouquet of Hindi movie channels in the country offers diversified genres of movies across its different channels. ZEEL's pay Hindi movie portfolio has consistently been the market leader and it further strengthened its position during the year.





Regional Entertainment Channels

Zee Marathi continued its 7-year run as the undisputed #1 channel in the Marathi speaking markets. While the channel lost share in some of the slots in the fourth quarter, it is geared to launch new shows which will help it reclaim the lost share. Zee Marathi also engaged consumers with multiple ground connect initiatives like theatre plays, print magazines released around festivals and 3 mobile apps. **Zee Yuva** witnessed a drop in viewership share as it scaled down original programming during the year. The channel's strategy is to focus on a mix of new shows and the best of library content from Zee Marathi.

Zee Bangla continued to be the #1 channel in the West Bengal market with leadership in all the prime-time slots. The channel witnessed a decline in viewership during the year and is focussed on revamping its programming line-up to further strengthen its leadership position.

Zee Tamil was the #3 channel in the Tamil Nadu market despite not being included in the packages of 4 of the leading distribution platforms. While the line-up of fiction shows helped the channel achieve #2 position in the genre, the performance of non-fiction properties was below expectations. Zee Tamil



was one of the biggest beneficiaries of NTO implementation and saw a tremendous growth in subscription revenue during the year.

Zee Kannada fortified its #1 position, capturing more than a third of market share in the Kannada speaking market. The channel saw a 25% growth in viewership during the year, driven by the success of its fiction shows and continued traction in non-fiction properties.

Zee Telugu was the #2 channel in the Urban markets of AP/Telangana. The channel witnessed a loss in viewership share in the first half but recovered gradually in the second half, driven by the success of new launches. Zee Telugu exited FY20 on an upward trajectory and the channel expects that its pipeline of new shows will help it compete for leadership in FY21.

Zee Keralam was India's fastest growing channel in FY20, doubling its share during the year. In a crowded market with a dominant leader, Zee Keralam established itself as a strong contender for the #2 position. Channel's fiction shows have shown great traction amongst Malayalam audience and helped claim the number 2 rank in the genre.

Zee Sarthak improved its urban viewership share by 20% through the year to become the #1 channel in Urban Orissa market. The channel saw a steep decline in viewership after the implementation of NTO, however it gradually saw improvement and took big strides in the second half to reclaim leadership in the fourth quarter.

Zee Punjabi was launched in January'20 and was the most successful GEC launch in over 4 years, capturing a third of viewership pie in the first four weeks. The hybrid GEC and movie channel aims to become the entertainment destination for the Punjabi speaking audiences. It is the first entertainment channel with over 20 hours of original programming for the bilingual market of Punjab. The time spent on the channel has exceeded that of national GECs, highlighting the strong connect that the channel has established with the Punjabi viewers.

Big Ganga was the leading Bhojpuri entertainment channel during the year. Channel's mix of fiction shows and on-ground religious events helped engage the audience throughout the year.

Hindi General Entertainment



Hindi Movie Cluster



English & Music Channels



Regional Movie Entertainment Channels

Zee Talkies was the #1 Marathi movie channel in FY20. With a combination of popular movie premieres, daily religious shows, and ground connect events, Zee Talkies is an integral part of the lives of Marathi speaking audience.



Zee Bangla Cinema was the #2 movie channel in West Bengal market, increasing its viewership share by 19% during the year. The channel delivered a 32% growth in time spent with its mix of hit Bengali movies and Zee Bangla Cinema Originals.

Zee Cinemalu was a close #2 movie channel in the Urban Telugu speaking markets. The channel has established its position in a highly competitive market in less than 4 years of launch and has been one of the drivers for ZEEL's subscription growth in southern India.

Zee Biskeope, the first 'Bhojipuri' channel with 300+ movies was launched in December'19. The channel aims to be the ultimate destination for authentic Bhojpuri entertainment, attracting viewers from other Hindi speaking markets as well. Zee Biskeope had a blockbuster launch as the #1 Bhojpuri channel and since then has been consistently ranked amongst the top 2 channels in the market.

Zee Thirai, launched in January'20, has expanded Zee's presence in the Tamil movie genre. With the tagline "Rathathil Kalandhadhu Cinema", which means 'Cinema runs through our veins', it aims to capture the passion and love of the Tamil audience for movies.

Zee Picchar, the Kannada movie channel, is the latest channel launched by Zee in March'20. The channel promises to leave its viewers with a 'Hit Dinada Feeling' that translates into having a 'hit day feeling' through its collection of hit Sandalwood movies. Within weeks of launch, the channel has risen to #2 position in the Karnataka market.



Music and English cluster

Zing and **Zee ETC Bollywood** more than doubled the network's share in the music genre. This growth was primarily led by the conversion of Zing to an FTA channel in March'19. Along with music, Zing also engages the youth audience with a mix of fiction and chat shows.

English Cluster continued to bring the best of international content to the audience. However, as the viewership of the English genre declined after the implementation of NTO, it also saw a dip in viewership.



Regional Entertainment



Regional Movies Cluster





INTERNATIONAL BROADCAST BUSINESS

ZEEL's International Broadcast Business reaches more than 170 countries with content in 19 languages, including 9 foreign languages. The company has a two-pronged strategy for international markets – reaching the Indian and South Asian diaspora with channels in Indian languages and serving the non-Indian audience in their native languages.

With digital becoming a mainstream option in many developed markets and gradually gaining traction in others, ZEEL is adopting a linear plus digital strategy across most markets.

Key business highlights during FY20

Americas:

- Strengthened the distribution reach in USA with multi-screen platform experience across smart TVs, mobile and set top box devices
- Expanded the network reach through new distribution deals in Mexico, Peru and Trinidad
- Organized the first ever Indian Film Festival at the Embassy of India in Mexico City

Europe:

- 3 channels were shut down in UK, which is now primarily an FTA market for South Asian networks
- Zee One, channel in Germany, was shut down in May'20



APAC:

- Increased distribution reach of our channels in Bangladesh, Sri Lanka & Malaysia
- 8 local productions including 3 Tamil productions were executed during the year

Africa:

- The distribution reach of Zee Magic was expanded on new platforms
- Zee Alem, Amharic language channel for the Ethiopian market was launched in June'20

MENA:

- One of the largest DTH platforms in the Middle East shut down in FY20, impacting the performance of the business
- The network expanded reach in UAE and Qatar through launch of new channels on existing platforms
- 3 local Arabic series productions in Syria, Egypt and Lebanon based on stories picked from Zee library

DIGITAL VIDEO

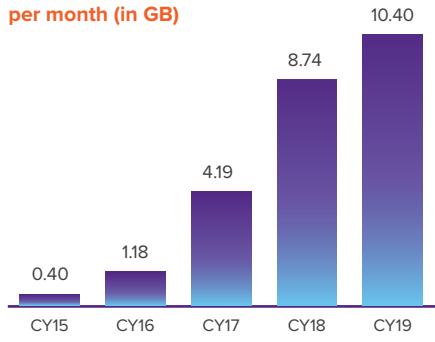
India's digital media revenues grew by 31% YoY in 2019, significantly ahead of the M&E industry growth. According to the Report, this trend is likely to continue, and the share of digital revenue in the M&E pie expected to grow to 17% in the next three years compared to 12% currently.

The growth in revenue has been driven by expansion of the digital user base and increase in time spent on digital platforms. Due to the lack of wired broadband penetration in the country, digital is synonymous with mobile in India. Majority of digital consumption in India takes place on mobile phones, enabled by big-screen cheap smartphones, affordable data plans, and increased content availability on digital platforms.

The smartphone penetration has already reached 40% with 395mn smartphone users, of which 95% consume video content online. As per the Report, online video viewers are expected to grow by 30% (110mn) to 480mn over the next three years. In terms of user engagement, the average daily time spent on digital devices has increased to 3.5 hours, a 25% increase over two years. Monthly data consumption has grown 3x, from ~4GB per user in 2017 to ~10GB. Industry reports suggests that it will further grow to 25GB over the next five years. While the consumption on digital platforms was already on a rise, the COVID-19 pandemic has accelerated the digital adoption across all use cases – entertainment, social, payments etc.

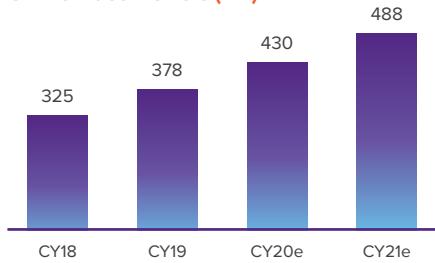
In addition, consumption on other smart devices is seeing a fast growth due to the increasing affordability and penetration of these products. India already has 15-20mn smart/connected TVs and its penetration is expected to grow at a brisk pace. The time spent on content consumption on smart TVs is much higher due to a better viewing experience. All these factors bode well for online video consumption and the potential opportunity for OTT platforms has never been better. An accelerated roll-out of affordable wired broadband across the country could augment the growth opportunity for digital content consumption.

Average data usage per user per month (in GB)



Source: TRAI

Online video viewers (mn)



Source: FICCI-EY Report 2020

Video to lead digital ad growth

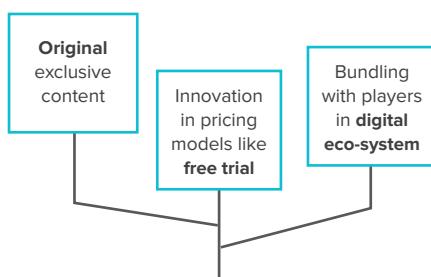
In 2019, digital advertising witnessed another year of strong growth. Overall digital advertising grew by 24% to ₹ 192bn and its share in overall advertising pie increased to 24% (21% in 2018). If the spends by SME and long tail advertisers are included, total digital advertising revenue was ₹ 280bn. Digital has significantly expanded the advertiser base by giving businesses that have smaller marketing budgets or that require a narrow reach, an opportunity to market their products and services. This advertiser base, which currently stands at ~300,000, is expected to grow by 60% over the next three years. Small businesses, BFSI, consumer durables, e-commerce, and telecom are the key sectors that continue to dominate digital ad spends.

Over the past three years, video has been the primary driver of growth in time spent on digital platforms, both OTT as well as social media. This increasing digital content consumption has led to video advertising picking up pace and becoming the biggest growth driver of digital ad revenues. As video ads offer better brand building proposition and consumer engagement compared to search and display, brands are allocating a higher proportion of their digital budgets to video advertising. As per the Report, total digital revenues will witness a 22% CAGR over the next three years

to reach ₹ 350bn (₹ 500bn including SMEs), with digital video ads leading the growth. However, even now around two-thirds of digital advertising revenues are contributed by search and display. The opportunity for OTT players is largely restricted to video advertising, where professionally made OTT content is challenging the dominance of user generated content platforms.

Subscription to drive next stage of revenue growth

In 2019, video subscription revenues of the industry doubled, contributing 13% to the digital revenues. The paid subscriber base crossed the 10mn mark and is expected to grow ~50% in 2020. Despite such a sharp growth, penetration of subscription services remains less than 5%. This is understandable as digital platforms are competing for subscribers with television, which offers vast quantity of content at a very competitive price. OTT platforms are trying to improve their value proposition by increasing their investments in exclusive content, expanding their content offering and experimenting with new use cases to attract consumers. Bundling of OTT services with telecom and other players in the digital eco-system is driving sampling of exclusive digital content by a wider audience. OTT platforms are also producing original content in regional languages to expand their addressable market. Innovations in pricing and improvement in ease of payment mechanism are also key to driving subscription revenue. As per the Report, digital video subscription opportunity will grow at a CAGR of 30% to ₹ 62.4bn by 2022



Growth drivers for digital subscription

Digital exclusive content continues to scale up

OTT industry in India is witnessing an intense competition over the last three years with 30+ platforms vying for a share of this growing market. Most of these platforms are producing digital exclusive content to create a space for themselves. Accordingly, the original content produced by OTT platforms increased by 33% to 1,600 hours last year. While this constitutes a fraction of ~100,000 hours of content produced for television every



year, OTT platforms are carving their own niche with stories and storytelling differentiated from TV. OTT content tends to be more focused on trending, controversial or bold subjects and mostly attracts audience which does not enjoy television shows. Bigger production budgets and finite format also mean that it resembles movies more than TV content. Due to the increasing adoption of digital platforms, audience for digital content has been growing and OTT platforms have stepped up their programming budgets to cater to this growing demand. Last year saw some of the top OTT players releasing 10+ shows in a year, a significant step-up from 2018. Many production houses de-risked their OTT strategy by syndicating their content to other OTT platforms and went the route of non-exclusive syndication. In terms of languages, Hindi continues to dominate the content consumption with 56% share in 2019, followed by regional languages at 37%. Despite the growth in digital exclusive content, broadcast content still constitutes a majority (70-90%) of the digital content consumption due to the volume of content produced and its free availability. That said, producing exclusive content is the only way for OTT platforms to upgrade their users to pay subscribers.

Video consumption by language

CY19	7%	56%	37%
CY25	5%	45%	50%

● English ● Hindi ● Regional languages



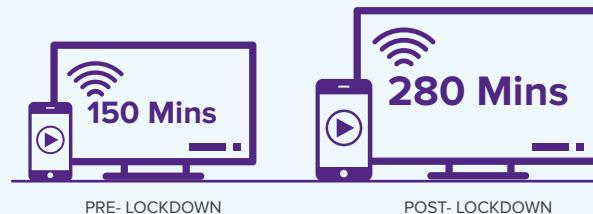
COVID-19 accelerated digital video consumption growth

The need for original content was never more relevant than what was witnessed during the lockdown period. It gave an opportunity to OTT platforms to take their content to a wider audience that was deprived of new content on TV. The pandemic led to an increased sampling of original content as audience experimented with OTT platforms in search for new content and platforms witnessed a jump in subscription rates. While many platforms banked on their library of original content to acquire new subscribers, some of them preponed the release of their shows and movies during the lockdown period. With cinemas shut for an indefinite period, a few movies, in Hindi and regional languages, saw direct-to-digital

releases. This further helped in the growth of the digital subscriber base. As per the Nielsen report, during this lockdown, the share of time spent on

OTT platforms grew ~2x and viewership on connected devices witnessed ~60% growth during this period.

Daily average time spent on digital platforms (in mins)



OTT platforms see a surge in content consumption across content genres, geographies and consumer age groups



ZEE5 – one stop entertainment destination

ZEE5 has established itself as the biggest publisher of exclusive digital content in India. Since February 2018, ZEE5 has consistently served the diverse Indian audience with its unparalleled content library, delivering 100+ original shows and movies in multiple genres and languages, across a spectrum of devices. ZEE5 hosts over 125,000 hours of content, bolstered by the television content in 10



languages from the parent's television network. To make its content available to a wider audience base, ZEE5 has been expanding its partnership network. With bundled offerings on all three large telecom operators and partnerships with a number of players across e-commerce, travel and hospitality sectors, ZEE5 is well entrenched in the digital ecosystem. Expanding exclusive content library and partnership network has enabled ZEE5 to grow its paid subscriber base. Over the last two years, ZEE5 has witnessed significant growth across all user parameters. The platform had 63.1mn and 6.0mn global MAUs and DAUs, respectively in March'20, with average watch-time of 136 minutes per viewer during the month.

To become the default digital entertainment destination for Indian consumers, ZEE5 is adding new content genres on the platform and is experimenting with new use cases. Short video and gaming are two segments which are competing with long-form video for a share of audience's time. Short video has been gaining popularity in India, especially among the younger audience, while the time spent on mobile gaming has gone up across demographics. ZEE5 is launching a short video integrated offering, HiPi, which will enable users to create short snacking content and will also have a social interaction layer. ZEE5 has partnered with Gameloft, one of the leading mobile games publishers, to offer hyper casual games on the platform. These curated games will increase engagement by adding a dose of thrill and competitiveness for the users. ZEE5 also has a dedicated section for music videos from Zee Music Company, India's second largest music label, with curated playlists and artist



recommendations. ZEE5 has also partnered with Eduaura, a digital learning platform which creates engaging content for kids across age groups. Along with 300+ hours of kids-centric content, ZEE5 offers parents a unified platform for learning as well as entertainment for children. These new use cases will help further strengthen ZEE5's consumer value proposition and will ensure higher stickiness among its user base.

Content for everyone

ZEE5 has an unparalleled depth and breadth of content offering for audience across demographics. Following the Company's legacy of over two decades, ZEE5 offers varied content across multiple genres. The highlight of the content catalogue is ZEE5 Originals - shows and movies created exclusively for ZEE5 audience. This is complemented by "500 hours of television content across 10 languages added on a weekly basis, an expansive movie library with more than 3,000 titles across 12 languages and digital premieres of latest movies. Live streaming of 100+ entertainment and news channels, international shows dubbed in multiple Indian languages, music videos and much more make ZEE5 a comprehensive entertainment platform for Indian consumers. While the premium content is available only to the paid subscribers, consumers can watch other content for free.

ZEE5 Originals, the catalogue of digital exclusive content, differentiates ZEE5 from other OTT platforms. Within just two years of launch, ZEE5 has released more than 100 original shows and movies across 6 languages, significantly higher than any other OTT platform in the country. ZEE5's original content philosophy is based on 3 R's – Real, Relevant and Resonant, and has a 3-pronged strategy - franchise route to keep the audience hooked on to their favourite shows, TV spin offs to convert AVOD users to SVOD subscribers, and direct-to-digital release for higher subscriber acquisition. After the success of *Rangbaaz*, *Rangbaaz Phir Se* was launched in December'19



which was a runaway hit. The second seasons of shows like *Final Call*, *Abhay*, *Never Kiss Your Best Friend* are underway. ZEE5 has also successfully adapted books into shows and adaption of many popular books is in the pipeline. Shows like *The State of Seige* and *Skyfire* which were based on popular books got rave reviews. TV spin-off shows like *Jamai 2.0* helped ZEE5 expand its paid user base amongst the 'TV-heavy' audience and a strong line-up of similar shows is planned in the coming year. ZEE5 released over 30 direct-to-digital movies like *Shukranu*, *Barot House* and *Posham Pa*, which were received well by the audience and helped the platform in acquiring new subscribers. ZEE5 plans a significant number of direct-to-digital movie releases in the coming year, and the closure of theatres due to the pandemic will bolster the plan. ZEE5 also offers one of the largest libraries of Indian movies and premiered popular movies like *Dream Girl*, *Kedarnath*, *Judgmental Hai Kya*, *Saand ki Aankh*, *Commando 3*, *The Tashkent Files* on the platform. ZEE5 was the exclusive digital streaming partner for the last edition of Sunburn, one of India's biggest music



festivals. ZEE5 also streams events organized by Zee LIVE and brought its *Supermoon Live to Home* series of music, fitness, comedy and cooking content to its audience during the lockdown. ZEE5 is continually expanding its content library and with addition of short videos, edutainment content, music, TV spin-off content, it has strengthened its offering.

Well entrenched in the digital eco-system

ZEE5 is available across multiple consumer touchpoints via the strategic partnerships that the platform has entered into across the digital eco-system. To democratise access to engaging entertainment content, ZEE5 has identified three broad categories where users consume majority of

the content or spend a significant amount of their time. One, as mobile is the primary driver of digital content consumption, ZEE5 has partnered with all the top telcos for bundling ZEE5 content as part of their offerings. As some telcos bundle premium ZEE5 content with high value plans, it is also acts

as a lever for telecom companies to upgrade their customers to higher ARPU plans. Two, to leverage the sharp growth in the sales and viewership of connected devices, ZEE5 has entered into deals with major TV OEMs for hot key integration on remote controls. It is also partnering with all smart stick and integrated STB offerings being launched in the market, with ZEE5 pre-installed on these devices. This will significantly reduce the friction for platform discovery and will be one of the critical drivers for growth of the paid subscriber base for the platform. Third, as digital is gaining traction across other verticals, ZEE5 has partnered with multiple e-commerce, ISP, travel, hospitality, and e-payment players, for bundled offerings for ease of payments. During the year, ZEE5 entered into partnership with Jio Fiber to bundle ZEE5 subscription for its premium customers. Along with driving higher reach and convenience, these partnerships also help in driving joint marketing campaigns.





Partnership eco-system



Technology to enhance experience

Since inception, ZEE5's goal has been to provide a one of its kind content viewing experience for its consumers using cutting edge technology as the enabler. ZEE5 is a platform truly customized for Indian needs. From having user interface in 10 local languages to being the first OTT player to introduce voice search feature, the platform has been designed keeping nuances of the consumer behavior at core. During the year, the platform revamped its UI/UX with a new app interface and the launch of a PWA (progressive web app) which improved the experience for its web users. The new interface offers an

intuitive flow on the platform and makes content discovery easier. ZEE5's customer data platform aggregates and organises user data in real time to provide a unified view of user behaviour and content consumption patterns. This data enables it to provide personalised recommendations to users. To offer a continuously improving experience, ZEE5 has partnered with 30+ global tech companies with expertise in the OTT space. ZEE5 is also developing a robust ad-tech architecture with a self-serve model which will enable advertisers to have full control over their advertising campaigns.



ZEE5 GLOBAL

ZEE5 was launched across more than 190 countries in Oct '18. It started the commercial rollout in India's neighbouring countries and became the leading entertainment app in key SAARC markets within weeks of launch. ZEE5 started marketing in Middle Eastern countries in July '20 and established a strong presence in the market. It onboarded a number of premium advertisers on the platform and partnered with the biggest retail chain in the region for on ground visibility. ZEE5 has partnered with key telecom players in APAC and Middle East markets for expanding its distribution reach. With commercial launch in UK, Europe and Canada in the fourth quarter of FY20, ZEE5 is close to completing roll-out in priority markets other than US, where it will be launched in FY21.

ZEE5 also plans deeper localisation initiatives in some of the markets like Bangladesh, Middle East and Canada which have sizable diaspora population and affinity for Indian content. ZEE5's revenue model varies across markets depending on content pull, paying propensity of the consumer, and competitive pricing. With a strong content line-up and distribution reach, ZEE5 aims

to become the primary entertainment platform for Indian and South Asian diaspora around the world.



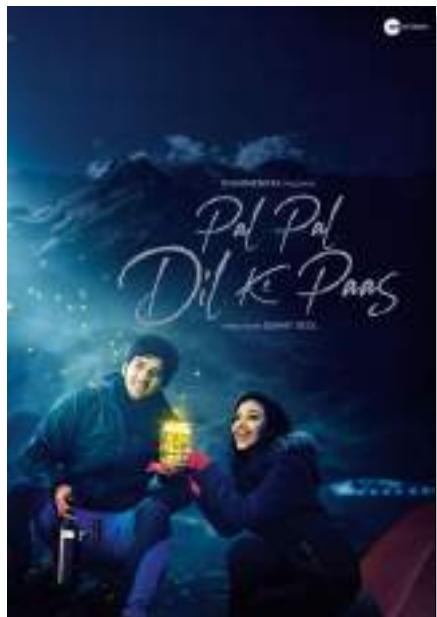
MOVIES

As per the FICCI-EY Report, the Indian movie industry grew by 9.5% to ₹ 191 billion in CY19. Domestic theatrical revenues grew by 12.8% YoY to ₹ 115.2 billion while overseas revenue declined by 10%. In line with last year's trend, revenue from sale of digital rights grew at a much higher rate. With digital rights for some movies acquired at prices equal to or higher than satellite rights, digital revenue grew by 40.7% to ₹ 19 billion. In contrast, revenue from sale of satellite rights grew by less than 5%. 1,833 films were released in India last year, an average of 35 films per week. But with only 100mn movie-goers, cinema viewing penetration is still less than 10% in India. Lack of growth in screens beyond metro and large cities continues to be a bottleneck for the industry growth. The Indian movie industry is estimated to grow at a CAGR of 8% between CY19 to CY22.

COVID-19 halted the movie production and theatrical release of films across the country. While the movie production began in a phase wise manner across markets, the theatres were closed for much longer duration. Even after opening, there is limited clarity as to when the theatre occupancy rates will revert to normalised levels. With uncertain timelines for opening of theatres during the lockdown, some of the producers chose to release their movies on digital platforms. While this might continue to be an option for some small budget movies going forward as well, it would not be possible for digital platforms to compensate for the theatrical revenue upside to producers. Coupled with the fact that big screen experience of movies is not replicable on a small screen, we believe that theatre will continue to be the preferred choice for both producers as well as consumers.

Zee Studios

Zee Studios, the content production and distribution arm of the company, was the #3 movie studio in the country in terms of box-office collections. Having started as a movie distribution company, Zee Studios has gradually made the journey to become a full-fledged player with co-production projects and in-house productions. Zee



Studios also produces shows for television and digital platforms. During FY20, the studio released 14 movies across 5 languages – Hindi, Marathi, Tamil, Punjabi, and Haryanvi. The studio not only received box office success, but its portfolio of varied films also received critical acclaim. 'Good Newwz' was among the highest grossing movies of the year with box office collection of ~2bn and 'Article 15' emerged as a trendsetter for social dramas. 'The Tashkent Files', produced at a modest budget, was one of the sleeper hits of the year and ran in cinemas for over 100 days.

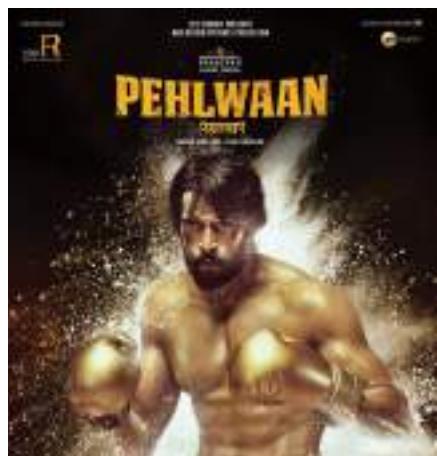
Zee Studios is focusing on building a strong line-up of movies for the next few years with a mix of in-house productions, co-productions and acquisitions across languages. As evident from movies like 'Article 15' and 'The Tashkent Files', it is also exploring concepts from new genres or ones that re-define existing genres. The focus of distribution business would be to acquire, uniquely market and distribute content across geographies, including international markets. It will also identify and target micro markets, especially in the regional space. Zee Studios is aggressively working on creating a pipeline of successful in-house productions that will establish its credibility as a movie producer, thereby enabling it to become the preferred partner for talent across the value chain.



Highlights for FY20

Movies produced or distributed in India

- **Hindi:** Good Newwz, Tashkent Files, Article 15, Pehlwaan, Pal Pal Dil Ke Paas, Hotel Mumbai, Hacked and Bhoot
- **Marathi:** Rampat, Khari Biscuit and Dhurala
- **Punjabi:** Surkhi Bindi
- **Tamil:** Nerkonda Paarvai
- **Haryanvi:** Chhoriyan Chhoron Se Kam Nahi Hoti





MUSIC

The Indian music industry grew by 8.3% to reach ₹ 15.3 billion in 2019 and it is expected to grow at a CAGR of 10% to cross ₹ 20 billion by 2022. As per the Report, an average Indian consumer spends 19.1 hours/week listening to music, slightly higher than the global average. While film music leads the consumption and popularity charts, we are also seeing emergence of artist driven non-film music.

Music industry has seen a seismic shift in terms of consumption behaviour over the last few years. Consumers in India used to traditionally rely on radio, television or pirated music, but now over 250mn listeners use online music streaming

services. With ubiquitous smartphones and data connections, online music streaming has become a seamless and stress-free activity, and increasingly more Indians are adopting it. India has around 10 popular music streaming apps, with both global as well as homegrown platforms competing to capture a share of this growing market. Other than mobile data penetration, availability of on-demand music for free, full breadth of music catalogue, and curated playlists have led to the wide acceptance of music streaming platforms. While most of the apps offer paid ad-free versions, number of paid subscribers is currently small in India.

Zee Music Company

Zee Music Company (ZMC), our music publishing label was established in 2014. Since launch it has established itself as one of the top music labels in India, publishing over 1,000 songs a year. ZMC has acquired almost 50% of new Bollywood music released over the last few years and simultaneously expanded its presence in regional markets. ZMC's partnerships with leading producers and its track record of identifying hit music titles have enabled it to deliver chart-topping songs every year since launch. This growing list of hits has powered ZMC's rise to India's #2 YouTube music channel with over 55mn subscribers. The label licenses its catalogue to all major music streaming platforms which enables a pan-India reach. An expansive music catalogue and long-term partnerships with production houses

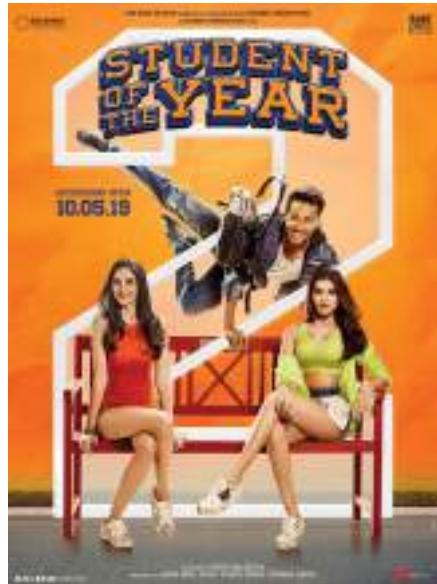


and digital platforms provide an edge to improve its share in this growing segment. In FY20, ZMC released 193 film albums - 67 in Hindi and 126 in regional languages, and more than 850 non-film singles. The label's catalogue now consists of over 7000 songs across Hindi and regional languages. ZMC is also bringing new talent to the industry through film and non-film music. ZMC has been scaling up production of the non-film music offering under the brand 'Zee Music Originals' and several of these go on to become superhits. ZMC is also creatively providing songs for movie albums, giving the label an edge in partnering with producers. Like last few years, the label led in nominations and wins at film awards in FY20, a testimony to its selection of titles.

Pan-India player with presence across 11 languages

#1 acquirer of new Bollywood songs

7000+ songs in the catalogue



ZEEMUSIC CO.

Key highlights

- **30%** YoY growth in YouTube subscribers
- **2nd** and **4th** most subscribed YouTube music channel in India and World, respectively
- **190+** movie titles and **850+** singles acquired across languages in FY20



LIVE EVENTS

According to the Report, the organized live events industry in India grew by 10% YoY in CY19 to reach Rs. 83 billion. While the growth is spread across all types of events, it is primarily led by digital and IP events. Digital events have now become more important and enable event agencies to support marketers' direct to customer agenda. In terms of geography, semi-urban markets have become attractive for advertisers due to increased spending power and accordingly these markets have seen higher growth. Live events industry

provides ample growth opportunities for organized players with pan-India presence. Live events industry was expected to grow at a CAGR of 13.8% over the next 3 years. However, due to the impact of COVID-19, it is likely that the industry will see significant revenue loss in FY21. There is a possibility that till a credible threat of the virus persists, events with huge gatherings might not be feasible. We believe that the live events industry will see innovations which will help overcome these challenges.



Zee LIVE

Zee LIVE is the live events arm of the company. Zee LIVE is focused on creating memorable on-ground experiences for the audiences. It aims to become the gateway to the world for Indian live experiences, while simultaneously bringing the best concepts from around the globe to India. Zee LIVE aims to conceptualize IPs for entertainment, lifestyle, and education events through differentiated concepts and execution.

Supermoon is Zee LIVE's first IP spanning comedy, music and other entertainment genres. *Supermoon* 2019 edition saw Russell Peters, one of the 50



greatest stand-up artists of all time, perform in front of a sell-out audience across 6 Indian cities. After a big bang start, *Supermoon* rolled out its music IP, country-wide tour with Prateek Kuhad, one of the most popular Indie music artists. The 11-city tour was a great success with each show being sold out within days of ticketing going live. *Arth*'s second season established it as India's only multi-regional culture festival. The event was attended

by over 35,000 people and was also streamed live on TV and digital platforms which garnered over 20 million views. The festival was headlined by music stalwarts and some of the noted speakers included Amit Shah, Dr. Subramanian Swamy, Prasoon Joshi and Mandira Bedi. Zee LIVE also organized the first two editions of *Zee Educare*, which focused on alternate careers for students beyond the mainstream choices. The event was designed to address the needs of young adults for higher education by bringing together researchers, industry experts, and educators under-one-roof, enabling students to take an informed career decision.

OPERATIONS DURING THE LOCKDOWN

The sudden and explosive outbreak of COVID-19 brought nations and organizations to their knees. A lockdown like situation that was so far only hypothesized during meetings on business continuity planning had indeed manifested. Such an unprecedented situation was challenging for all the organizations but more so for companies operating in the media industry. Media was one of the essential services and it was incumbent on us to ensure uninterrupted services to our viewers who were confined to their homes during the lockdown. At the same time, ensuring health and safety of our employees was also of utmost importance. The use of technology, strong systems and processes built over years and our committed workforce made it possible that BCP (Business Continuity Processes) was executed seamlessly and we continued delivering non-stop entertainment to our viewers while taking great care to ensure safety of our employees.

Continuing operations during lockdown

During the lockdown, more than 90% of our workforce in India switched to working from home. However, some of the functions like operations (for broadcast and digital), post-production required working from office

premises. To ensure business continuity and safety of employees, exhaustive SOPs (Standard Operating Processes) guidelines were framed and executed. This ensured that our broadcast network and ZEE5 continued to serve audience 24x7 during the entire duration of the lockdown.

Delivering content during lockdown

With lockdown in place, production of new content was stopped. On the other hand, consumption of content saw a massive increase as people were confined to their homes. Our businesses adopted different measures to ensure engagement with the audiences. As the viewership of movie genre soared due to lack of original content, our television business exploited its vast movie library to keep the audience entertained. ZEE5 released 4 direct-to-digital movies which saw great traction on the platform and helped boost the subscription rate. Our channels leveraged their massive content libraries to air some of the popular older shows, with a few of them garnering viewership comparable to new shows. Our content also travelled across languages, with channels dubbing shows fit for their consumers from other markets. To increase sampling of its original content, ZEE5 made the first episode of its entire paid content catalogue free for consumers. A part of premium content library - 20

shows and 60 movies, was also made available to AVOD viewers. In a bid to serve fresh content to its viewers, the network also licensed content from other broadcasters and OTT players. As the lockdown was lifted across different parts of the country, original content production resumed gradually. The business has also prepared a contingency plan to continue original content production in case lockdown is imposed again.

Zee Studios and Zee LIVE, face longer disruption as theatres and mass gatherings are still not allowed. Zee Studios' release schedule was impacted due to the lockdown and it decided to release some of its movies directly on OTT platforms. It also continued working on new movie scripts and discussions with producers for distribution deals during the lockdown. Zee LIVE organised a digital edition of its multi-cultural festival - *Arth*, which was streamed live to over 5.9mn viewers. It also introduced *Supermoon Live to Home*, which brought music, food, stand-up and fitness content to the audiences through digital streaming. Given the possibility that big gathering live events might not be feasible in FY21, Zee LIVE is focussed on creating a host of digital-first properties.



FINANCIAL REVIEW

Consolidated Financials

(₹ Million)	FY19	FY18	Growth
Operating Revenue	81,299	79,339	2.5%
Expenditure	64,953	53,700	21.0%
EBITDA	16,346	25,639	-36.2%
EBITDA excluding one-offs	22,376	25,640	-12.7%
Add: Other Income	2,836	2,515	12.8%
Less: Depreciation	2,706	2,347	15.3%
Less: Finance Cost	1,449	1,304	11.1%
Less: Fair Value Through P&L	2,597	(36)	
Less: Exceptional Items	2,843	218	
Profit before Tax (PBT)	9,587	24,321	-60.6%
PBT excl. exceptional and one-offs	22,297	24,539	-9.1%
Less: Tax Expense	4,317	8,673	-50.2%
Add: Share of Profit of Associates	(24)	24	
Profit After Tax (PAT)	5,246	15,673	-66.5%

The Company's consolidated revenues stood at ₹ 81,299 million for the year ended 31st March 2020, compared to ₹ 79,339 million in the previous year, a growth of 2.5% despite a challenging environment. Total advertising revenues of the Company declined by 7% YoY to ₹ 46,811 million. Impact of macro-economic slowdown during the second half was further accentuated by the rejigging of ZEEL's FTA portfolio in Mar'19. These internal and external factors led to a 7% decline in domestic advertising revenues for the year. Total subscription revenues grew by 25% YoY to ₹ 28,873 million, with domestic subscription revenue growing by 33% to ₹ 25,622 million. The implementation of the new tariff order has helped the Company improve monetization of its viewership across regions. ZEEL saw satisfactory uptake of its channels and bouquets after the tariff order implementation

and was able to deliver industry-leading growth in subscription revenues.

The Company's operating expenses for the year ended 31st March 2020 grew by 21% to ₹ 64,953 million, compared to ₹ 53,700 million in the previous year. Programming related costs increased by 24.5% YoY to ₹ 38,285 million. The increase was primarily driven by content cost for ZEE5 and higher movie amortization costs. This also includes accelerated amortization of ₹ 2,598 million for content where estimated future revenues did not justify the carrying value. Advertising, publicity and other expenses for the year grew by 20% YoY to ₹ 18,863 million. The increase is due to higher marketing costs associated with ZEE5 and launch of four new TV channels in regional markets. Administrative cost includes a one-time provision of ₹ 3,433

million for the balances related to advertising, subscription and other assets where recovery has become doubtful on account of COVID-19 led uncertainty. EBITDA at ₹ 16,346 million, witnessed a decline of 36.2%. EBITDA margins for the year ended 31st March 2020 stood at 20.1%, as compared to 32.3% for the year ended 31st March 2019. Excluding the one-off provisions and write-offs, underlying EBITDA for the year ended 31st March 2020 was ₹ 22,376 million and underlying margin was 27.5%.

Depreciation and Amortization expense witnessed an increase of 15.3% YoY, primarily led by lease accounting and capitalization of the Company's Jaipur studio facility. During the year, the Company recorded an exceptional loss of ₹ 2,843 million relating to impairment of goodwill in its online media business and provisions for loans. During the previous year ended 31st March 2019, the Company had reported an exceptional loss of ₹ 218 million pertaining to partial impairment of goodwill in its online media business. Consolidated income tax expense at ₹ 4,317 million witnessed a decline of 50.2% over the previous year on account of corporate tax rate cuts announced by the government and decline in profit before tax on a YoY basis. Consolidated profits after taxes including exceptional items stood at ₹ 5,246 million.

Liquidity and Funding

As on 31st March 2020, the Company had cash and cash equivalents of ₹ 7,345 million and treasury investments of ₹ 2,770 million. During the year ended 31st March 2020, the Company's consolidated long-term debt reduced to ₹ 3,501 million from ₹ 7,429 million as on 31st March 2019. Part redemption of preference shares led to the decline in the overall debt position of the Company. Consolidated cash flow from operations stood at ₹ 2,499 million for the year ended 31st March 2020 as compared to ₹ 1,352 million during the previous year. Lower tax outflow due to reduction in corporate tax rate led to better cash generation than previous year. Increase in inventories was led by higher investments in content including acquisition of movie rights (satellite, digital and international rights, including future rights). Working capital was also impacted on account of higher receivables due to lower collections on account of COVID-19. Cash flow from financial activities was impacted due to part redemption of preference shares and payment of equity dividend to the shareholders.



RISK FACTORS

Industry Risks

Ever-changing trends in media sector

Entertainment needs of the audience are constantly evolving, and it is difficult to predict the consumer behaviour with accuracy. It is also influenced by new trends and the environment around consumers. As the Company makes substantial investments in content, non-performance of the shows/movies would have an adverse impact on the revenue and profitability of the Company.

Competition

The Company operates in a highly competitive environment and faces competition from both domestic as well as international players in all its businesses. While the competitive intensity in the broadcasting space is largely stable with no new major entrants, most of the markets have multiple players competing for a higher share of the viewership pie. In the digital space, there are over two dozen players vying for consumers' time. Similarly, in the other business also the Company competes with established and new players. Any new competition in the space can have an impact on the Company's revenues.

Faster than expected shift to digital platforms

Increasing smartphone penetration and affordable data tariffs have led to an increase in digital content consumption. While this trend is expected to continue, digital consumption so far has been largely supplementing television viewing. If there is a faster than expected migration to digital platforms from television, it may have an impact on the television business revenue of the Company.

External Risks

Macro-economic environment

The advertising revenue of the media industry are inextricably linked to the economic growth of the country. Poor macro-economic environment can adversely impact advertising revenues of the Company, which is the largest component of revenues.

Global/Local Pandemic

Fallout of COVID-19 not only created an extremely volatile macro-economic environment, it also impacted the normal business operations. It led to disruption in content production and had a significant impact on the ways of working. Any pandemic breakout in the future could have an impact on the Company's ability to produce content and monetise it.

Exchange rate fluctuations

The Company has operations outside India, and a portion of its revenues and expenses are in foreign currencies. Thus, the Company is exposed to fluctuations in the exchange rates. Any extreme fluctuations of foreign currencies against Indian Rupee could have an impact on its revenues and expenses.

IT Security Threats

COVID-19 has forced organisations to embrace remote working and new technologies. This has created an ideal situation for cyber criminals to attack IT infrastructure and launch a range of hacking strategies. A security breach or disruption to IT infrastructure could lead to loss of sensitive data or information, legal and regulatory non-compliance, reputational damage as well as revenue loss.

Regulatory Risk

Uncertainties in rules and regulations

The M&E industry is governed by the rules and regulations framed by the authorities and regulatory bodies of the different countries the Company operates in. Further, COVID-19 has forced governments to bring new regulations which companies need to adopt swiftly and effectively. Any changes in laws and regulations could have a material impact on the revenues and cost of doing business for the Company.

Internal Risks

Increase in content costs

The Company spends a significant amount for acquisition of rights to movies and music across its broadcast, digital and international business. With increasing competition, content creation and content acquisition costs could rise to a level not commensurate with the monetization potential and estimated cost recovery.

Failure to hire and retain best talent

The Company's ability to attract, develop and retain a diverse range of skilled people is critical if to compete and grow effectively. The loss of management or other key personnel or the inability to identify, attract and retain qualified personnel could make it difficult to manage the business and could adversely affect operations and financial results.

HUMAN RESOURCE DEVELOPMENT

Protecting and enhancing the people capital in our core businesses and attracting talent to fund the build out of our new businesses have been the focus areas during FY20. The Company launched a seminal capability program, EMBARK and substantively increased its investments in capability building initiatives. Consequently, we increased the number of hours by more than 2x and the employees covered through capability building interventions by more than 3X.

During the year the Company initiated a series of initiatives to deliver superior employee experience and enhance its employee engagement. Both these vectors are becoming increasingly important to ensure that we compete effectively in the war for talent. The set of measures implemented has seen us retain our Top 100 Great Places to Work in India by the GPTW Institute even as we went through a difficult year. The Company's people strategy is geared for making ZEEL India's number one entertainment content company.

INTERNAL CONTROL

Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested by Statutory as well as Internal Auditors and cover key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control processes and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. Further the Audit Committee has directed stringent controls for mitigating any potential risk implications while issuing letter of comfort by the Company or its subsidiary in the course of the business.



NOTICE

Notice is hereby given that the Thirty-Eighth Annual General Meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited ("the Company") will be held on Friday, September 18, 2020, at 3:30 p.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared on a standalone and consolidated basis, for the financial year ended March 31, 2020 including the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To confirm Dividend paid on the Preference Shares by the Company during, and for, the financial year ended March 31, 2020.
3. To declare Dividend of ₹ 0.30 per Equity Share for the financial year ended March 31, 2020.
4. To appoint a Director in place of Mr. Ashok Kurien (DIN 00034035), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. Ratification of Cost Auditors' Remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the Cost Audit Fees of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses, payable to M/s. Vaibhav P. Joshi & Associates, Cost Accountants (Firm Registration No. 101329) towards Cost Audit of the cost accounting records of the Company for the Financial Year 2019-20, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mr. R Gopalan (DIN 01624555) as an Independent Director of the Company

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Mr. R Gopalan (DIN 01624555) who was appointed as an Additional Director of the Company by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee with effect from November 25, 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature to the office of a Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period up to November 24, 2022."

7. Appointment of Mr. Piyush Pandey (DIN 00114673) as an Independent Director of the Company

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Mr. Piyush Pandey (DIN 00114673) who was appointed as an Additional Director of the Company by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee with effect from March 24, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature to the office of a Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period up to March 23, 2023."

8. Appointment of Ms. Alicia Yi (DIN 08734283) as an Independent Director of the Company

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with schedule IV and other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) Ms. Alicia Yi (DIN 08734283) who was appointed as an Additional Director of the Company by the Board of Directors, based on the recommendation of Nomination and Remuneration Committee with effect from April 24, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature to the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period up to April 23, 2023."

9. Re-appointment of Mr. Punit Goenka (DIN 00031263) as Managing Director & Chief Executive Officer of the Company

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), Regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Punit Goenka (DIN 00031263) as Managing Director & Chief Executive Officer of the Company for a period of 5 (five) years with effect from January 1, 2020, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this meeting with liberty to the Board of Directors (hereinafter referred as "the Board" which term shall be deemed to include any committee of the Board) to alter and vary

terms and conditions of the said re-appointment including remuneration, as it may deem fit and subject to the condition that the aggregate of the remuneration, perquisites/ benefits including contribution to retiral funds as applicable, payable to Mr. Punit Goenka as Managing Director & Chief Executive Officer of the Company shall be within the limits prescribed under Schedule V to the Act or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, matters, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

10. Payment of Commission to Non-Executive Directors of the Company

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), Regulation 17 and such other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and subject to such approvals as may be necessary, the Non-Executive Directors of the Company be paid, annually for a period of five (5) financial years commencing from the financial year ended March 31, 2021, commission of an amount not exceeding one percent of the net profits of the Company computed in the manner referred to in Section 198 of the Act, in addition to the sitting fees for attending the meeting(s) of the Board of Directors of the Company or any Committee thereof, to be divided amongst the Non-Executive Directors aforesaid in such manner and subject to such ceiling as the Board of Directors of the Company may from time to time determine.”

By Order of the Board

Ashish Agarwal
Chief Compliance Officer & Company Secretary
Membership No. F6669

Place: Mumbai

Date: July 24, 2020

Registered Office:

18th floor, A Wing, Marathon Futurex
N M Joshi Marg, Lower Parel
Mumbai 400 013
CIN: L92132MH1982PLC028767
Email: shareservice@zee.esselgroup.com

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 & 17/2020 dated April 8, 2020 and April 13, 2020 respectively, (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 ("SEBI Circular") have permitted the holding of the Annual General Meeting by companies through VC / OAVM during the calendar year 2020, without the physical presence of the Members. Accordingly, in compliance with the provisions of the Companies Act, 2013 ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circular, the Thirty-Eighth Annual General Meeting of the Equity Shareholders of the Company ("AGM") shall be held through VC / OAVM only.

National Security Depository Limited ("NSDL") shall be providing facility for voting through remote e-voting, for participation in the AGM thorough VC/ OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at note no. 22.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing has to be a pre-requisite. Pursuant to the above-mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
3. Explanatory Statement for items Nos. 5 to 10 pursuant to Section 102 of the Act, relating to the Special Businesses to be transacted at the AGM are annexed hereto.

The Board of Directors have considered and decided to include the item Nos. 5 to 10 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

4. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") which has mandatory application, in respect of business to be transacted at the AGM, as set out under item Nos. 5 to 10 are annexed thereto.
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, the requirement of physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members shall not be available for AGM or any adjournment thereof, if any and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to shareservice@zee.esselgroup.com with a copy marked to evoting@nsdl.co.in.
7. The Company has fixed Friday, September 11, 2020 as the 'Record Date' for determining entitlement of Members to final dividend for the financial year ended March 31, 2020, if approved at the AGM.
8. Equity Dividend, if approved by Members at the AGM, will be paid, subject to deduction of tax at source ("TDS") on or after Tuesday, September 22, 2020, to those Members whose names appear in the Register of Members as on the Record Date i.e. Friday, September 11, 2020.



9. Pursuant to Finance Act, 2020 dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct TDS from dividend paid to shareholders at the rates prescribed in the Income-tax Act, 1961 ("IT Act"). For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their Residential Status, PAN with the Company/ Company's Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") (in case of shares held in physical mode) and Depository Participant ("DPs") (in case of shares held in demat mode).
10. A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to rnt.helpdesk@linkintime.co.in and shareservice@zee.esselgroup.com latest by Friday, September 11, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to rnt.helpdesk@linkintime.co.in and shareservice@zee.esselgroup.com. The aforesaid declarations and documents need to be submitted by the shareholders by September 11, 2020.
11. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their physical holdings of securities to dematerialized form.
- Members can contact the Company or Link Intime for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website www.zeeentertainment.com.
12. To support the 'Green Initiative', the Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held in electronic form and with Link Intime in case the shares are held in physical form.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to Link Intime in case the shares are held in physical form.
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.zeeentertainment.com. Members are requested to submit the said details to their DPs in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.
15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM provided the votes are not already cast through remote e-voting.
16. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2020, may send their queries at least seven days before the AGM to the Chief Compliance Officer & Company Secretary at the Registered Office of the Company or by e-mail to shareservice@zee.esselgroup.com. The same will be replied by the Company suitably.
17. Equity Dividend for the Financial Year ended March 31, 2013, which remains unpaid and unclaimed, will be due for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government in October 2020. Members who have not encashed their dividend warrant(s) for Dividend issued by the Company for the financial year ended March 31, 2013 or any subsequent financial years, are requested to lodge their claims immediately with Link Intime.
- Members may further note that, pursuant to Section 124 of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), all shares on which dividend remains unclaimed for 7 (seven) consecutive years or more have been, and shall be liable to be transferred to IEPF Authority. Members are further advised that in terms of applicable provisions of the Act and IEPF Rules, Unclaimed Dividends and shares transferred to IEPF Authority can be claimed from the IEPF Authority after following the process prescribed in the said Rules.
18. In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM included in the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Annual Report 2019-20 will also be available on the Company's website www.zeeentertainment.com websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL www.evoting.nsdl.com.
19. At the 35th AGM held on July 12, 2017, the Members had approved appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018 as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 40th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the AGM.
20. All documents referred to in this Notice and other statutory registers are open for inspection by the Members online during the AGM through video conference.
21. In accordance with the Secretarial Standard-2 on General Meetings issued by ICSI read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
22. Instructions for e-voting and joining the AGM through VC / OAVM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

- In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, i.e. remote e-voting prior to the AGM and also during the AGM (for those Members who had not exercised their vote through remote e-voting) provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- The remote e-voting period commences on Tuesday, September 15, 2020 (9:00 a.m. IST) and ends on Thursday, September 17, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, September 11, 2020 i.e. cut-off date, may

cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Board of Directors has appointed FCS Ms. Vinita Nair (Membership No. F10559), Senior Partner, M/s Vinod Kothari & Co., Company Secretaries as Scrutiniser to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of the Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

vii. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at www.evoting.nsdl.com

Step 2: Cast your vote electronically on NSDL e-voting system.

Details on Step 1 are mentioned below:

How to Log-in to NSDL e-voting website?

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsdl.com either on a personal computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at www.eservices.nsdl.com with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

**Manner of holding shares
i.e. Demat (NSDL or CDSL)
or Physical**

Your User ID is:

A) For Members who hold shares in demat account with NSDL.

8 Character DP ID followed by 8 Digit Client ID

For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****

B) For Members who hold shares in demat account with CDSL.

16 Digit Beneficiary ID

For example, if your Beneficiary ID is 12***** then your user ID is 12*****

C) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company
For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-voting system?

- After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of the Company, which is 113461.
- Now you are ready for e-voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.



8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to shareservice@zee.esselgroup.com and vinita@vinodkothari.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990

Process for registration of email id for obtaining Annual Report and user id/ password for e-voting and updation of bank account mandate for receipt of dividend:

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, Link Intime at rnt. helpdesk@linkintime.co.in providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <ul style="list-style-type: none"> a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
Demat Holding	<p>Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM.
Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in 1800-222-990 or Ms. Sarita Mote, Assistant Manager- NSDL at saritam@nsdl.co.in 022-24994890.
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at shareservice@zee.esselgroup.com from September 11, 2020 (9:00 a.m. IST) to September 14, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.zeeentertainment.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

At the meeting held on July 23, 2019 your Board had, after reviewing confirmation received and based on the recommendations of the Audit Committee, approved the appointment of M/s Vaibhav P Joshi & Associates, Cost Accountants (Firm registration No. 101329), as Cost Auditors of the Company ("Cost Auditors") for FY 2019-20 at a remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus taxes and reimbursement of out of pocket expenses at actuals.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, ratification by the Shareholders is sought for the remuneration payable to the Cost Auditors for FY 2019-20.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in the resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 5 for approval by the Members.

ITEM NO. 6

Based on the recommendation of the Nomination & Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Mr. R Gopalan (DIN 01624555) as an Additional Director of the Company, in the category of Independent Director with effect from November 25, 2019. Pursuant to Section 161(1) of the Companies Act, 2013 ('Act'), Mr. R Gopalan holds office till the date of this Annual General Meeting. Appropriate notice has been received from a Member proposing appointment of Mr. R Gopalan as a Director of the Company and requisite consent has been received from him pursuant to the provisions of Section 152 of the Act along with confirmation that he is not disqualified from being appointed as a director in terms of Section 164 of the Act.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the Members.

The Company has also received declaration from Mr. R Gopalan that he meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. R Gopalan who is proposed to be appointed as an Independent Director of the Company for the period of 3 consecutive years up to November 24, 2022 fulfills the conditions specified under Section 149(6) and Schedule IV of the Act and is Independent of the management.

Details of Mr. R Gopalan are provided in the Annexure to the Notice pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on the General Meeting issued by the Institute of Company Secretaries of India.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of the letter of appointment of Mr. R Gopalan setting out the terms and conditions of appointment is available for inspection by the Members on the website of the Company.

None of the other Directors and / or Key Managerial Personnel of the Company or their relatives except Mr. R Gopalan (whose appointment is proposed in this resolution) are, in any way, concerned or interested financially or otherwise in the resolution.

Brief Profile and other details of Mr. R Gopalan forms part of the Annexure to the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO. 7

Based on the recommendation of the Nomination & Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Mr. Piyush Pandey (DIN 00114673) as an Additional Director of the Company, in the category of Independent Director with effect from March 24, 2020. Pursuant to Section 161(1) of the Companies Act, 2013 ('Act'), Mr. Piyush Pandey holds office till the date of this Annual General Meeting. Appropriate notice has been received from a Member proposing appointment of Mr. Piyush Pandey as Director of the Company and requisite consent has been received from Mr. Piyush Pandey pursuant to the provisions of Section 152 of the Act, along with a conformation that he is not disqualified from being appointed as a director in terms of Section 164 of the Act.

In accordance with the provisions of Section 149 read with Schedule IV

to the Act, appointment of Independent Directors requires approval of the Members.

The Company has also received a declaration from Mr. Piyush Pandey that he meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Piyush Pandey who is proposed to be appointed as an Independent Director of the Company for the period of 3 consecutive years up to March 23, 2023 fulfills the conditions specified under Section 149(6) and Schedule IV of the Act and is Independent of the management.

Details of Mr. Piyush Pandey are provided in the Annexure to the Notice pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on the General Meeting issued by the Institute of Company Secretaries of India.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of the letter of appointment of Mr. Piyush Pandey setting out the terms and conditions of appointment is available for inspection by the Members on the website of the Company.

None of the other Directors and / or Key Managerial Personnel of the Company or their relatives except Mr. Piyush Pandey (whose appointment is proposed in this resolution) are, in any way, concerned or interested financially or otherwise in the resolution.

Brief Profile and other details of Mr. Piyush Pandey forms part of the Annexure to the Notice.

The Board recommends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

ITEM NO. 8

Based on the recommendation of the Nomination & Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Ms. Alicia Yi (DIN 08734283) as an Additional Director of the Company, in the category of Independent Director with effect from April 24, 2020. Pursuant to Section 161(1) of the Companies Act, 2013 ('Act'), Ms. Alicia Yi holds office till the date of this Annual General Meeting. Appropriate notice has been received from a Member proposing appointment of Ms. Alicia Yi as Director of the Company and requisite consent has been received from her pursuant to the provisions of Section 152 of the Act along with a confirmation that she is not disqualified from being appointed as a director in terms of Section 164 of the Act.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the Members.

The Company has also received declaration from Ms. Alicia Yi that she meets the criteria of Independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Ms. Alicia Yi who is proposed to be appointed as an Independent Director of the Company for the period of 3 consecutive years up to April 23, 2023 fulfills the conditions specified under Section 149(6) and Schedule IV of the Act and is Independent of the management.



Details of Ms. Alicia Yi are provided in the Annexure to the Notice pursuant to the provisions of (i) Listing Regulations and (ii) Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India.

She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act.

Copy of the letter of appointment of Ms. Alicia Yi setting out the terms and conditions of appointment is available for inspection by the Members on the website of the Company.

None of the other Directors and / or Key Managerial Personnel of the Company or their relatives except Ms. Alicia Yi (whose appointment is proposed in this resolution) are, in any way, concerned or interested financially or otherwise in the resolution.

Brief Profile and other details of Ms. Alicia Yi forms part of the Annexure to the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

ITEM NO. 9

At the 33rd Annual General Meeting held on July 15, 2015, the Members had approved re-appointment of Mr. Punit Goenka as Managing Director & Chief Executive Officer of the Company for a period of 5 years with effect from January 1, 2015.

Further, based on the recommendations of the Board, a global consulting company was appointed to advise the Nomination and Remuneration Committee ('NRC') on finalizing the revised remuneration framework for the Managing Director & Chief Executive Officer, coterminous with his re-appointment.

Meanwhile, the Board of Directors of the Company at its meeting held on November 5, 2019 has re-appointed Mr. Punit Goenka (DIN 00031263) as Managing Director & Chief Executive Officer of the Company for a period of 5 years with effect from January 1, 2020, on the existing terms and conditions pending final finding of the benchmarking exercise as his appointment was expiring on December 31, 2019.

While, the benchmarking exercise was ongoing, the NRC deliberated on the proposals submitted by the consulting agency along with the communication received from Mr. Punit Goenka addressed to the Chairman of NRC on April 25, 2020, requested NRC to keep the exercise with respect to his compensation review, in abeyance, in light of the hardships caused due to COVID-19 pandemic and confirmed that he will continue to serve the Company on his existing terms and conditions, if appointed.

It is therefore proposed to seek Members' approval for re-appointing Mr. Punit Goenka as Managing Director & Chief Executive Officer on the following existing terms and conditions currently applicable to him without any revision or market benchmarking.

A. Tenure:

The appointment of Mr. Punit Goenka as the Managing Director & Chief Executive Officer shall be for a period of 5 years from January 1, 2020 with liberty to either party to terminate the appointment on 3 (three) months' advance notice in writing to the other.

B. Remuneration:

a) Basic Salary:

The Basic Salary of Mr. Punit Goenka shall be ₹ 36,20,698/- p.m. with authority to the Board of Directors to determine any merit-based increase

in the Basic Salary with corresponding increments increase in other components of remuneration linked to Basic Salary;

b) Perquisites & Allowances:

In addition to the basic salary payable, Mr. Punit Goenka shall be entitled to perquisites and allowances as follows:

- i) House Rent Allowance of ₹ 12,72,000/- per month;
- ii) Personnel allowance of ₹ 3,39,609/- per month;
- iii) Leave Travel Allowance of ₹ 24,00,000/- per annum payable on a monthly basis;
- iv) Medical reimbursement at actuals, Club fees, personnel accident & medical insurance, use of chauffeur driven company car, telecommunication facilities at residence and such other perquisites and allowances in accordance with rules of the Company;
- v) Reimbursement of entertainment, travelling and all other expenses incurred for the business of the Company as per the Policy of the Company;
- vi) Company's contribution to provident fund, gratuity and leave encashment as per the rules of the Company; and
- vii) Annual performance bonus/incentive, if any, based on the performance criteria as laid down by or approved by the Board.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

C. Overall Remuneration:

a) The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Companies Act, 2013 ("Act"), read with Schedule V to the said Act for the time being in force.

b) In the event of loss or inadequacy of profits in any financial year during the tenure of services of the Managing Director & Chief Executive Officer, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Schedule V of the Act.

Mr. Punit Goenka satisfies all the conditions set out in Part I of Schedule V to the Act, as also conditions set out under Section 196(3) of the Act, for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Punit Goenka under Section 190 of the Act.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Punit Goenka and his father Mr. Subhash Chandra, Director are in any way concerned or interested financially or otherwise in this resolution

Brief Profile and other details of Mr. Punit Goenka forms part of the Annexure to the Notice.

Your Board recommends the Ordinary Resolution as detailed in Item No. 9, for approval by the Members.

ITEM NO. 10

At the 33rd Annual General Meeting held on July 25, 2015, the Members of the Company had approved payment of Commission upto 1% of the net profits to the Non-Executive Directors for a period of 5 years commencing from financial year ended March 31, 2015. The said commission was in addition to the sitting fees payable to the Directors for attending the meeting of the Board of Directors of the Company or any Committee thereof. With the focus on Corporate Governance, the roles and responsibilities of Non-Executive Directors have undergone significant changes demanding greater involvement in the supervision of the Company. It is therefore desirable that the compensation payable to the Non-Executive Directors including

Independent Directors should be reasonably adequate to attract independent professionals to guide the Company. It is therefore proposed that the Non-Executive Directors be paid Commission upto 1% of Net Profits of the Company for a period of five financial years commencing from financial year ended March 31, 2021.

Such commission would be in addition to the sitting fees for attending the Meetings of the Board or any Committee thereof. In accordance with the provisions of Section 197 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of remuneration by way of Commission to Non-Executive Directors of the Company, in addition to sitting fees, shall require approval of the Members.

Your Board recommends the special resolution as detailed in Item No. 10 for your approval.

Except the Non-Executive Directors, who would be entitled for the Commission, none of the Directors and/or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested financially or otherwise in this resolution.

Annexure to the Notice dated July 24, 2020

Details of Directors seeking appointment/re-appointment at the 38th AGM to be held on September 18, 2020

(pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings)

Mr. Ashok Kurien (DIN 00034035)

Age	70 Years
Qualifications	Bachelor of Arts
Experience (including expertise in specific functional areas)	Mr. Ashok Kurien has been in the business of building brands for over 35 years now, particularly in the fields of Media, Marketing and Communications. An early bird, he has a keen eye of driving start-ups in emerging businesses, helping in guiding them to size and scale. He is associated with a startup manufacturing Face Masks, Water Filters (without electricity) and Menstrual Hygiene - he has co-invented 'Saafkins', the ideal solution for the billion women who can't afford sanitary napkins, making it affordable and reusable, all this for the poor and the marginalised. Mr. Kurien is one of the founder-promoters of the Company. He is also founder and promoter of various business ventures including Ambience Advertising (now Publicis India), Hanmer & Partners - one of India's top-3 PR agencies.
Terms and conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Ashok Kurien who was appointed as a Non-Executive Director at the Annual General Meeting held in 1993, is liable to retire by rotation
Remuneration last drawn (including sitting fees if any)	₹ 6.17 Million (for details of remuneration please refer Corporate Governance Report)
Remuneration proposed to be paid	Sitting fees and Commission in accordance with provisions of applicable laws
Date of First appointment on the Board	November 17, 1992
Shareholding in the Company as on March 31, 2020	Nil
Relationship with other directors / Key Managerial Personnel	Nil
Number of meetings of the Board attended during financial Year (2019-20)	8
Directorship held in other Public Companies (excluding Private and Section 8 Companies) as on March 31, 2020	Dish TV India Limited
Membership/ Chairmanship of Committees held in other Companies (excluding Private and Section 8 Companies) as on March 31 , 2020	Dish TV India Limited - Audit Committee - Member - Stakeholders Relationship Committee – Chairman - Nomination and Remuneration Committee – Member - Corporate Social Responsibility Committee – Member

**Mr. R Gopalan (DIN 01624555)**

Age	68 Years
Qualifications	<ul style="list-style-type: none"> - Master of Public Administration & Management from Harvard University; - MA in Economics from Boston University; and - Bachelor's in Chemistry from Madras University
Experience (including expertise in specific functional areas)	<p>He has a rich experience in economic and financial administration of the country with long stints in Ministry of Commerce and Finance Ministry, and in Manufacturing and Services Sectors.</p> <p>As an Officer of Indian Administrative Service (IAS), Mr. R Gopalan held various responsible positions including <i>inter alia</i>, Member of Public Enterprises Selection Board, Secretary Department of Economic affairs, Secretary Department of Financial Services, CMD Tamilnadu Newsprints and Papers Limited, MD Tidel Parks Limited, MD Tamilnadu Agro Industries Corporation Limited, Director Department of Chemicals & Petrochemicals etc.</p> <p>During his career spanning 36 years, Mr. Gopalan gained rich experience in establishing and managing venture capital funds; heading industrial undertakings, managing infrastructure financing, Managing Financial Institutions, Creating Institutions & Corporates, negotiating for India in multilateral trade negotiations and formulating policies for the country in finance, trade and economy.</p>
Remuneration last drawn (including sitting fees if any)	₹ 2.68 Million (for details of remuneration please refer Corporate Governance Report)
Remuneration proposed to be paid	Sitting fees and Commission in accordance with provisions of applicable laws
Date of First appointment on the Board	November 25, 2019
Shareholding in the Company as on March 31, 2020	Nil
Relationship with other directors / Key Managerial Personnel	Nil
Number of meetings of the Board attended during financial Year (2019-20)	5 (appointed w.e.f. November 25, 2019)
Directorship held in other Public Companies (excluding Private and Section 8 Companies) as on March 31, 2020	<ul style="list-style-type: none"> - Sundaram Clayton Limited - TVS Motor Company Limited - MB Power (Madhya Pradesh) Limited - TVS Credit Services Limited
Membership/ Chairmanship of Committees held in other Public Companies (excluding Private and Section 8 Companies) as on March 31, 2020	<p>Sundaram Clayton Limited</p> <ul style="list-style-type: none"> - Audit Committee – Member - Risk Management Committee - Member <p>TVS Motor Company Limited</p> <ul style="list-style-type: none"> - Audit Committee – Member <p>TVS Credit Services Limited</p> <ul style="list-style-type: none"> - Audit Committee – Chairman - Nomination and Remuneration Committee - Chairman - Corporate Social Responsibility Committee - Member

Mr. Piyush Pandey (DIN 00114673)

Age	64 years
Qualifications	<ul style="list-style-type: none"> - MA from St. Stephens College, Delhi - Post Graduate in History from University of Delhi
Experience (including expertise in specific functional areas)	<p>Mr. Piyush Pandey has rich experience of over 37 years in the field of Advertising, all with Ogilvy India. Besides his current role as Executive Chairman of Ogilvy India, he was made the Chief Creative Officer of Ogilvy Worldwide in January 2019. He is the only Indian to have won three Grand Prizes at the London International Advertising Awards. He was awarded the Clio Lifetime Achievement Award in 2012 and the Lion of St. Mark, alongwith his brother Mr. Prasoon Pandey, at the Cannes International Festival of Creativity in 2018, the first Asians to be given this recognition. In 2016, he was awarded the Padma Shri in recognition of his distinguished service in the field of Advertising and Communication, the first Indian to be awarded in this field. He also published his first book 'Pandeymonium' in 2015. Mr. Pandey has been a brand ambassador for Indian advertising at many international and Indian forums and was also a mentor at the Berlin School of Creative Leadership. He is best known for his creative work. He believes advertising must talk to the hearts of people,</p>

and that the best reward of good work is when people on the streets it is aimed at, talk about it. His work has won over 1,000 awards nationally and internationally.

Remuneration last drawn (including sitting fees if any)	₹ 0.13 Million (for details of remuneration please refer Corporate Governance Report)
Remuneration proposed to be paid	Sitting fees and Commission in accordance with provisions of applicable laws
Date of First appointment on the Board	March 24, 2020
Shareholding in the Company as on March 31, 2020	Equity Shares - 2,190 Preference Shares - 4,599
Relationship with other directors / Key Managerial Personnel	Nil
Number of meetings of the Board attended during financial Year (2019-20)	Nil (appointed w.e.f. March 24, 2020)
Directorship held in other Public companies (excluding Private and Section 8 Companies) as on March 31, 2020	- D.B. Corp Limited - Pidilite Industries Limited
Membership/ Chairmanship held in committees of other Public companies (excluding Private and Section 8 Companies)as on March 31, 2020	D.B. Corp Limited - Audit Committee – Member - Stakeholders Relationship Committee – Member - Compensation Committee - Member

Ms. Alicia Yi (DIN 08734283)

Age	54 Years
Qualifications	- B.A. in Economics from the Northwestern University, Evanston, Illinois - Executive Education, YPO Presidents Program, from Harvard Business School
Experience (including expertise in specific functional areas)	Ms. Yi has held series of leadership roles working with top tier industry executives across consumer goods, retail, hospitality, travel, leisure, consumer health, media and entertainment. Currently, she is the Vice Chair of Korn Ferry's Global Consumer Market based in Singapore. She is also a member of the Board & CEO Services Practice, Human Resources Practice and Private Equity Practice. With a strong human capital consultancy background. Ms. Alicia Yi has conducted high profile C-suite search assignments for global multinational as well as high growth Asian companies. She regularly serves as a trusted advisor to boards in building and developing high performing leadership teams and CEO succession. As a champion of diversity and inclusion, she helps companies in strengthening leadership at the executive and Board levels. She is on the Advisory Board for Women's Forum for the Economy & Society and also a frequent speaker on leadership, human capital strategy and diversity & inclusion. Ms. Alicia is an active member of the Young President Organization (YPO), Global Learning Committee, Global Taskforce of Champion Lifecycle, Singapore Chapter Chair and Singapore Chapter Learning Officer.
Remuneration last drawn (including sitting fees if any)	Nil
Remuneration proposed to be paid	Sitting fees and Commission in accordance with provisions of applicable laws
Date of First appointment on the Board	April 24, 2020
Shareholding in the Company as on March 31, 2020	Nil
Relationship with other directors / Key Managerial Personnel	Nil
Number of meetings of the Board attended during financial Year (2019-20)	Nil (appointed w.e.f. April 24, 2020)
Directorship held in other Public companies (excluding Private and Section 8 Companies) as on March 31, 2020	Nil
Membership/ Chairmanship held in committees of other Public companies (excluding Private and Section 8 Companies)as on March 31, 2020	Nil

**Mr. Punit Goenka (DIN 00031263)**

Age	45 years
Qualifications	- B. Com.
Experience (including expertise in specific functional areas)	<p>Mr. Punit Goenka as the Managing Director & Chief Executive Officer of the Company has been extremely successful in enhancing the Company's performance and in driving the Company towards its set goals. His futuristic vision and sharp acumen in the new media domain, has led the Company to a global stature today. Mr. Punit Goenka is also responsible for expanding the Company's international presence across 173 countries, and its reach to over 1.3 billion viewers.</p> <p>Mr. Goenka was also listed amongst the top 100 CEOs of India, in a study published by Business Today. He was conferred the 'Outstanding Contribution to Media' award at the Managing India Awards hosted by AIMA & bagged the prestigious IAA Leadership Award under the category of "Media Person of the Year Award". Mr. Goenka has also been awarded the esteemed Medaille d'Honneur Award at MIPTV.</p> <p>He plays an active role in shaping the future of the M&E industry as the President of IAA (International Advertising Association) India Chapter & Chairman of BARC India. He also serves as a Board of Director for the Indian Broadcasting Foundation (IBF).</p>
Terms and conditions of Re-appointment	As per resolution set out in Item No. 9 of the Notice convening this AGM read with explanatory statement.
Remuneration last drawn (including sitting fees if any)	₹ 90.18 Million (for details of remuneration please refer Corporate Governance Report)
Remuneration proposed to be paid	As per resolution at item No. 9 of the Notice convening this AGM read with explanatory statement.
Date of First appointment on the Board	January 1, 2005
Shareholding in the Company as on March 31, 2020	Nil
Relationship with other directors / Key Managerial Personnel	Son of Mr. Subhash Chandra, Director and not related to any other Director / Key Managerial Personnel of the Company
Number of meetings of the Board attended during financial Year (2019-20)	9
Directorship held in other Public companies (excluding Private and Section 8 Companies) as on March 31, 2020	<ul style="list-style-type: none"> - Prozone Intu Properties Limited - Zee Media Corporation Limited (resigned w.e.f. July 22, 2020) - Zee Digital Convergence Limited - Zee Network Distribution Limited
Membership/ Chairmanship held in committees of other Public companies (excluding Private and Section 8 Companies) as on March 31, 2020	<p>Prozone Intu Properties Limited</p> <ul style="list-style-type: none"> - Audit Committee - Member - Stakeholders Relationship Committee - Member - Nomination & Remuneration Committee - Member <p>Zee Media Corporation Limited</p> <ul style="list-style-type: none"> - Corporate Social Responsibility Committee - Chairman (resigned w.e.f. July 22, 2020)

By Order of the Board

Ashish Agarwal
Chief Compliance Officer & Company Secretary
Membership No. F6669

Place: Mumbai**Date :** July 24, 2020**Registered Office:**18th Floor, A Wing, Marathon Futurex

N M Joshi Marg, Lower Parel

Mumbai 400 013

CIN: L92132MH1982PLC028767

Email: shareservice@zee.esselgroup.com

Information at a glance

Sr	Particulars	Details
1.	Day, Date and Time of AGM	Friday, September 18, 2020, 3:30 p.m. (IST)
2.	Mode	Video conference and other audio-visual means
3.	Participation through Video-Conferencing	Members can login from 3:00 p.m. (IST) on the date of AGM at www.evoting.nsdl.com by using their remote e-voting login credentials and selecting the EVEN for Company's AGM
4.	Helpline Number for VC participation	NSDL on evoting@nsdl.co.in 1800-222-990 or Ms. Sarita Mote, Assistant Manager- NSDL at saritam@nsdl.co.in 022-24994890
5.	Speaker Registration Before AGM	Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at shareservice@zee.esselgroup.com from September 11, 2020 (9:00 a.m. IST) to September 14, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM
6.	Dividend for FY20 recommended by Board	₹ 0.30 per Equity Share of the face value of ₹ 1 each
7.	Dividend Record Date	Friday, September 11, 2020
8.	Dividend payment date	On or after Tuesday, September 22, 2020
9.	Cut-off date for e-voting	Friday, September 11, 2020
10.	Remote E-voting start time and date	Tuesday, September 15, 2020 (9:00 a.m. IST)
11.	Remote E-voting end time and date	Thursday, September 17, 2020 (5:00 p.m. IST)
12.	Remote E-voting website of NSDL	www.evoting.nsdl.com
13.	Name, address and contact details of Registrar and Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai -400 083 Tel No: +91-22-49186000 Fax No: +91-22-49186060 Email : rnt.helpdesk@linkintime.co.in
14.	Email Registration & Contact Updation Process	Demat shareholders: Contact respective Depository Participant. Physical Shareholders: Contact Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd. by sending an email request at rnt.helpdesk@linkintime.co.in along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate.

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Thirty-Eighth Annual Report of your Company's business and operations along with the Audited Financial Statements ("Annual Accounts") for the financial year ended March 31, 2020.

1. FINANCIAL RESULTS

The Financial Performance of your Company for the financial year ended March 31, 2020 is summarized below:

(₹ MILLIONS)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue from Operations	72,190	68,579	81,299	79,339
Other Income	2,278	1,894	2,836	2,515
Total Income	74,468	70,473	84,135	81,854
Total Expenses	59,596	44,299	71,705	57,315
Share of Associates / Joint Ventures	-	-	(24)	24
Exceptional Items	(2,843)	(218)	(2,843)	(218)
Profit Before Tax	12,029	25,956	9,563	24,345
Provision for Taxation (net)	4,549	9,406	4,317	8,673
Profit after Tax	7,480	16,550	5,246	15,672

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of Zee Entertainment Enterprises Limited ("the Company" or "ZEE"). Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board of Directors ('Board') is of the opinion that the Company's internal financial controls are adequate and working effectively during the Financial Year 2019-20.

CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the consolidated audited financial statement forms part of the Annual Report.

2. COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

As a pioneer in the realm of entertainment in India, your Company embraced & optimally utilized technology solutions amidst lockdown, in order to create and offer fresh content for its consumers. The Company demonstrated its ability & potential to stay ahead of the industry, with a sharp focus on keeping its viewers entertained and well informed across key consumer touchpoints. The Company leveraged technology and implemented various solutions across its key functions, swiftly and collaboratively, creating the bedrock for creative innovation in content offering. The Company adapted to change by enabling innovations through remote production of content over mobile & professional cameras by using video & audio production technologies to support broadcast, digital & social platforms.

At ZEE, the health and safety of all employees has always been the top priority. In line with the guidelines issued by the Government, the Company implemented key measures across every touchpoint to safeguard its Human Capital. ZEE has always been agile in adapting to change, which made the transition to 'Work from Home' operations swift and smooth, ensuring minimal disruption to the viewers and maintaining business continuity with innovations like edit from home solutions. All meetings across business verticals and functions were conducted seamlessly, with optimal utilization of digital solutions like Microsoft Teams. We ensured that the employees had access to all critical business applications with undisrupted support while working from home, with zero compromise on data and content security.

Strong proactive steps were taken in transforming the workspace, keeping social distancing norms at the fore. All the necessary safety and hygiene protocols were followed for the critical verticals functioning from office, including alternate seating arrangements, implementing a clean desk policy and temperature screening at all entry points. Frequent sanitization of all surfaces was maintained, and hand sanitizers were placed at all strategic locations within the office premises. We also set up a 24-hour emergency helpline with doctors and counsellors to address all medical queries and the emotional well-being of our employees. Keeping our Human Capital at the fore, key steps were taken to provide logistical support to employees across locations by partnering with a nationwide ambulance service. ZEE continues to take critical steps in ensuring the safety of its people and everyone working in the close ecosystem.

3. DIVIDEND

Equity Shares: Your Directors recommend payment of Dividend of ₹ 0.30 per equity share of ₹ 1/- each and such Equity Dividend, upon declaration by the Members of the Company at the ensuing Annual General Meeting ('AGM'), shall be payable on the outstanding Equity Share Capital of the Company as at the Record Date of September 11, 2020. The expected outflow on account of equity dividend, based on current Paid-up Equity Share Capital of the Company would aggregate to ₹ 288 Million.

Pursuant to Finance Act, 2020 dividend income will be taxable in the hands of the shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961.

In accordance with the provision of Regulation 43A of the Listing Regulations and any amendments thereto, your Company has formulated a Dividend Distribution Policy. The policy is available on the Company's website at www.zeeentertainment.com.

Preference Shares: In accordance with the terms of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares issued as Bonus Shares in 2014 (Bonus Preference Shares), the Company had remitted an aggregate Preference Dividend of ₹ 708.91 Million, comprising of:

- Pro-rata Preference Dividend of ₹ 0.1148 on the redemption value of ₹ 2 per Bonus Preference Share for the period from April 1, 2019 till the Redemption date of March 5, 2020; and
- Preference Dividend of ₹ 0.24 per share for FY 2019-20 on the Bonus Preference Shares of ₹ 4 per share post redemption.

Transfer to Reserves

The closing balance of the retained earnings of the Company for Financial Year 2019-20, after all appropriation and adjustments was ₹ 75,290 Million.

4. BUSINESS OVERVIEW

During the year under review, your Company delivered another strong operating performance despite the challenges posed by the uncertain macro environment. The advertising revenue was impacted by the slowing economic growth which led to a weak consumer demand. It was further impacted due to conversion of two Free-to-Air (FTA) channels to pay in March'19. Subscription revenue on the other hand saw a significant jump due to the implementation of NTO (New Tariff Order) and increase in ZEE5 subscription revenue. NTO brought a structural change to the distribution landscape and would be beneficial for the industry in long-term. ZEE5 released over 80 shows and original movies on the platform last year and firmly established itself as the biggest publisher of digital original content in India. During the year, your Company released 14 movies and received a fair share of success. Zee Music Company continued to expand its music library through acquisition of music titles across languages.

As per the FICCI-EY report, the Indian Media and Entertainment (M&E) industry registered a growth of 9% in Current Year 19, reaching ₹ 1,822 billion. As per the report, M&E industry is expected to grow at a CAGR of 10% to reach ₹ 2,416 billion by 2022. As this report was published before COVID-19 outbreak in India, the growth estimates for Current Year 20 will see a downward revision.

In the **Domestic Broadcast Business**, your Company exited the year on a strong note, reclaiming the leadership position in the entertainment segment it had lost during the year due to the merger of two of its peers. Your Company also launched 4 regional channels which will help in strengthening its position in the regional markets.

In the **Hindi General Entertainment** segment, Zee TV lost its leadership during the year. However, the channel maintained its leadership in weekday prime time. &TV redefined its strategy and is now focused on the viewers from the states of the Hindi heartland.

In the **Hindi movie segment**, your Company's portfolio of movie channels further strengthened its #1 position driven by a strong movie catalogue.

In the **Regional markets**, channel in Kannada market further strengthened its #1 position during the year. Despite the loss of share in the second half, your Company continued to maintain leadership in the Marathi and Bengali markets. In the other regional markets, the channels continued to focus on improving their viewership shares.

In the **International Broadcast Business**, your Company continued to expand the reach of its channels across geographies with new distribution partnerships. Company's content in 18 languages, including 7 foreign languages, is available in more than 170 countries.

ZEE5, your Company's OTT platform, witnessed significant growth across all user parameters. The platform had 63.1mn and 6.0mn global MAUs and DAUs, respectively in March'20, with an average watch-time of 136 minutes per viewer during the month. During the year, the platform entered into multiple partnerships with key players across the digital eco-system to make its content available to a wider audience. The Company also completed the commercial launch of ZEE5 in key international markets of Europe, UK and Canada.

Zee Studios, the movie production and distribution business, was the #3 movie studio in the country in terms of box-office collections. During FY20, the studio released 14 movies across 5 languages – Hindi, Marathi, Tamil, Punjabi and Haryanvi.

Zee Music Company, your Company's music publishing arm continued to expand its music catalogue across languages and maintained its position as the #2 most subscribed music channel on YouTube.

Zee Live, the live entertainment business, launched 'Supermoon' which is the first entertainment IP spanning comedy, music and other entertainment genres. Zee live also organised other events like 'Arth' and 'Zee Educare' during the year.

5. CHANGES IN CAPITAL STRUCTURE

During the year under review, your Company had:

- Redeemed 20% of Nominal value of Bonus Preference Shares on the 6th anniversary of its issuance as per the terms of the issue, resulting in outflow of ₹ 4033.88 Million towards the said redemption at the rate of ₹ 2 per Preference Share, consequent to which the face value of Preference Share was changed to ₹ 4/- each. As required under Section 55 of the Act, an amount equivalent to such Redemption value was credited to Capital Redemption Reserve Account of the Company. Further, pursuant to the provisions of the Income-tax Act, 1961 the said redemption amount was treated as Dividend pay-out and accordingly was subjected to payment of Dividend Distribution Tax by the Company;
- Issued and allotted 16,735 Equity Shares of ₹ 1 each upon exercise of stock options granted under Company's ESOP Scheme.

Consequent to the above redemption/issuance of securities, the Paid-up Share Capital of the Company as at March 31, 2020 stood at ₹ 9,028,252,483/- comprising of 960,483,235 Equity shares of ₹ 1/- each and 201,69,42,312 Bonus Preference Shares of ₹ 4/- each. Subsequent to closure of the financial year, your Company had issued and allotted 21,240 Equity Shares upon exercise of stock options granted under the ESOP Scheme.

During the year under review, the Company's Promoters had divested their stake as under:

- In September 2019, Promoters had completed the 1st tranche of Company's stake sale to Invesco Oppenheimer Developing Markets Fund comprising sale of 11% stake in the Company.
- In November 2019, Promoters had completed the 2nd tranche of Company's stake sale to OFI Global China Fund, LLC and / or its affiliates comprising sale of 16.5% stake in the Company and in the interim sold 5.93% stake in the market.

Promoters' shareholding in the Company was 4.77% as at March 31, 2020.

6. CREDIT RATING

During the year under review, Brickwork Ratings India Private Limited has revised the rating assigned to the Company as the issuer of the Bonus Preference Shares, listed at the Stock Exchanges, to 'BWR AA+' denoting Credit Watch with Negative Implications. Further upon dilution in the stake of the promoters and promoter group during the year, the rating was revised to 'BWR AA'.

7. SUBSIDIARIES, ASSOCIATES & JOINT VENTURES

As at March 31, 2020, your Company had 28 (twenty eight) subsidiaries comprising of 8 (eight) domestic subsidiaries and 20 (twenty) overseas direct and step-down subsidiaries, one Associate and one Joint Venture Company.

During the year under review:

- Your Company had bought the balance 26% stake in Zee Network Distribution Limited (ZNDL) (erstwhile Zee-Turner Limited) from Turner International Private Limited, making ZNDL a wholly owned subsidiary on August 9, 2019;
- On March 31, 2020, Eevee Multimedia Inc., the overseas subsidiary of Essel Vision Productions Limited (EVPL), a wholly owned subsidiary of the Company was dissolved and wound up.

Apart from the above, there was no change in number of Subsidiary/Associate/Joint Venture of the Company either by way of acquisition or divestment or otherwise during the year under review.

Subsequent to the close of the financial year Zee TV USA Inc, the overseas subsidiary of Zee Multimedia Worldwide (Mauritius) Limited (ZMWL), a wholly owned subsidiary of the Company was dissolved and wound up effective May 1, 2020.

In line with amendments of threshold for determining Material Subsidiary as stated in Regulation 16(1)(c) of Listing Regulations, ATL Media Limited, a wholly owned overseas subsidiary remains a Material Subsidiary of the Company.

The policy for determining material subsidiaries of the Company is available on the website of the Company www.zeeentertainment.com.

In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all subsidiaries/associate/joint venture in Form AOC-1 is annexed to this report as Annexure A.

In accordance with Section 136 of the Act, the Audited Financial Statements including the Consolidated Financial Statements and related information of the Company and Audited Accounts of each of subsidiary(ies) are available on the website of the Company www.zeeentertainment.com.

8. EMPLOYEE STOCK OPTION SCHEME

An aggregate of 28,220 Stock Options issued by the Company in pursuance of ZEE ESOP Scheme 2009 to Mr. Punit Misra, CEO - Domestic Broadcast Business were outstanding as at March 31, 2019. During FY 2020, 24,700 Stock Options were granted to Mr. Punit Misra and the said Options shall vest with him in 3 tranches and shall be convertible into equivalent number of Equity Shares in accordance with the terms of Scheme upon payment of Exercise Price of ₹ 1/- per share by the Option Grantee. Upon exercise of vested Stock options by Mr. Punit Misra, 16,735 Equity Shares were issued and allotted to him during FY 19-20 and 36,185 unvested Stock Options were outstanding as at March 31, 2020.

Requisite disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed to this report as Annexure B. The Statutory Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants have certified that the Company's Employee Stock Option Scheme has been implemented in accordance with Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the shareholders.

The said disclosure on Company's ESOP Scheme will also be available on the Company's website www.zeeentertainment.com as part of the Annual Report.

Subsequent to closure of the financial year, 21,240 Equity Shares were issued and allotted to Mr. Punit Misra upon exercise of options vested in April 2020.

9. CORPORATE SOCIAL RESPONSIBILITY

During the year under review, out of total CSR budget of ₹ 880.90 Million (including unutilized CSR amount of ₹ 394.8 Million carried forward from last year), the Company had contributed an aggregate of ₹ 0.72 Million towards various CSR Projects detailed in the Annual Report on CSR annexed to this report. As at March 31, 2020, an amount of ₹ 880.18 Million remained unutilized from out of CSR budget due to non-availability of suitable CSR Projects.

The unutilized CSR funds have been carried forward for funding suitable CSR projects in future.

Subsequent to the close of the Financial year i.e. from April 1, 2020 to June 30, 2020, the Company has contributed an amount of ₹ 13.99 Crore through various programmes to combat the global Pandemic caused by COVID-19.

Annual report on Corporate Social Responsibility activities initiated by the Company during the year under review, in compliance with the requirements of Act, is annexed to this report as Annexure C.

10. CORPORATE GOVERNANCE AND POLICIES

In order to maximize shareholders value on a sustained basis, your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Listing Regulations, applicable provisions of the Act and applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI').

In terms of Schedule V of Listing Regulations, a detailed report on Corporate Governance along with Compliance Certificate issued by the Statutory Auditors of the Company is attached and forms an integral part of this Report. Management Discussion and Analysis Report and Business Responsibility Report as per Listing Regulations are presented in separate sections forming part of this Annual Report. The said Business Responsibility Report will also be available on the Company's website www.zeeentertainment.com as part of the Annual Report.

In compliance with the requirements of Act and the Listing Regulations, your Board had approved various Policies including Code of Conduct for Directors and Senior Management, Material Subsidiary Policy, Document Preservation Policy, Material Events Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Policy on Dealing with Materiality of Related Party Transaction Policy, Remuneration Policy, Insider Trading Code and Dividend Distribution Policy. These policies & codes along with the Directors Familiarization Program and Terms and Conditions for appointment of Independent Directors have been uploaded on Company's website www.zeeentertainment.com.

In compliance with the requirements of Section 178 of the Act, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which *inter alia* includes the requirement of desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the initial term of an Independent Director shall not exceed 3 years.

11. DIRECTORS & KEY MANAGERIAL PERSONNEL

The Company has a balanced Board with combination of Executive and Non-Executive Directors. The Board currently comprises of 8 (eight) Directors including 1 (one) Executive Director, 2 (two) Non-Executive Directors and 5 (five) Independent Directors including one Independent Woman Director.

During the year under review:

1. Mr. Subodh Kumar resigned as Non-Executive Director on November 22, 2019.
2. Ms. Neharika Vohra resigned as an Independent Director with effect from November 22, 2019 citing certain instances including need for strengthening internal controls relating to Film Acquisition etc. during FY 2018-19 as provided in her resignation letter dated November 22, 2019.
3. Mr. Sunil Sharma resigned as Independent Director w.e.f. November 24, 2019 due to sale of shares by the Promoter Group, citing desire of the new institutional investors to recast the Board in consequence of the above sale of shares.
4. Mr. R Gopalan, Mr. Surender Singh and Ms. Aparajita Jain were appointed as Additional Directors in the category of Independent Director with effect from November 25, 2019. However, Mr. Surender Singh resigned due to some unavoidable personal reasons and Ms. Aparajita Jain resigned due to her professional engagements and frequent travel with effect from March 20, 2020.
5. Mr. Piyush Pandey was appointed as an Additional Director in the category of Independent Director with effect from March 24, 2020.

The Independent Directors who have resigned during the year have confirmed that there were no other material reasons other than those provided in their resignation letter(s).

Subsequent to March 31, 2020, Ms. Alicia Yi was appointed as an Additional Director in the category of Independent Director with effect from April 24, 2020.

Appropriate intimation to Ministry of Information and Broadcasting (MIB) have been made with respect to changes in Directors during the year.

Your Board places on record its appreciation for contributions of Mr. Subodh Kumar, Ms. Neharika Vohra, Mr. Sunil Sharma, Mr. Surender Singh and Ms. Aparajita Jain as Directors.

As per Section 161 of the Act, Mr. R Gopalan, Mr. Piyush Pandey and Ms. Alicia Yi shall hold office as Directors of the Company till ensuing AGM. Your Company has received notice from Member(s) proposing their appointment and requisite proposals seeking your approval for the appointment of these Directors forms part of the Notice of ensuing AGM. Your Board recommends these proposals for approval of the Shareholders.

In terms of Section 149 of the Act, Mr. Manish Chokhani, Mr. Adesh Kumar Gupta, Mr. R Gopalan, Mr. Piyush Pandey and Mrs. Alicia Yi are the Independent Directors of the Company.

In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

A declaration on compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, along with a declaration as provided in the Notification dated October 22, 2019, issued by the Ministry of Corporate Affairs (MCA), regarding the requirement relating to enrollment in the Data Bank for Independent Directors, has been received from all the Independent Directors, along with declaration made under Section 149(6) of the Act.

During FY 2019-20 your Board met 9 (nine) times, details of the date of the meetings and attendance of Directors at such meetings are available in Corporate Governance Report annexed to this report.

Mr. Ashok Kurien, Non-Executive Director is liable to retire by rotation at the ensuing AGM and, being eligible, has offered himself for re-appointment. Your Board recommends his re-appointment.

During the year under review, Mr. M Lakshminarayanan resigned as Chief Compliance Officer & Company Secretary on close of business hours on November 25, 2019 and the resultant vacancy was filled with the appointment of Mr. Ashish Agarwal as Chief Compliance Officer & Company Secretary with effect from November 26, 2019. Accordingly, the Key Managerial Personnel of the Company as at March 31, 2020 comprised of Mr. Punit Goenka, Managing Director & Chief Executive Officer, Mr. Rohit Kumar Gupta, Chief Financial Officer and Mr. Ashish Agarwal, Chief Compliance Officer & Company Secretary.

12. PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and Listing Regulations, the evaluation of annual performance of the Directors / Board / Board Committees was carried out for the financial year 2019-20. The details of the evaluation process are set out in the Corporate Governance Report annexed to this Report.

Performance evaluation of Independent Directors was also undertaken by the entire Board, excluding the Independent Director being evaluated.

13. BOARD COMMITTEES

In compliance with the requirements of Act and Listing Regulations, your Board had constituted various Board Committees including Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company www.zeeentertainment.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

14. AUDITORS

Statutory Audit

At the 35th Annual General Meeting held on July 12, 2017, the Shareholders had approved appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants having Firm Registration No. 117366W/W-100018 as Statutory Auditors of the Company until conclusion of 40th Annual General Meeting to be held in the year 2022 subject to ratification by the Shareholders every year. Pursuant to the amendment to Section 139 of the Act, with effect from May 7, 2018, the requirement of seeking Shareholders ratification for continuance of Statutory Auditor at every Annual General Meeting is no longer applicable and accordingly the Notice of ensuing AGM does not include the proposal for seeking Shareholders ratification for continuance of Statutory Auditors. The Company has received certificate of eligibility from M/s Deloitte Haskins & Sells LLP in accordance with the provisions of the Act, read with rules made thereunder and a confirmation that they continue to hold valid Peer Review Certificate as required under Listing Regulations.

The Auditors' qualification has been appropriately dealt with in Note no. 35 of the Notes to the standalone audited financial statements and in Note no. 36 of the Notes to the consolidated audited financial statements. The Auditors' Report is enclosed with the financial statements in the Annual Report.

Secretarial Audit

During the year under review, the Secretarial Audit of your Company was carried out by M/s Vinod Kothari & Co., Company Secretaries (Firm Registration No. P1996WB042300) in compliance with Section 204 of the Act and their unqualified Secretarial Audit report is annexed to this report as Annexure F.

Additionally, in line with SEBI Circular dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditors and filed with the Stock Exchanges, is annexed to this report as Annexure G. The remarks provided in the report are self-explanatory.



Cost Audit

In compliance with the requirements of Section 148 of the Act, read with Companies (Cost Records and Audit) Rules, 2014, M/s Vaibhav P Joshi & Associates, Cost Accountants, (Firm Registration No. 101329) was appointed as Cost Auditor to carry out Audit of Cost Records of the Company for Financial Year 2019-20. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2019-20 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing AGM.

The Company has maintained cost accounts and records in accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014.

15. HUMAN RESOURCES & PARTICULARS OF EMPLOYEES

Your Company being in the business of creativity, your Board believes that people are the ultimate differentiators and efforts are taken to attract, develop and retain employees. In order to ensure sustainable business growth and become values driven, capability strong, future ready growth organization, your Company over the years has been focusing on strengthening its talent management, performance management & employee engagement processes and practices.

Employees of your Company are trained to drive values and they believe, live and demonstrate the 7 core values of the company - namely Accountability for Results, Customer First, Humility, Integrity & Respect, Innovate and Solve Big Problems, Economy & Frugality, Velocity & Agility and Endeavor for Big Hairy Audacious Goals (BHAG). During the year, your Company has moved on to build a high-trust, high-performance culture and as a result has been ranked amongst the top 100 'India's Best Companies to Work For' 2019 & 2020 and also featured amongst the Best Company to work for in the Media Industry for both the years, in a study conducted by Great Place to Work® Institute and The Economic Times. Your company continues to build the talent pipeline by engaging and hiring fresh talent from renowned campuses, building capabilities in key business functions through training and development initiatives, breaking the barriers of communication, building a culture of appreciation, recognizing top talent and offering a seamless employee experience by migrating to SAP's SuccessFactors Human Capital Management (HCM). As on March 31, 2020, your Company had 3429 employees.

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as Annexure D.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is into the business of Broadcasting of General Entertainment Television Channels and extensively uses world class technology in its Broadcast Operations. However, since this business does not involve any manufacturing activity, most of the information required to be provided under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, are Nil / Not applicable. The information, as applicable, are given hereunder:

Conservation of Energy: Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption: Your company has created a complete cloud based platform, thus helping to seamlessly move from an office to a work from home scenario. This move has ensured that consumers are not affected in any manner whatsoever due to the COVID-19 lockdown and have an enjoyable viewing experience. Taking a further leap by use of advanced technologies, your Company has moved from an on premise to cloud based creative editing services, during the current year. Your company has strived to engage across

all demographics of customer base. Your Company has rolled out new player that has resulted in improvement of the Zee5 player performance across devices that range from mobile to connected TV, thereby enhancing customer experience. Your Company has introduced live news channels on the platform. This has ensured that a varied customer base, including all possible consumer demographics are covered at the same time. Your Company has ensured that monetization of assets is included in server side ad insertion on live news streams. This is in addition to pre roll and mod rolls ad insertion for Video On demand assets. Keeping the varied customer base as the sole point of focus, your Company has made operational, all payment gateways. This has ensured that the customer experience is eased considerably and there is an increase in subscription footfalls to Zee5. Your Company has strived to enhance customer experience and serve them recommended content. This can be gauged from the fact that customers can now watch content based on their watch history and preferred choices. To further cater to customer needs and make content viewing a more enjoyable experience, your Company is working to make text along with Video On demand news available in the platform. Raising the existing bar, a level higher, your Company is gearing up to introduce a platform for short form customer generated content in the year ahead.

Foreign Exchange Earnings & Outgo: During the Financial Year 2019-20 the Company had Foreign Exchange earnings of ₹ 3,551 Million and outgo of ₹ 2,471 Million.

17. DISCLOSURES

- i. **Particulars of loans, guarantees and investments:** Particulars of loans, guarantees and investments made by the Company as required under Section 186 (4) of the Act and the Listing Regulations are contained in Note No. 38 to the Standalone Financial Statements.
- ii. **Transactions with Related Parties:** All contracts/arrangements/transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Act and Listing Regulations. During FY 2019-20, there are no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other Designated Persons which may have a potential conflict with the interest of the Company at large. Details of Related Party Transactions are available on your Company's website.

All related party transactions, specifying the nature, value, terms and conditions of the transactions including the arms-length justification, were placed before the Audit Committee for its approval and statement of all related party transactions carried out was placed before the Audit Committee for its review on a quarterly basis. During the year under review, there have been no materially significant related party transactions entered by the Company as defined under Section 188 of the Act and Regulations 23 of the Listing Regulations and accordingly no transactions are required to be reported in Form AOC-2 as per Section 188 of the Act.

- iii. **Risk Management:** Your Company has well-defined operational processes to ensure that risks are identified, and the operating management is responsible for identifying and implementing mitigation plans for operational and process risks. Key strategic and business risks are identified and managed by senior management team with active participation of the Risk Management Committee. The risks that matter (RTM) and their mitigation plans are updated and reviewed periodically by the Risk Management Committee of your Board and integrated in the Business plan for each year. The details of constitution, scope and meetings of the Risk Management Committee forms part of the Corporate Governance Report. In the opinion of the Board currently there are no risks that may threaten existence of the Company.

iv. Vigil Mechanism: The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. The details of the policy have been disclosed in the Corporate Governance Report, which is a part of this report and is also available at website of the company www.zeeentertainment.com.

v. Internal Financial Controls and their adequacy: Your Company has adequate internal financial controls and processes for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically and at the end of each financial year and provides guidance for strengthening of such controls wherever necessary. As part of Enterprise Risk Assessment and Internal Control evaluation, with a view to enhance related effectiveness of control, your Company has confirmed that its systems and processes for film acquisition are operating effectively.

Further, based on the legal advise obtained, the Audit Committee of the Board has directed stringent controls for mitigating any potential risk/implications, while issuing letter of comforts or any similar documents by the Company or its subsidiary in the course of business.

vi. Compliance with Secretarial Standards: Your Company has complied with the applicable Secretarial Standards, SS-1 relating to Meetings of Board and SS-2 relating to General Meetings.

vii. Deposits & Unclaimed Dividend/Shares: Your Company has not accepted any public deposit under Chapter V of the Act.

During the year under review, in terms of the provisions of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (IEPF Rules), unclaimed dividend declared by the Company for Financial Year 2011-12 aggregating to ₹ 1.53 Million was transferred to Investors Education and Protection Fund.

Additionally, in compliance with the requirements of IEPF Rules, your Company had during the year under review transferred 98,105 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority.

The said Unclaimed Dividend and/or Unclaimed Equity Shares can be claimed by the Shareholders from IEPF authority after following process prescribed in IEPF Rules. During FY 2020, an aggregate of 226 Unclaimed Equity Shares of the Company were re-transferred by the IEPF Authority to the beneficiary accounts of respective Claimants, upon specific refund claims and completion of verification process by the Company and IEPF Authority.

viii. Annual Return: Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is annexed to this report as Annexure E. The same is also available at website of the Company www.zeeentertainment.com.

ix. Sexual Harassment: Your Company is committed to provide safe and conducive working environment to all its employees (permanent, contractual, temporary and trainees etc.) and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted Internal Complaints Committee across various locations to redress complaints received regarding sexual harassment.

During the year under review, 2 (two) complaints were received by the Company and was investigated in accordance with the procedure and resolved. Hence, no complaint is pending at the end of financial year.

- x. Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.
- xi.** Managing Director of the Company doesn't receive any remuneration or commission from any of its subsidiaries.

18. RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Act, in relation to the Annual Accounts for the Financial Year 2019-20, your Directors confirm that:

- a) The Annual Accounts of the Company have been prepared on a going concern basis;
- b) In the preparation of the Annual Accounts, the applicable accounting standards had been followed and there are no material departures;
- c) The accounting policies selected were applied consistently and the judgments and estimates related to these annual accounts have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020, and, of the profits of the Company for the year ended on that date;
- d) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect any fraud and other irregularities;
- e) Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively. However, certain internal financial controls which were required to be strengthened in respect of issuance of letter of comfort in the course of business, have been since strengthened; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

19. ACKNOWLEDGEMENTS

Employees are vital and most valuable assets of your Company. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution and efforts made by all the employees in ensuring excellent all-round performance. Your Board also thank and express their gratitude for the support and co-operation received from all stakeholders including viewers, producers, customers, vendors, advertising agencies, investors, bankers and regulatory authorities.

For and on behalf of the Board

Punit Goenka
Managing Director & Chief Executive Officer

R Gopalan
Director

Place: Mumbai
Date: July 24, 2020



ANNEXURE 'A' TO DIRECTORS' REPORT

Statement containing salient features of the financial statement of subsidiaries/associates/joint ventures as per the Companies Act, 2013 for the year ended 31 March 2020

Part 1: Subsidiaries

Name of the subsidiary	Date of Acquisition	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Other than Subsidiary)	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Mode and % of shareholding
Zee Network Distribution Limited ##	31-Dec-01	INR	1	82	140	57	25	-	26	(5)	31	-	100%
Essel Vision Productions Limited	10-Sep-00	INR	130	1,372	7,192	5,690	-	4,673	1,568	15	1,553	-	100%
ZEE Digital Convergence Limited	23-Sep-04	INR	1	(21)	58	78	27	3	-	(1)	(0)	(1)	-
Zee Ummedia Limited	1-Apr-16	INR	1	23	-	-	-	(1)	(1)	(3)	0	(3)	-
Mango Networks Private Limited	17-Apr-17	INR	1	612	721	108	-	5	(109)	(32)	(77)	-	80%
Fly by Wire International Private Limited	14-Jul-17	INR	20	107	476	349	-	364	110	40	70	-	100%
India Shopweb Private Limited	10-Dec-10	INR	1	(1)	5	5	-	0	(1)	-	(1)	-	100%
Idea Shopweb and Media Private Limited	1-Oct-14	INR	0	(14)	2	16	-	9	(7)	-	(7)	-	51.04%
Zee Multimedia Worldwide (Mauritius) Limited	10-Jun-11	USD	4,249	2,053	6,303	1	-	-	128	4	124	-	100%
Zee TV USA Inc. \$	30-Sep-99	USD	75	(75)	-	-	-	-	-	-	-	-	100%
Asia TV Limited &	30-Sep-99	GBP	1,522	(296)	3,708	2,482	-	1,694	110	26	84	-	100%
OOO Zee CIS Holding LLC **	6-Feb-09	RUB	-	-	-	-	-	-	-	-	-	-	100%
OOO Zee CIS LLC**	26-Feb-09	RUB	0	14	28	14	-	15	(2)	1	(3)	-	100%
Asia Multimedia Distribution Inc. **	26-May-14	CAD	0	52	663	611	-	258	23	6	17	-	100%
Zee TV South Africa (Proprietary) Limited**	30-Sep-99	ZAR	0	(142)	269	411	-	299	46	-	46	-	100%
Asia TV USA Limited**	9-Nov-15	USD	0	(1,128)	2,125	3,253	-	1,734	(1,602)	(321)	(1,280)	-	100%
ATL Media Ltd (Formerly known as Asia Today Limited)	31-Mar-00	USD	0	11,998	18,581	6,583	2,245	3,722	(4,112)	(9)	(4,03)	-	100%
Expand Fast Holdings - (Singapore) Pte Limited ^	30-Sep-99	USD	5	152	158	1	-	1	0	-	0	-	100%
Taj TV Limited ^	22-Nov-06	USD	291	1,109	1,472	72	-	-	37	3	34	-	100%
Asia Today Limited (Formerly known as Zee Multimedia (Maurice) Limited) ^	19-Jan-06	USD	7	(996)	11,330	12,319	-	2,725	(1,294)	(5)	(1,289)	-	100%
Asia Today Singapore Pte Limited &	30-Dec-15	USD	75	3	245	167	2	614	32	4	28	-	100%
Zee Technologies (Guangzhou) Limited & &	11-Jun-06	YUAN	119	(199)	0	80	-	(1)	-	(1)	-	-	100%
Zee Entertainment Middle East FZ LLC &	4-Sep-05	AED	51	2,256	2,525	218	-	1,425	160	-	160	-	100%
ATL Media FZ LLC &	12-Feb-14	AED	1	(113)	870	982	-	415	64	-	64	-	100%
Zee Studio International Limited ^	20-Mar-17	CAD	0	(85)	71	156	-	63	(13)	4	(17)	-	100%
ZSX Global FZ - LLC &	20-Dec-16	AED	1	(2,225)	1,433	3,657	9	266	(939)	-	(939)	-	100%
Asia TV GmbH **	21-Mar-16	EUR	1	16	63	46	-	304	9	3	6	-	100%
Pantheon Production Limited	29-Mar-18	CAD	0	(1)	11	12	-	0	(0)	-	(0)	-	100%
Eevee Multimedia Inc. **	8-Jul-13	USD	19	(19)	-	-	-	-	68	(0)	68	-	100%

^ Held through ATL Media ** Held through Asia Today Limited , & Held through Asia Today Limited , # Held through Essel Vision Productions Limited, * dissolved w.e.f. 31 March 2020 \$ Held through ZNWL,

additional 26% shareholding acquired on 6th August, 2019

As on 31 March 2020 B/s Rate 1 USD = ₹ 70.15, 1 MUR = ₹ 105.1, 1 YUAN = ₹ 19.31, 1 TAA = ₹ 47.79, 1 GBP = ₹ 90.04, 1 EUR = ₹ 109.1 CAD = ₹ 53.28, 1 EUR = ₹ 78.73

As on 31 March 2020 B/s Rate 1 USD = ₹ 74.81, 1 MUR = ₹ 19.0, 1 YUAN = ₹ 105.5, 1 TAA = ₹ 47.18, 1 GBP = ₹ 92.59, 1 RUB = ₹ 0.95, 1 CAD = ₹ 52.68, 1 EUR = ₹ 82.30

Part 2 : Associates and Joint Venture Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associates and Joint Ventures

Shares of Associate/Joint Venture held by the company on the year end	Amount of Investment in Associate/Joint Venture	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation	Profit / (loss) for the year
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Name of Associates/ Joint Ventures	Date of Acquisition	Latest audited Balance Sheet Date	Numbers	Amount of Investment in Associate/Joint Venture	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not Considered in Consolidation	Description of how there is significant influence	Reason why associate/ joint venture is not consolidated
Asia Today Thailand Limited	5-May-14	31-Mar-20	10,000	25	50%	4	0	-	Refer Note A	-
Media Pro Enterprise India Private Limited	29-Jun-11	31-Mar-20	2,500,000	193	(25)	-	-	-	Refer Note B	-

Note A :- There is significant influence due to percentage (% of Share Capital
Note B :- There is joint control by virtue of Joint Control Agreement

Place: Mumbai
Date: 24 July 2020

For and on behalf of the Board

R Gopalan
Director

Punit Goenka
Managing Director & CEO

ANNEXURE 'B' TO DIRECTORS' REPORT

Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014:

Sr	Particulars	Details
1	Relevant disclosures in terms of the Guidance Note on Accounting for employees share-based payments issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	Refer Note 16d of standalone financial statements for the financial year ended March 31, 2020 for details.
2	Diluted EPS on issue of shares pursuant to all the Schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earning Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time.	Diluted EPS as per Indian Accounting Standards-33 is ₹ 7.79 (Refer Note 39 of Standalone financial statements for details).
3	Details relating to ESOS	
i	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS including:	Presently the Company has only one Employee Stock Option Scheme, namely ZEE ESOP Scheme 2009, which was amended on October 25, 2016 to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and to provide flexibility to the Nomination and Remuneration Committee for determination of exercise price.
a)	Date of Shareholders approval	August 18, 2009
b)	Total No. of Options approved under ESOP	21,700,355 Stock Options which were later enhanced to 43,400,710 in view of Bonus issue in 2010 in the ratio of 1:1.
c)	Vesting Requirements	Options granted under ZEE ESOP Scheme 2009 would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and /or its Subsidiary companies and thus the options would vest on passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.
d)	Exercise Price or pricing formula	The exercise price shall be equal to the closing market price on the day previous to the grant date or such other price (minimum being the value equivalent to face value of ₹ 1/- per equity share) as may be decided by the Nomination and Remuneration Committee.
e)	Maximum term of Options granted	Options granted under ESOP 2009 shall be capable of being exercised within a period of four years from the date of Vesting of the respective Employee Stock Options.
f)	Source of shares (primary, secondary or combination)	Primary
g)	Variation in terms of Options	None
ii	Method used to account for ESOS – Intrinsic or Fair value	Fair Value
iii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable as the Company has accounted for the Stock Option at Fair Value using the Black-Scholes-Merton Model based on assumptions detailed in Note 16d to the Notes to standalone financial statements for FY 2019-20.
iv	Option movement during the year	



Sr	Particulars	Details
	Number of options outstanding at the beginning of FY 19-20	28,220
	Number of Options granted during FY 19-20	24,700
	Number of options forfeited / lapsed during FY 19-20	Nil
	Number of options vested during FY 19-20	16,735
	Number of options exercised during FY 19-20	16,735
	Number of shares arising as a result of exercise of options	16,735 Equity shares
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 16,735/-
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of FY 19-20	36,185
	Number of options exercisable (vested) at the end of FY 19-20	Nil
v	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	During FY 2019-20, the Company had granted 24,700 Options at an exercise price of ₹ 1/- per Option and the Fair Value of these options as per Note 16 (d) to standalone financial statements is ₹ 404/- per Equity Share. In view of this weighted average Exercise Price is ₹ 1/- and weighted average Fair Value is ₹ 404/-.
vi	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to (a) Senior Managerial Personnel; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	(a) & (b) Mr. Punit Misra, CEO – Domestic Broadcast Business No of Options granted – 24,700 Exercise Price – ₹ 1/- (c) Not Applicable
vii	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information viz. (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Refer Note 16d to the Notes to standalone financial statements for FY 2019-20 for description of method and significant assumptions used to estimate fair value of Options granted during FY 19-20.

For and on behalf of the Board

Punit Goenka
Managing Director & Chief Executive Officer

R Gopalan
Director

Place: Mumbai

Date: July 24, 2020

ANNEXURE 'C' TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) – FY 2019-20

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Women Empowerment and Sports. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on www.zeeentertainment.com .
2	The Composition of the CSR Committee	The CSR Committee of the Board comprises of 3 Directors. Mr. Ashok Kurien, Non-Executive Director is the Chairman of the Committee while Mr. Piyush Pandey, Independent Director & Mr. Punit Goenka, Managing Director & Chief Executive Officer are its Members.
3	Average net profit of the Company for last three financial years	₹ 24,302.3 Million
4	Prescribed CSR expenditure (two percent of the average net profits for last three years)	₹ 486 Million
5	Details of CSR spent during FY a) Amount to be spent in FY 2020 including unspent amount for FY 2019-20 b) Amount spent c) Unspent amount d) Areas where spent	₹ 880.9 Million ₹ 0.72 Million ₹ 880.18 Million As detailed herein

(₹ MILLIONS)

CSR Projects or Activities Identified	Sector in which the project is Covered	Projects or Programs Local area or other, specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing Agency
Donation to Bharat Ke Veer Foundation (operated by Government of India) as communicated in our #MainBhiKesari initiative for the World Television Premiere of "Kesari"	Measures for the benefit of armed forces veterans, war widows and their dependents	Pan-India	0.60	0.60	0.60	Direct
Cost of camera and other equipment for installing CCTVs in the neighborhood areas of the Company's Chennai office as part of the campaign initiated by the Chennai Police Department	Development, relief and welfare of the women	Chennai	0.12	0.12	0.72	Direct
Total			0.72	0.72	0.72	



6 Reason for not spending entire CSR amount

a) In line with the consistent philosophy of Corporate Social Responsibility (CSR) of the Company, the CSR policy envisages engaging in long term sustainable programs that actively contribute to and support the social and economic development of the society. CSR contribution of the Company is aimed at achieving the desired objectives. However, there were certain operational delays on the part of the implementation agencies in relation to (i) proposal to develop and construct a school building and other vocational center(s) in Hisar, Haryana granted in FY 2017-18 aggregating ₹ 20 crores and (ii) proposal for expansion of community empowerment platform named Sarthi and Integrated Rural Development center to assist surrounding rural areas aggregating ₹ 264 Million approved in FY 2017-18 and 2018-19 respectively. As a consequence of the delays in implementation, the Company considered directing the implementation agency to redeploy the funds into other approved projects. The Company obtained legal advice confirming that redeployment of funds would be in compliance with its policy/ other regulations and would have no tax implications for the Company. Based on such advice, during the year the CSR committee of the Company approved the redeployment of funds to the project details of which are set out below:

Contribution towards repayment of loans aggregating ₹ 460 Million availed of by Himgiri Zee University (University) for expenditure incurred towards the development of educational infrastructure at Dehradun, Uttarakhand. Based on the motto 'Vasudhaiva Kutumbakam' (World as Family), Himgiri Zee University (HZU) has been established to meet the growing demand for trained human resources in various social, educational, scientific, technical and professional organizations so as, to channel human energy towards sustainable economic and social development. The University is characterized by its resolve not to discriminate on grounds of caste, creed, residence, community, gender and religion. HZU has been established under Act No. 17 of 2003 of the State Legislative Assembly, Government of Uttarakhand (Act 2003, Uttarakhand Adhiniyam Sankhya 17 of 2003) and has since become operational. It has nearly 1500 students studying various professional courses with state of art infrastructure spread over 3 lakh square feet constructed area over 50 acres land and consisting of 7 schools duly approved by various Educational councils.

b) During the year under review, the CSR Committee of the Company was reconstituted which has assigned the responsibility to identify and monitor CSR spends to a focused team within the Company. As at March 31, 2020 an amount of ₹ 880.18 Million remained unutilized due to non-availability of suitable projects and was carried forward for funding suitable projects in the future. It is expected that with the new policy and initiatives being undertaken by the team under the supervision of the CSR Committee, the outcome of programs will be further enabled to achieve the company's CSR mission of social and economic outreach and development. In view of the said transition and the unprecedented Corona virus outbreak, the Company's objective of CSR outlay for the year ended March 31, 2020 has been impeded. The Company remains committed to swiftly identify suitable CSR projects including public health matters caused by the said pandemic.

The CSR committee hereby certifies that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Ashok Kurien
Chairman - CSR Committee

Punit Goenka
Managing Director & Chief Executive Officer

Place : Mumbai
Date : July 24, 2020

ANNEXURE 'D' TO DIRECTORS' REPORT

Disclosure of Managerial Remuneration pursuant to Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Remuneration of each Director and Key Managerial Personnel (KMP) along with particulars of increase during the financial year, ratio of remuneration of Directors to the Median remuneration of employees and comparison of remuneration of each KMP against Company's standalone performance:

Name of Director/ Key Managerial Person	Remuneration (₹ Millions)	% increase in Remuneration	Ratio of Directors remuneration to Median remuneration
Non-Executive Directors \$			
Mr. Subhash Chandra	4.77	59%	4.15:1
Mr. Ashok Kurien	5.54	84.67%	4.82:1
Mr. Manish Chokhani	5.54	84.67%	4.82:1
Mr. Adesh Kumar Gupta	5.54	84.67%	4.82:1
Mr. R Gopalan (appointed w.e.f. Nov 25,2019)	2.44	NA	2.12:1
Mr. Piyush Pandey (appointed w.e.f. Mar 24,2020)	0.10	NA	0.09:1
Mr. Surender Singh (appointed w.e.f. Nov 25,2019 resigned w.e.f. Mar 20,2020)	1.52	NA	1.33:1
Ms. Aparajita Jain (appointed w.e.f. Nov 25,2019 resigned w.e.f. Mar 20,2020)	1.52	NA	1.33:1
Mr. Subodh Kumar (resigned w.e.f. Nov 22,2019)	2.04	NA	1.78:1
Ms. Neharika Vohra (resigned w.e.f. Nov 22,2019)	2.04	NA	1.78:1
Mr. Sunil Sharma(resigned w.e.f. Nov 24,2019)	2.06	NA	1.79:1
Executive Director			
Mr. Punit Goenka	90.18	8.72%	78.42:1
Key Managerial Personnel			
Mr. Rohit Kumar Gupta	25.54	5%	NA
Mr. M Lakshminarayanan (resigned on close of business hours on November 25, 2019)	46.86	10.8%	NA
Mr. Ashish Agarwal (Appointed w.e.f. November 26, 2019)	4.28	NA	NA

Note:

\$ Non-Executive Directors remuneration represents Commission payable for FY 2019-20. During last FY the Company had provided Commission of ₹ 3 Million to each Non-Executive Director and the increase in Commission to Non-Executive Directors has been worked out on annual basis.

Sr	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY 19-20	8%
2	Number of permanent employees on the rolls of the Company	3,429
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 8.8% while the average increase in Managerial Remuneration was 6% during the year.
4	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company



B. Disclosures relating to remuneration drawn by employees in terms of Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 1.02 Crore or more per annum.

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Amit Shah	43	Cluster Head - West, North & Premium Channels	12,397,429	BE, MMS	18	2-Apr-18	Mondelez India Foods Limited
2	Animesh Kumar	52	Chief People Officer	28,887,732	BA,PGDPM	27	23-Jul-18	Future Retail Limited
3	Anuradha Gudur	51	Business Head - Zee Telugu	11,844,782	BA, MA-Mass Communication	25	1-Apr-07	Gemini Television Limited
4	Anurag Bedi	43	Business Head - Zee Music Company	21,876,894	2nd Mates License in Nautical Sciences	19	5-Feb-07	Star India Private Limited
5	Aparna Bhosle	47	Business Head, ZEE TV & FTA GEC	13,497,663	BA, MBA	24	1-Apr-14	Zee Learn Limited
6	Archana Anand	47	Chief Business Officer - Zee5 Global	11,648,741	B.Sc, MBA	23	1-Apr-18	OnMobile Global Limited
7	Ashish Sehgal	50	Chief Growth Officer - Ad Sales	45,299,810	B.Com, LLB	27	1-Apr-18	Zee Unimedia Limited
8	Atul Das	52	Chief Revenue Officer - Affiliates Sales	26,633,109	B.Com, MMS	27	1-May-16	Taj Television (India) Private Limited
9	Bavesh Ramdas Janavlekar	44	Business Head - Zee Talkies	10,804,550	B.Com, MMS	21	21-Sep-10	Radio One
10	Bijal Shah	39	Head - FPA and Investor Relations	11,281,074	B.Com, CA,CFA	20	1-Sep-16	India Infoline Limited
11	Gunjarav Nayak	44	Principal Cluster Head - Sales	17,699,941	B. Com, PGDBM	23	1-Apr-18	Zee Unimedia Limited
12	Harpreet Singh Mamick	43	Executive Cluster Head - Sales	12,139,047	B.Com, MBA	19	1-Apr-18	Zee Unimedia Limited
13	Laxmi Shetty	51	Chief Sales Strategy & Maximisation Officer	25,112,391	B.Sc (Hons)	30	1-Apr-18	Zee Unimedia Limited
14	Manish Seth	41	Executive Cluster Head - Sales	11,539,624	PGDM	20	1-Apr-18	Zee Unimedia Limited
15	Monali Ghosh	47	Executive Cluster Head - Sales	13,144,039	MA, MMM	24	1-Apr-18	Zee Unimedia Limited
16	Mudunuri Srinivasa Chaitanya	42	Head - Innovation	11,337,774	B.Tech (CSE), MBA - University of Oxford	21	1-Nov-18	Ray Business Technologies Private Limited
17	Pankaj Mehra	44	Executive Cluster Head - Sales	11,204,438	B.Com, PGDBM	22	1-Apr-18	Zee Unimedia Limited
18	Prathyusha Agarwal	42	Chief Consumer Officer	17,398,910	B.Tech, PGDM	19	25-Jan-17	Tata Unistore Limited
19	Punit Goenka	44	Managing Director & CEO	90,179,923	B.Com	22	1-Apr-98	ASC Enterprises Limited
20	Punit Misra	49	CEO - Domestic Broadcasting Business	116,275,039	BE,PGDBM	25	1-Oct-16	Hindustan Unilever Limited
21	Raghavendra Hunsur	34	Business Head, Zee Kannada	14,228,156	B.A	16	5-May-14	ETV KANNADA
22	Rahul Sharma	50	Executive Cluster Head - Sales	11,569,689	B.Sc, PGDM	26	1-Apr-18	Zee Unimedia Limited

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
23	Rajneel Kumar	44	Chief Product Officer - ZEE5 India	17,132,211	B.Com, MBA	20	7-Sep-18	Viacom 18 Media Private Limited
24	Rajneesh Gupta	46	Executive Cluster Head - Sales	13,986,057	B.Com, MBA	23	1-Apr-18	Zee Unimedia Limited
25	Rajnish Gupta	45	Principal Cluster Head - Sales	13,377,595	B.Com, MBA	25	1-Apr-18	Zee Unimedia Limited
26	Rohit Chadda	37	CEO - Digital Publishing	17,099,432	PGDM - Finance & Strategy	11	1-Apr-18	Zee Digital Convergence Limited
27	Rohit Kumar Gupta	50	Chief Financial Officer	25,536,599	B.Com, CA	27	27-Aug-18	Chaudhary Group (Telecom & Mobiles)
28	Sachin Rumde	43	Head - Operations	12,707,804	BE, MMS	20	1-Jun-00	NA
29	Samrat Ghosh	42	Cluster Head – East	24,091,762	B.Sc, PGDBA	20	1-Oct-10	Tata Infimedia Limited
30	Sanjoy Chatterjee	53	Principal Cluster Head - Sales	17,583,796	B.Com	30	1-Apr-18	Zee Unimedia Limited
31	Sayed Ali Zainul Abedeen Zaidi	47	Business Head - Cafe Chain	13,521,733	B.Com	22	17-Aug-07	Star India Private Limited
32	Siju Prabhakaran	45	Cluster Head – South	21,241,903	B.Tech, MBA	21	27-Sep-04	UTV Software Communication Limited
33	Sujoy Sen	56	Head - DTH Revenue, Affiliate Sales	14,919,412	B.Sc, PGDBM	33	1-May-14	Mediapro Enterprise India Private Limited
34	Sundeep Mehta	48	Financial Controller	11,311,412	B.Com, CWA, CA	22	2-May-16	Ranbaxy Laboratories Limited
35	Sunita Radhesh Uchil	51	Chief Business Officer	11,813,732	B.A., PGDA&PR	28	1-Apr-19	Asia Today Limited Dubai
36	Taranjeet Singh	46	CRO Zee5 India & Business Head - New Projects	15,861,176	B.Com, PGDM	25	15-Oct-18	Twitter Communications India Private Limited
37	Tarun Katial	45	CEO - ZEE5 INDIA	45,470,387	B.Com, MBA	23	16-May-18	Reliance Broadcast Network Limited
38	Ujjyaini Mitra	38	Head Data Scientist - ZEE5 India	11,818,406	MS in Quantitative Economics, ISI Kolkata	12	1-Nov-18	Viacom 18 Media Private Limited
39	Umesh Kumar Bansal	38	Head - Special Projects	12,763,190	B.Tech, MBA	14	1-Apr-17	Essel Corporate Resources Private Limited
40	Vijay Sanil	42	President - Sales	23,452,644	B.Sc., PGDBM	17	1-Apr-18	Zee Unimedia Limited
41	Vineet Sharma	51	Executive Cluster Head - Sales	11,647,734	B.Com, ICWAI, PGDMM	25	1-Apr-18	Zee Unimedia Limited
42	Viresh Dhaibar	58	Chief Legal Counsel - Affiliate Sales	15,016,620	M.Com, LLB, LLM, ACS, ACIS (UK)	37	1-Feb-19	Essel Business Excellence Services Limited
43	Vishnu Shankar	41	Business Head - & TV & Music Channels	10,704,484	B.Com	19	18-Feb-10	Zoom Television
44	Yubaraj Bhattacharya	52	Head - Programming (Fiction), Zee TV	12,335,170	B.Sc, ICWA	20	2-May-17	ALT Balaji



2. Employed for part of the year and in receipt of remuneration aggregating ₹ 8.5 lakh or more per month.

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Date of Leaving	Last Employment
1	Anish Goel	39	Senior Vice President – Finance	8,504,195	CA	15	22-Sep-15	14-Jan-20	Syngenta India Limited
2	Ashish Ramesh Agarwal	46	Chief Compliance Officer & Company Secretary	4,282,862	FCS, LLB, DLL	22	26-Nov-19	Not Applicable	EUSU Logistics India Private Limited
3	Dheeraj Jaggi	41	Head of HRBP-DBB, EVPL, ZMC	7,843,299	BDHM, HRP	19	1-Aug-19	Not Applicable	Viacom 18 Media Private Limited
4	Karamjit Dua	50	Principal Cluster Head - Content & Partnership and Premium Cluster	6,202,677	B.Com, PGDBA	28	12-Sep-18	19-Jul-19	Havas Media India Private Limited
5	M Lakshminarayanan	58	Chief Compliance Officer & Company Secretary	46,864,125	B.Com, ACS	37	19-Jan-06	17-Dec-19	BPL Power Projects Limited
6	Manish Aggarwal	43	Principal Cluster Head-Ad Sales	13,736,191	B.Com, MBA	19	1-Apr-18	3-Jan-20	Zee Digital Convergence Limited
7	Mona Jain	54	Principal Cluster Head – Sales	17,828,706	B.Sc., MBA	31	1-Apr-18	11-Nov-19	Zee Unimedia Limited
8	Mukund Venkatesh Galgali	46	Chief Commercial Officer & Head - Strategic Initiatives	5,152,640	B.Com, FCA, ACS	24	1-Dec-19	Not applicable	Essel Corporate LLP
9	Rahul Maroli	41	Senior Vice President & Head - SVOD, ZEE5 India	1,139,606	MBA	18	2-Mar-20	Not Applicable	Ola Cabs
10	Rajneesh Mittal	42	Chief Technology Officer	5,886,497	B.Tech, PGDBA	20	1-Oct-15	26-Jul-19	Vodafone Idea Limited
11	Sanjay Kumar Mishra	53	Head - Legal Non Distribution	8,090,629	LLB	28	1-Feb-19	30-Oct-19	Essel Business Excellence Services Limited
12	Shaurya Mehta	36	Cluster Head - Premium Channels and Living Entertainment	4,746,086	B.Sc, MBA	16	17-Apr-17	26-Jul-19	Godrej Industries Limited
13	Venkat Nettimi	46	Head - Consumer Insights	15,886,923	BE, PGD, MBA	24	20-Jun-17	31-Mar-20	Star India Private Limited

Notes :

- All appointments are contractual and terminable by notice on either side.
- None of the employees, except Mr. Punit Goenka are related to any of the Directors
- Remuneration includes Salary, Allowances, Variable Pay, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & other Perquisites and benefits valued on the basis of Income-tax Act, 1961

For and on behalf of the Board

Punit Goenka
Managing Director & Chief Executive Officer

Place: Mumbai
Date : July 24, 2020

R Gopalan
Director

ANNEXURE 'E' TO DIRECTORS' REPORT

Form No MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L92132MH1982PLC028767
ii)	Registration Date	25/11/1982
iii)	Name of the Company	Zee Entertainment Enterprises Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered Office & Contact details	18 th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 Tel No: +91-22-7106 1234 Fax No: +91-22-2300 2107
vi)	Whether Listed	Yes
vii)	Name, Address and Contact Details of Registrar and Transfer Agent	Link Intime India Private Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai -400 083 Tel No: +91-22-49186000 Fax No: +91-22-49186060 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service (As per 2008)	% to total turnover of the company
1	Broadcasting Services	6020	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
A Holding Company			
Nil			
B Subsidiary Companies (including step-down subsidiaries)			
Indian Subsidiaries			
1	Essel Vision Productions Limited 18th floor, A wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 U74990MH2010PLC198648	100%	2(87)(ii)
2	Zee Digital Convergence Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U64200MH2004PLC148772	100%	2(87)(ii)



Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
3	India Webportal Private Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U72900MH2010PTC201526	100%	2(87)(ii)
4	Zee Unimedia Limited 16th floor, A wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 U74120MH2016PLC274857	100%	2(87)(ii)
5	Fly-By-Wire International Private Limited No. 309, 3rd Floor, Kohinoor City, Kiroli Road, LBS Marg, Off BKC, Kurla (West), Mumbai 400 079 U62200MH2012PTC323369	100%	2(87)(ii)
6	Zee Network Distribution Limited (formerly Zee Turner Limited) B-10, Essel House, Lawrence Road Industrial Area, New Delhi 110 035 U74899DL2001PLC113501	100%	2(87)(ii)
7	Margo Networks Private Limited DevX, Office No. 701 -713, 7 th Floor, A Block, Dynasty Business Park, near J. B. Nagar Metro Station, Andheri Kurla Road, Andheri East Mumbai 400 065 U74999MH2016PTC284879	80%	2(87)(ii)
8	Idea Shop Web and Media Private Limited T 1/6, World Trade Centre Arcade, Cuffe Parade, Mumbai 400 005 U72900MH2011PTC220973	51%	2(87)(ii)
Overseas Subsidiaries			
9	ATL Media Ltd 2nd Floor, Ebene House, 33 Cybercity Ebene, Mauritius	100%	2(87)(ii)
10	Zee Multimedia Worldwide (Mauritius) Limited Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100%	2(87)(ii)
11	Asia Today Limited 2nd Floor, Ebene House, 33, Cybercity Ebene, Mauritius	100%	2(87)(ii)
12	TAJ TV Limited Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100%	2(87)(ii)
13	Expand Fast Holdings (Singapore) Pte. Limited 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
14	Zee Studios International Limited Suite 202-2245 West Broadway, Vancouver, BC V6K 2E4	100%	2(87)(ii)
15	Pantheon Productions Limited Suite 202-2245 West Broadway, Vancouver, BC, V6K 2E4	100%	2(87)(ii)
16	*Zee TV USA, Inc. 1999 Bryan St., Ste.900, Dallas/TX/75201-3136	100%	2(87)(ii)

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
17	Zee Entertainment Middle East FZ-LLC Office 202 & 204, Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
18	ATL Media FZ-LLC Office 203 Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
19	Asia Today Singapore Pte Ltd. 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
20	Zee Technologies (Guangzhou) Limited Unite 306, 26th Floor, No.103, B Tower, Tianhe Sports West Road, Guangzhou, GuangDong, P.R. China 510620	100%	2(87)(ii)
21	Asia TV Limited Lower Ground Floor, One George Yard, London, EC3V 9DF	100%	2(87)(ii)
22	Z5X Global FZ LLC Studio Office 2, 3rd Floor, Zee Tower, Dubai, United Arab Emirates	100%	2(87)(ii)
23	Zee TV South Africa (Proprietary) Limited 2nd Floor, Building B, Ballyoaks Office Park 35 Ballyclare Drive, Bryanston, Johannesburg, South Africa, 2021	100%	2(87)(ii)
24	Asia Multimedia Distribution Inc 3660 Hurontario Street, Suite 303, Mississauga, Ontario L5B 3C4	100%	2(87)(ii)
25	Asia TV USA Ltd. Wyoming 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
26	Asia TV GmbH Nymphenburger Str.86 Munich 80636	100%	2(87)(ii)
27	OOO Zee CIS Holding LLC Nizhnyaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
28	OOO Zee CIS LLC Nizhnyaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
C Associate Companies / Joint Ventures			
Indian			
1	Media Pro Enterprise India Private Limited 7th Floor, Blue Wave, Behind Kuber Chamber, Andheri (West), Mumbai 400 053 U92412MH2006PTC164446	50%	2(6)
Overseas			
2	Asia Today (Thailand) Co. Limited 30,32,34,36,38, K.B.S. Building Unit # 306, 3/Floor, Mahesak Road # 3, Suriyawong, Bangrak, Bangkok – 10500, Thailand	25%	2(6)

Notes:

1. CIN/GLN Not applicable for overseas entities
2. * Zee TV USA, Inc. was dissolved with effective from May 1, 2020.
3. As on March 31, 2020, Eevee Multimedia Inc., (the overseas subsidiary of Essel Vision Productions Limited, the wholly owned subsidiary of the Company) was dissolved.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)**i. Category wise Shareholding**

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2019			No. of Shares held at the end of the year i.e. March 31, 2020			% Change	
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	
A Promoters & Promoter Group									
1	Indian								
A	Bodies Corporate	248,207,159	-	248,207,159	25.84	9,618,426	-	9,618,426	1.00 (24.84)
	Sub-total (A) (1):-	248,207,159	-	248,207,159	25.84	9,618,426	-	9,618,426	1.00 (24.84)
2	Foreign								
A	Bodies Corporate	118,702,804	-	118,702,804	12.36	36,201,448	-	36,201,448	3.77 (8.59)
	Sub-total (A) (2):-	118,702,804	-	118,702,804	12.36	36,201,448	-	36,201,448	3.77 (8.59)
	Total Promoter shareholding (A)	366,909,963	-	366,909,963	38.20	45,819,874	-	45,819,874	4.77 (33.43)
B Public Shareholding									
1	Institutions								
A	Mutual Funds	60,573,726	-	60,573,726	6.31	42,705,763	-	42,705,763	4.45 (1.86)
B	Alternate Investment Funds	7,494	-	7,494	0.00	50,812	-	50,812	0.01 0.01
C	Banks / FI	47,221,270	-	47,221,270	4.92	48,320,524	-	48,320,524	5.03 0.12
D	Insurance Companies	-	-	-	-	13,672,057	-	13,672,057	1.42 1.42
E	FII's	431,844,233	19,710	431,863,943	44.96	655,702,398	13,140	655,715,538	68.27 23.31
F	Central/State Govt	1,631,160	-	1,631,160	0.17	1,729,039	-	1,729,039	0.18 (0.01)
	Sub-total (B1)	541,277,883	19,710	541,297,593	56.36	762,180,593	13,140	762,193,733	79.36 23.00
2	Non-Institutions								
A	Bodies Corporate – Indian	23,110,015	-	23,110,015	2.41	15,404,722	-	15,404,722	1.60 (0.81)
B	Bodies Corporate – Overseas	56,994	-	56,994	0.01	97,350,656	-	97,350,656	10.14 10.13
C	Individual shareholders holding nominal share capital upto ₹ 1 lakh	17,363,176	481,701	17,844,877	1.86	28,060,451	401,451	28,461,902	2.96 1.10

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2019				No. of Shares held at the end of the year i.e. March 31, 2020				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
D	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,369,511	-	1,369,511	0.14	300,000	-	300,000	0.03	(0.11)
E	Others - Foreign National	1,867	-	1,867	0.00	1,510	-	1,510	0.00	0.00
F	Others – NRI	1,790,397	748,825	2,539,222	0.26	3,880,633	683,410	4,564,043	0.48	0.22
G	Others – Trust	6,803,964	-	6,803,964	0.71	5,499,834	-	5,499,834	0.57	(0.14)
H	Others – HUF	532,494	-	532,494	0.06	886,961	-	886,961	0.09	0.03
Sub-total (B2)		51,028,418	1,230,526	52,258,944	5.44	151,384,767	1,084,861	152,469,628	15.87	10.43
Total Public Shareholding (B)		592,306,301	1,250,236	593,556,537	61.80	913,565,360	1,098,001	914,663,361	95.23	33.43
C	Shares held by Custodian for GDRs & ADRs (C)	NIL								
Grand Total (A+B+C)		959,216,264	1,250,236	960,466,500	100	959,385,234	1,098,001	960,483,235	100	0.00

ii. Shareholding of Promoters

Sr. No.	Name of Promoter	Shareholding at the beginning of the year i.e. April 1, 2019			Shareholding at the end of the Year i.e. March 31, 2020			% Change
		Number of Shares	%	% of shares/ pledged encumbered to Capital	Number of Shares	%	% of shares/ pledged encumbered to Capital	
1	Essel Infraprojects Limited	100	0.00	-	100	0.00	-	-
2	Sprit Infrapower & Multiventures Private Limited	400	0.00	-	400	0.00	-	-
3	Cyquator Media Services Private Limited	219,024,694	22.80	25.28	8,107,136	0.84	0.64	(21.96)
4	Essel Media Ventures Limited	102,888,286	10.71	-	33,155,180	3.45	0.14	(7.26)
5	Essel Holdings Limited	1,718,518	0.18	-	1,718,518	0.18	-	-



Sr. No.	Name of Promoter	Shareholding at the beginning of the year i.e. April 1, 2019			Shareholding at the end of the Year i.e. March 31, 2020			% Change
		Number of Shares	%	% of shares/ pledged encumbered to Capital	Number of Shares	%	% of shares/ pledged encumbered to Capital	
6	Essel International Limited	14,096,000	1.47	-	1,327,750	0.14	-	(1.33)
7	Essel Corporate LLP	29,181,965	3.04	-	1,510,790	0.16	-	(2.88)
	Total	366,909,963	38.20	25.28	45,819,874	4.77	0.78	(33.43)

iii. Change in Promoters' (Including Promoter Group) Shareholding (Please specify if there is no change)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 1 2019			Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No of shares	% of Capital	Date		No of Shares	% of Capital	No of Shares	% of Capital
1	Essel Infraprojects Limited	100	0.00	NA	NA	NA	NA	100	0.00
2	Sprit Infrapower & Multiventures Private Limited	400	0.00	NA	NA	NA	NA	400	0.00
3	Cyquator Media Services Private Limited	219,024,694	22.80	08 Apr 19	Market Sale	(461,929)	(0.05)	218,562,765	22.76
				09 Apr 19	Market Sale	(8,459)	(0.00)	218,554,306	22.76
				07 May 19	Invocation	(12,749,950)	(1.33)	20,58,04,356	21.43
				08 May 19	Invocation	(3,145,000)	(0.33)	20,26,59,356	21.10
				15 May 19	Invocation	(1,115,480)	(0.12)	20,15,43,876	20.98
				16 May 19	Revocation of Invocation	1,497,012	0.16	20,30,40,888	21.14
				17 May 19	Revocation of Invocation	1,434,002	0.15	20,44,74,890	21.29
				21 May 19	Revocation of Invocation	65,480	0.01	20,45,40,370	21.30
				30 May 19	Market Sale	(1,367,370)	(0.14)	20,31,73,000	21.15
				18 Jun 19	Market Sale	(4,622,324)	(0.48)	19,85,50,676	20.67
				18 Jun 19	Invocation	(5,147,000)	(0.54)	19,34,03,676	20.14
				18 Jun 19	Revocation of Invocation	2,525,000	0.26	19,59,28,676	20.40
				03 Jul 19	Revocation of Invocation	2,622,000	0.27	19,85,50,676	20.67
				03 Jul 19	Invocation	(8,864,858)	(0.92)	18,96,85,818	19.75
				03 Jul 19	Market Sale	(318,000)	(0.03)	18,93,67,818	19.72
				09 Sep 19	off Market Sale	(72,741,134)	(7.57)	11,66,26,684	12.14
				11 Sep 19	Invocation	(18,940,133)	(1.97)	9,76,86,551	10.17

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year April 1 2019			Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No of shares	% of Capital	Date	Reason	No of Shares	% of Capital	No of Shares
				11 Sep 19	Market Sale	(6,390,000)	(0.67)	9,12,96,551
				11 Sep 19	Revocation of Invocation	423,500	0.04	9,17,20,051
				04 Oct 19	Invocation	(1,677,106)	(0.17)	9,00,42,945
				04 Oct 19	Market Sale	(3,051,000)	(0.32)	8,69,91,945
				04 Oct 19	Revocation of Invocation	191,000	0.02	8,71,82,945
				21 Nov 19	Market Sale	(61,626,543)	(6.42)	2,55,56,402
				25 Nov 19	off Market Sale	(13,749,266)	(1.43)	1,18,07,136
				25 Nov 19	Market Sale	(3,000,000)	(0.31)	88,07,136
				31 Mar 20	Invocation	(700,000)	(0.08)	8,107,136
4	Essel Media Ventures Limited	102,888,286	10.71	21 Nov 19	Market Sale	(69,733,106)	(7.26)	33,155,180
5	Essel Holdings Limited	1,718,518	0.18		NIL			1,718,518
6	Essel International Limited	14,096,000	1.47	20 Sep 19	Market Sale	(1,840,000)	(0.19)	1,22,56,000
				24 Sep 19	Market Sale	(2,160,000)	(0.22)	1,00,96,000
				25 Sep 19	Market sale	(2,000,000)	(0.21)	80,96,000
				26 Sep 19	Market Sale	(3,000,000)	(0.31)	50,96,000
				27 Sep 19	Market Sale	(2,000,000)	(0.21)	30,96,000
				30 Sep 19	Market Sale	(1,500,000)	(0.16)	15,96,000
				22 Oct 19	Market Sale	(268,250)	(0.03)	1,327,750
7	Essel Corporate LLP	29,181,965	3.04	26 Jul 19	Invocation	(865,001)	(0.09)	2,83,16,964
				09 Sep 19	Off Market Sale	(10,859,600)	(1.13)	1,74,57,364
				24 Sep 19	Invocation	(3,650,314)	(0.38)	1,38,07,050
				21 Nov 19	Market Sale	(11,838,350)	(1.23)	19,68,700
				23 Dec 19	Invocation	(182,200)	(0.02)	17,86,500
				20 Mar 20	Invocation	(275,710)	(0.03)	1,510,790

iv. Change in shareholding of top ten public shareholders (other than Directors and Promoters)

Name of Shareholder	Shareholding at the beginning of the year i.e. April 1, 2019		Shareholding at the end of the year i.e. March 31, 2020	
	No of Shares	% Equity Share Capital	No of Shares	% Equity Share Capital
OFI Global China Fund LLC	-	-	97,350,000	10.14
*Oppenheimer Developing Markets Fund	68,644,603	7.15	74,318,476	7.74
Government of Singapore	6,859,160	0.71	59,441,268	6.19
Life Insurance Corporation of India	46,946,402	4.89	46,946,402	4.89



Name of Shareholder	Shareholding at the beginning of the year i.e. April 1, 2019		Shareholding at the end of the year i.e. March 31, 2020	
	No of Shares	% Equity Share Capital	No of Shares	% Equity Share Capital
Amansa Holdings Private Limited	-	-	35,608,761	3.71
Monetary Authority of Singapore	-	-	26,608,340	2.77
Smallcap World Fund INC	-	-	21,442,874	2.23
Virtus Vontobel Emerging Markets Opportunities Fund	20,863,866	2.17	20,227,278	2.11
SBI ETF Nifty 50	6,368,780	0.66	19,515,496	2.03
Vanguard Total International Stock Index Fund	8,835,408	0.92	15,620,078	1.63
Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index Fund	8,375,889	0.87	13,122,447	1.37
Government Pension Fund Global	7,104,596	0.73	11,989,566	1.25
Schroder International Selection Fund Asian Opportunities	8,921,176	0.93	10,102,100	1.05
Vontobel India Fund	9,860,782	1.03	9,744,097	1.01

* Name changed to Invesco Oppenheimer Developing Markets Fund

Notes:

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated
2. Shares held in multiple accounts having same PAN are consolidated for the purpose of this disclosure.

v. Shareholding of directors and key management personnel

Name of Director	Shareholding at the beginning of the year i.e. April 1, 2019			Reason	Shareholding at the end of the Year i.e. March 31, 2020		
	No of shares	% Equity Share Capital	Date		No of Shares	% Equity Share Capital	% Change
Non Executive Directors							
Mr. Subhash Chandra	-	-	-	-	-	-	-
Mr. Ashok Kurien	-	-	-	-	-	-	-
Mr. Subodh Kumar (resigned w.e.f. Nov 22, 2019)	-	-	-	-	-	-	-
Independent Directors							
Mr. Manish Chokhani	100,000	0.01	-	-	100,000	0.01	0.00
Mr. Adesh Kumar Gupta	300	0.00	0.00	-	300	0.00	0.00
Mr. R Gopalan (appointed w.e.f. Nov 25, 2019)	-	-	-	-	-	-	-

Name of Director	Shareholding at the beginning of the year i.e. April 1, 2019			Date	Reason	Shareholding at the end of the Year i.e. March 31, 2020			% Change
	No of shares	% Equity Share Capital	No of Shares			% of Shares	% Equity Share Capital		
Mr. Piyush Pandey (appointed w.e.f. Mar 24, 2020)	-	-	-	-	-	2,190	0.00	0.00	
Mr. Surender Singh (Appointed w.e.f. Nov 25, 2019 resigned w.e.f. Mar 20, 2020)	-	-	-	-	-	-	-	-	
Ms. Aparajita Jain (Appointed w.e.f. Nov 25, 2019 resigned w.e.f. Mar 20, 2020)	-	-	-	-	-	-	-	-	
Prof Sunil Sharma (resigned w.e.f. Nov 24, 2019)	-	-	-	-	-	-	-	-	
Prof Neharika Vohra (resigned w.e.f. Nov 22, 2019)	-	-	-	-	-	-	-	-	
Executive Director									
Mr. Punit Goenka	-	-	-	-	-	-	-	-	
Key Managerial Personnel									
Mr. Rohit Kumar Gupta	-	-	-	-	-	-	-	-	
Mr. M Lakshminarayanan (resigned on close of business hours on November 25, 2019)	-	-	-	-	-	-	-	-	
Mr. Ashish Agarwal (appointed w.e.f. Nov 26, 2019)	-	-	-	-	-	-	-	-	
The shares held by Mr Manish Chokhani are held jointly with his relatives									
V. INDEBTEDNESS:	(₹ Millions)								
Indebtedness of the Company including interest outstanding/accrued but not due for payment									
Particulars	Secured Loan excluding deposit	Unsecured Loans	Deposits	Total Indebtedness					
Indebtedness at beginning of FY19-20									
Principal Amount (Fair value as at April 1, 2019)	28	11,113	-	11,141					
Interest Due but not paid	-	-	-	-					
Interest accrued but not due	-	876	-	876					
Total	28	11,990	-	12,018					
Change in indebtedness during FY19-20									



(₹ Millions)

Particulars	Secured Loan excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Addition / (Fair value Change)	2	(1,130)	-	(1,128)
Reduction	(12)	(4,910)	-	(4,923)
Net Change	(10)	(6,040)	-	(6,051)
Indebtedness at the end of FY 19-20	18	5,950	-	5,967
Principal Amount (Fair value as at March 31, 2020))	18	5,950	-	5,968
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	585	-	585
Total	18	6,535	-	6,552

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(₹ Millions)

Particulars of Remuneration	Amount
Gross salary (As per Income tax act)	
Salary	62.79
Perquisites	0.04
Profits in lieu of salary	-
Stock Option	-
Sweat Equity	-
Commission (as % of profit and/or otherwise)	-
Others	
- Contribution to Provident Fund	5.21
- Variable Pay	22.14
Total (A)	90.18

Ceiling as per the Act: 5% of the Profits as per Section 198 of the Companies Act, 2013 is ₹ 1058.66 Million

B. Remuneration to Other Directors:

(₹ Millions)

Name of Directors	Sitting Fees	Commission	Others	Total
i) Independent Directors				
Mr. Sunil Sharma*	0.30	2.06	-	2.36
Ms. Neharika Vohra*	0.21	2.04	-	2.25
Mr. Manish Chokhani	0.63	5.54	-	6.17
Mr. Adesh Kumar Gupta	0.84	5.54	-	6.38

(₹ Millions)

Name of Directors	Sitting Fees	Commission	Others	Total
Mr. R Gopalan*	0.24	2.44	-	2.68
Mr. Piyush Pandey*	0.03	0.10	-	0.13
Mr. Surender Singh	0.15	1.52	-	1.67
Ms. Aparajita Jain	0.12	1.52	-	1.64
i) Non – Executive Directors				
Mr. Subhash Chandra	0.27	4.77	-	5.04
Mr. Subodh Kumar*	0.42	2.04	-	2.46
Mr. Ashok Kurien	0.63	5.54	-	6.17
Total	3.84	33.11	-	36.95
Overall Ceiling as per Act	1% of Net Profits as per Section 198 of the Companies Act, 2013 is ₹ 211.73 Million			

* represents sitting fees paid during the tenure of their directorships in the Company

B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ Millions)

Particulars of Remuneration	Key Managerial Personnel			Total
	Chief Financial Officer	Chief Compliance Officer & Company Secretary	Chief Compliance Officer & Company Secretary	
	Mr. Rohit Kumar Gupta	Mr. Ashish Agarwal (w.e.f. from November 26, 2019)	Mr. M Lakshminarayanan (up to November 25, 2019)	
Gross salary (As per Income Tax Act)				
Salary	18.69	4.02	36.33	59.04
Perquisites	0.04	0.04	0.03	0.07
Profits in lieu of salary	0.00	0.00	0.00	0.00
Stock Option	0.00	0.00	0.00	0.00
Sweat Equity	0.00	0.00	0.00	0.00
Commission (as % of profit or otherwise)	0.00	0.00	0.00	0.00
Others				
-Contribution to Provident Fund	1.20	0.26	1.41	2.87
- Variable Pay	5.61	0.00	6.50	12.11
- Joining Bonus	0.00	0.00	0.00	0.00
- Notice Pay	0.00	0.00	2.60	2.60
Total	25.54	4.28	46.87	76.69


VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES UNDER PROVISIONS OF COMPANIES ACT: None

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board

Punit Goenka
Managing Director & Chief Executive Officer

R Gopalan
Director

Place: Mumbai

Date: July 24, 2020

ANNEXURE 'F' TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Zee Entertainment Enterprises Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zee Entertainment Enterprises Limited** (hereinafter called "**the Company**") for the financial year ended 31st March, 2020 ["**Audit Period**"]. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable:
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
 - b. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
 - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - f. Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

6. Specific laws applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:

- a. Policy Guidelines for Uplinking of Television Channels issued by the Ministry of Information & Broadcasting;
- b. Policy Guidelines for Downlinking of Television Channels issued by the Ministry of Information & Broadcasting;
- c. The Cable Television Network (Regulations) Act, 1955 read with Amendments and the Cable Television Network Rules, 1994 read with Amendments;
- d. The Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2012;
- e. Standard of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013;

We have also examined compliance with the applicable clauses of the Secretarial Standard 1 and2 issued by the Institute of Company Secretaries of India.

We report that during the audit period, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above except for following:

1. Filing of e-Forms with the Registrar:

During the Audit Period, certain e-Forms were filed with delay ranging from 1 day to 60 days and few IEPF related e-Forms are pending to be filed. e-Forms filed/ to be filed with delay are subject to filing of an application for issue of immunity certificate under the Company Fresh Start Scheme, 2020.

2. Inspection by MCA

An inspection under Section 206 (5) of the Act was initiated by Regional Director – Western Region, MCA ('RD') during the Audit Period. The Company has submitted all the required information and filed the same with the Office of Regional Director at Mumbai on July 10, 2020.

3. Woman Director/ Independent Woman Director

The independent woman director of the Company resigned w.e.f. March 20, 2020. The Company appointed another independent woman director w.e.f. April 24, 2020. The Company appointed the independent director within the time prescribed under the Act and Reg. 25 (6) of Listing Regulations to fill the intermittent vacancy.

Management and Auditor Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure I;



2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same has not been uniformly possible in view of the prevailing lockdown.
4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
7. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
8. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Partial redemption of Listed Bonus Preference Shares:

The Company redeemed 20% of the nominal value of Listed Bonus Preference Shares of INR 6/- each, i.e. redemption of INR2/- per preference share, due at 6th anniversary of the issue of such Preference Shares on March 5, 2020;

Consequent to payment of 3rd tranche of redemption amount, the outstanding issued, subscribed and paid-up Listed Bonus Preference Share Capital of the company stands reduced from INR 12,10,16,53,872/- comprising of 2,01,69,42,312 Listed Bonus Preference Shares of INR 6/- each to INR 8,06,77,69,248 comprising of 2,01,69,42,312 Listed Bonus Preference Shares of INR 4/- each with effect from March 6, 2020.

ii. Issue of Equity Shares under ESOP Scheme:

The Company had allotted 15,265 (Fifteen Thousand Two Hundred and Sixty Five) Equity Shares of INR 1 each on April 16, 2019 and 1470 (One Thousand Four Hundred and Seventy) Equity Shares of INR 1 each on November 11, 2019 in accordance with ZEEL ESOP Scheme 2009 (as modified in 2016).

iii. Acquisition of equity stake in Zee Network Distribution Limited (ZNDL)

During the Audit Period, the Company acquired balance 26% of equity share capital of the joint venture entity ZNDL (earlier Zee Turner Limited) from Turner International Private Limited. Consequently, ZNDL became a wholly-owned subsidiary of the Company. The Company reported the downstream investment to RBI in Form DI on FIRMS Portal which was pending for approval on the date of signing this report.

**For M/s Vinod Kothari & Company
Practicing Company Secretaries
Firm Registration No.: P1996WB042300**

**Vinita Nair
Senior Partner
Membership No.: F10559
CP No.: 11902
UDIN: F010559B000485541**

Place: Mumbai
Date: July 21, 2020

ANNEXURE I

LIST OF DOCUMENTS

1. Minutes books of the following were provided (except for certain final draft of minutes furnished electronically, on account of lockdown due to COVID-19):
 - a. Board Meeting;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Corporate Social Responsibility Committee;
 - e. Risk Management Committee;
 - f. Stakeholders relationship Committee;
 - g. ESOP Allotment Sub-Committee;
 - h. Corporate Management Committee;
 - i. Annual General Meeting;
2. Resolution passed by circulation;
3. Directors disclosures under Act, 2013 and rules made thereunder;
4. Statutory Registers under Act, 2013;
5. Annual Report 2019 and Memorandum and Articles of Association;
6. Forms filed with ROC;
7. Policies/ Codes framed under SEBI regulations;
8. Periodic reports/disclosure under SEBI (Prohibition of Insider Trading) Regulations, 2015;
9. Disclosure required to be made under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
10. Forms filed under the Foreign Exchange Management Act, Rules and Regulations made thereunder with Authorised Dealer Bank and RBI.



ANNEXURE 'G' TO DIRECTORS' REPORT

Secretarial compliance report of Zee Entertainment Enterprises Limited for the year ended March 31, 2020

We have examined:

- (a) all the documents and records made available to us and explanation provided by Zee Entertainment Enterprises Limited ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2020 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
- (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
- (e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993;
- (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

- (a)** The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company
None			

Note:

1.The independent woman director of the Company resigned w.e.f March 20, 2020. The Company appointed another independent woman director w.e.f. April 24, 2020. The Company appointed the independent director within the time prescribed under Reg. 25 (6) of Listing Regulations to fill the intermittent vacancy.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any
				None

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
				None

(e) The listed entity has complied with the provisions of SEBI Circular CIR/ CFD/CMD1/114/2019 dated October 18, 2019, in terms of Para 6(A) and 6(B) of the said circular and has suitably modified the terms of appointment of its statutory auditors vide addendum letter dated February 25, 2020 .

For M/s Vinod Kothari and Company
Practising Company Secretaries

Vinita Nair
Senior Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559B000458061

Place: Mumbai
Date: July 15, 2020

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S GOVERNANCE PHILOSOPHY

Effective corporate governance practices provide the strong foundation on which successful commercial enterprises are built for sustainability. The Company's philosophy on corporate governance is built on overseeing business strategies, ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The convergence of governance practices brings to the fore the critical role played by the Board to ensure that the governance framework enjoins higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interests of all stakeholders. Corporate Governance, which assumes great deal of importance at Zee Entertainment Enterprises Limited (ZEE), is intended to ensure consistent value creation for all its stakeholders. ZEE believes that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Board of Directors ('Board') is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis.

A report on compliance with the principles of Corporate Governance as prescribed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') is given below:

2. BOARD OF DIRECTORS

Composition & Category of Directors

The Company has a balanced Board with an optimum combination of Executive and Non-Executive Directors. The Board currently comprises of 8 (eight) Directors including 1 (one) Executive Director, 2 (two) Non-Executive Directors and 5 (five) Independent Directors including one Independent Woman Director. The current composition of the Board is in conformity with Regulation 17(1) of the Listing Regulations as well as the provisions of the Companies Act, 2013 ('Act').

The Company requires skill/expertise/competencies in the areas of Finance, Legal, Media Marketing/Sales, Social activities, Technology, Internal Business specialization and Capital Market. Currently the Board of the Company comprises of Directors with the requisite qualification / experience in the above areas.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they meet the criteria of independence as provided in the Listing Regulations and that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The declarations received from the Independent Directors on the above lines have been taken on record and the Board of Directors confirm that the Independent directors meet the criteria of independence as per the Listing Regulations and that they are independent of the management.

During the financial year under review, 9 (Nine) Meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

May 27, 2019, July 23, 2019, October 17, 2019, November 5, 2019, November 25, 2019, December 28, 2019, January 21, 2020, February 20, 2020 and March 20, 2020.

The necessary quorum was present for all meetings. The annual calendar of meetings for consideration of financial results and the Business Plan is broadly determined at the beginning of each financial year by the Board.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairpersonships / Memberships held by them in other public limited companies as on March 31, 2020 are given below:

Name of Director	Attendance at		No of Directorship in other Public Companies as		No of Committee positions held in other Public Companies as		Directorship in other listed entity (Category of Directorship)
	Board Meeting	37th AGM held on July 23, 2019	Member	Chairman	Member	Chairman	
Independent Directors							
Mr. Sunil Sharma	4	Yes	NA	NA	NA	NA	NA
Ms. Neharika Vohra	4	Yes	NA	NA	NA	NA	NA
Mr. Manish Chokhani	9	Yes	4	-	4	-	1. Westlife Development Limited (Independent, Non-Executive) 2. Shoppers Stop Limited (Independent, Non-Executive)

Name of Director	Attendance at		No of Directorship in other Public Companies as		No of Committee positions held in other Public Companies as		Directorship in other listed entity (Category of Directorship)	
	Board Meeting	37th AGM held on July 23, 2019	Member	Chairman	Member	Chairman		
Mr. Adesh Kumar Gupta	9	Yes	4	-	1	2	1. Vinati Organics Limited (Independent, Non-Executive) 2. Care Ratings Limited (Independent, Non-Executive)	
Mr. R Gopalan	5	NA	4	-	1	2	1. Sundaram Clayton Limited (Independent, Non-Executive) 2. TVS Motor Company Limited (Independent, Non-Executive)	
Mr. Surender Singh	5	NA	NA	NA	NA	NA	NA	
Ms. Aparajita Jain	3	NA	NA	NA	NA	NA	NA	
Mr. Piyush Pandey (appointed w.e.f. March 24, 2020)	NA	NA	2	-	2	-	1. D.B.CORP Limited (Independent, Non-Executive) 2. Pidilite Industries Limited (Independent, Non-Executive)	
Non-Executive Directors								
Mr. Subhash Chandra	9	Yes	-	-	-	-	-	
Mr. Ashok Kurien	8	Yes	1	-	1	1	1. Dish TV India Limited (Non-Independent, Non-Executive)	
Mr. Subodh Kumar	4	Yes	NA	NA	NA	NA	NA	
Executive Director								
Mr. Punit Goenka	9	Yes	4	1	2	-	1. Prozone Intu Properties Limited (Independent, Non-Executive) 2. Zee Media Corporation Limited (Non-Independent, Non-Executive, Chairman) (Resigned w.e.f. July 22, 2020)	

Notes:

- Other directorships do not include directorships held by the Directors in private limited companies, foreign companies and companies registered under Section 8 of the Act.
- None of the Directors holds directorships in more than ten public companies. None of the Independent Directors serves as an independent director in more than seven listed entities. Necessary disclosures regarding Committee positions held in other public companies as on March 31, 2020 have been made by the Directors.
- None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director. For the purpose of determination of limit of the Board Committees of the directors, only the chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee of Public Companies has been considered as per Regulation 26(l)(b) of the Listing Regulations.
- None of the directors of the Company are related *inter-se* except Mr. Subhash Chandra, Non-Executive Director who is the father of Mr. Punit Goenka, Managing Director & Chief Executive Officer of the Company.
- None of the Non-Executive Directors of the Company, except Mr. Adesh Kumar Gupta, Mr. Manish Chokhani (through Partnership firm Quadrillion Advisors) and Mr. Piyush Pandey hold shares of the Company.
- Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:

Name	Category	No. of Shares held	
Mr. Adesh Kumar Gupta	Non-Executive Independent Director	Equity - Preference -	300 457
Mr. Manish Chokhani	Non-Executive Independent Director	Equity -	100,000
Mr. Piyush Pandey	Non-Executive Independent Director	Equity Preference	2,190 4,599

During the year under review:

1. Mr. Subodh Kumar resigned as Non-Executive Director on November 22, 2019.
2. Ms. Neharika Vohra resigned as an Independent Director with effect from November 22, 2019 citing certain instances including need for strengthening internal controls relating to Film Acquisition etc. during FY 2018-19 as provided in her resignation letter dated November 22, 2019.
3. Mr. Sunil Sharma resigned as Independent Director w.e.f. November 24, 2019 due to sale of shares by the Promoter Group, citing desire of the new institutional investors to recast the Board in consequence of the above sale of shares.
4. Mr. R Gopalan, Mr. Surender Singh and Ms. Aparajita Jain were appointed as Non-Executive Independent Directors w.e.f. November 25, 2019. However, Mr. Surender Singh and Ms. Aparajita Jain resigned w.e.f. March 20, 2020. Mr. Surender Singh resigned due to certain unavoidable personal reasons

and Ms. Aparajita Jain resigned due to her professional engagements and frequent travel.

5. Mr. Piyush Pandey was appointed as Non-Executive Independent, Director w.e.f. March 24, 2020

Independent Directors who resigned during the year have provided detailed reasons for their resignations and have also confirmed that there were no material reasons other than those provided in their respective letters of resignation.

Further, subsequent to March 31, 2020, Ms. Alicia Yi was appointed as an Additional Director in the category of Independent Director with effect from April 24, 2020. Ms. Alicia Yi does not hold the directorship in any other company.

In terms of the Listing Regulations, the Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board and highlighted the specific areas of focus or expertise of individual Board members. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding skills/expertise/competencies:

Sr. No.	Skills	Names of Directors of the Company							
		Mr. Subhash Chandra	Mr. Punit Goenka	Mr. Adesh Kumar Gupta	Mr. Ashok Kurien	Mr. Manish Chokhani	Mr. R Gopalan	Mr. Piyush Pandey	Ms. Alicia Yi
Understanding the business of Media, Entertainment, content and broadcasting									
1	Understanding the techniques for Broadcasting, Television, Content Creating, Film, Advertising and Digital Media Program.	✓	✓	✓	✓	✓	-	✓	-
Strategy and Planning									
2	Apt in strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. A history of leading growth through acquisitions and other business combinations, accurately value transactions and evaluate operational integration plans.	✓	✓	✓	✓	✓	✓	✓	✓
Financial and Governance									
3	Experience in financial management of the Company, resulting in proficiency in complex financial management, capital allocation and financial reporting processes. Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.	✓	✓	✓	✓	✓	✓	✓	✓

Sr. No.	Skills	Names of Directors of the Company							
		Mr. Subhash Chandra	Mr. Punit Goenka	Mr. Adesh Kumar Gupta	Mr. Ashok Kurien	Mr. Manish Chokhani	Mr. R Gopalan	Mr. Piyush Pandey	Ms. Alicia Yi
International Business									
4	Experience in driving business success in markets around the world and a broad perspective on global market opportunities.	✓	✓	-	✓	✓	✓	✓	✓
5	Understanding of global business dynamics, across various geographical markets, environments, economic conditions, cultures, industry verticals and regulatory frameworks.	✓	✓	✓	✓	✓	✓	✓	✓
Other Management Skills									
5	Innovation Management, Human Resource & Talent, Communications and General Management.	✓	✓	✓	✓	✓	✓	✓	✓

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as mentioned above and whether the person has an experience/understanding which is relevant to the Company's business or has an academician in the field relevant to the Company's business. Being in the business of Content and Broadcasting, the Company's business runs across different geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills related to the industries / fields from where they come.

Board Procedure

The Meetings of the Board are governed by a structured agenda. The Board meetings are generally held at the Registered and Corporate office of the Company at Mumbai. The Company Secretary in consultation with the Chairman, and the Managing Director & Chief Executive Officer prepares the agenda of the Board meetings. For all major agenda items, relevant and comprehensive background information is provided in advance along with the agenda well in advance of the date of the Board Meeting(s) to enable the Board members to take informed decisions. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior Management Personnel are invited from time to time to the Board meetings to make presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

The Company has followed the requirements of Secretarial Standard 1 issued by the Institute of Company Secretaries of India ('ICSI') which has mandatory application in regard to conduct of meetings of the Board and its committees through Video Conferencing or Other Audio-Visual Means.

All relevant information required to be placed before the Board as per Listing Regulations are considered and taken on record/approved by the Board. The Board reviews and guides the Company in strategic matters, risk policy and oversees the process of disclosure and communications to maintain the highest standards of ethical conduct and integrity. Additionally, the Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

Independent Directors' Meeting & Board Evaluation Process

In compliance with the requirements of Regulation 25 of the Listing Regulations and the Act, the Independent Directors of the Company met on March 20, 2020 to review, *inter alia*, the performance of the Chairman, Managing Director and other Non-Independent Directors, to evaluate performance of the Board and to review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with the guidance notes issued by the ICSI. The guidance note issued by SEBI in this regard was also circulated to Independent Directors, in advance.

The parameters for evaluation of performance of the Board & Board Committees includes the structure & composition, contents of agenda for the meeting, quality and timeliness of information provided, the decision-making process & review thereof, attention to the Company's long-term strategic issues, evaluation of strategic risks, overseeing and guiding major plans of action, corporate restructuring, acquisitions, divestment, etc. The outcome of the evaluation exercise was discussed at a subsequent board meeting. The Board has also expressed satisfaction over the evaluation process.

Performance evaluation of Independent Directors was also undertaken by the entire Board, excluding the Independent Director being evaluated.

The Company has also received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

Letter of appointment issued to Independent Directors:

The Independent Directors on the Board of the Company are given a formal appointment letter *inter alia* containing the term of appointment, role, duties and responsibilities, time commitment, remuneration, insurance, code of conduct, training and development, performance evaluation process, disclosure, confidentiality etc. The terms and conditions of appointment of Independent Directors are available on the Company's website.

Familiarization Programme for Independent Directors:

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business of the Company through induction programs at the time of their

appointment as Directors and at regular intervals through updates on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up, detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of individual channels / profit centers is made to the Board. Details of directors' familiarization program is available on Company's website www.zeeentertainment.com.

Code of Conduct:

The Company has adopted a Code of Conduct for the Members of the Board and Senior Management, all the Directors and senior functionaries as defined in the said Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company www.zeeentertainment.com.

Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees.

The declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is on the following lines:

BOARD COMMITTEES

Particulars of Meetings of the Committees constituted by the Board held during the financial year under review along with attendance of the Members at such Committee Meeting(s) are detailed herein:

	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
No of Meetings held	10	5	4	4	4
Directors' Attendance					
Mr. Subhash Chandra	NA	NA	NA	NA	NA
Mr. Subodh Kumar	NA	2/2	NA	2/2	3/3
Mr. Punit Goenka	NA	NA	4/4	2/4	3/4
Mr. Ashok Kurien	8/10	3/3	4/4	2/2	NA
Mr. Sunil Sharma	4/6	NA	NA	2/2	NA
Ms. Neharika Vohra	NA	2/2	NA	NA	NA
Mr. Manish Chokhani	9/10	3/3	NA	NA	NA
Mr. Adesh Kumar Gupta	10/10	5/5	4/4	NA	4/4
Mr. R Gopalan	3/3	NA	NA	NA	NA
Ms. Aparajita Jain	NA	NA	NA	1/1	NA
Mr. Piyush Pandey	NA	NA	NA	1/1	NA

Notes:

1. NA denotes that the Director is not a Member of such Committee.
2. Mr. Subodh Kumar and Ms. Neharika Vohra resigned w.e.f. November 22, 2019.
3. Mr. Sunil Sharma resigned w.e.f. November 24, 2019.
4. Mr. R Gopalan was appointed as Member of Audit Committee w.e.f. February 20, 2020.
5. Mr. Piyush Pandey was appointed as Member of Corporate Social Responsibility Committee (CSR Committee), Stakeholders Relationship Committee (SRC) and Nomination and Remuneration Committee (NRC) w.e.f. March 24, 2020.
6. Ms. Aparajita Jain was appointed as a Member of CSR Committee w.e.f. November 25, 2019. However, she ceased to be a member of this committee w.e.f. March 20, 2020.
7. Mr. Ashok Kurien was appointed as a Member of CSR Committee and NRC w.e.f. November 25, 2019.
8. Mr. Manish Chokhani was appointed as a Member of NRC and Risk Management Committee w.e.f. November 25, 2019 and March 24, 2020 respectively.
9. Mr. Adesh Kumar Gupta ceased to be a member of NRC and SRC w.e.f. March 24, 2020.

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework designed by the Board and make specific recommendations to the Board on matters in their areas or purview. All decisions and recommendations of the Committees are placed before the Board for information or for approval, if required. To enable better and more focused attention on the affairs of the Company, the Board has delegated particular matters to the Committees of the Board set up for the purpose. The Board has seven committees as on March 31, 2020, comprising five statutory committees and two non-statutory committees that have been formed considering the needs of the Company.

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2020.

Punit Goenka

Managing Director & Chief Executive Officer
Mumbai, July 24, 2020

Dividend Distribution Policy: In line with the requirements of the Listing Regulations, the Board has approved and adopted the Dividend Distribution Policy. The Dividend Distribution Policy is uploaded on the website of the Company www.zeeentertainment.com.



Details of the statutory and non-statutory committees are as follows:

Statutory Committees

The Board has the following Statutory Committees as on March 31, 2020:

- Audit Committee (AC)
- Nomination and Remuneration Committee (NRC)
- Corporate Social Responsibility Committee (CSR)
- Stakeholders Relationship Committee (SRC)
- Risk Management Committee (RMC)

Details of Board Committees are as mentioned herein:

I. AUDIT COMMITTEE

Constitution

As at March 31, 2020, the Committee comprised of four (4) Directors including Mr. R Gopalan, Independent Director as Chairman and Mr. Adesh Kumar Gupta, Independent Director, Mr. Manish Chokhani, Independent Director and Mr. Ashok Kurien, Non-Executive Director as its Members.

During the year under review, Mr. R Gopalan was appointed as Chairman of the Audit Committee in place of Mr. Adesh Kumar Gupta with effect from February 20, 2020.

During the year under review, ten (10) meetings of the Audit Committee were held on May 3, 2019; May 18, 2019; May 27, 2019; July 23, 2019; October 17, 2019; November 12, 2019; January 21, 2020; February 20, 2020; March 19, 2020 and March 30, 2020.

Terms of reference

The terms of reference and role of the Audit Committee are as per Listing Regulations and provisions of Section 177 of the Act. The Committee meets periodically and *inter alia*:

- Reviews Accounting and financial reporting process of the Company;
- Reviews Audited and Un-audited financial results;
- Reviews Internal Audit reports, risk management policies and reports on internal control system;
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations;
- Reviews and approves transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor and Internal Auditor and approves the appointment of Chief Financial Officer.

The Audit Committee also reviews internal financial controls and adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulations 18(3) and 24 read with Part C of Schedule II of the Listing Regulations, the Audit Committee reviews financial statements, operations, investments of Subsidiary Companies.

Audit Committee meetings are generally attended by the Managing Director & Chief Executive Officer, Chief Financial Officer and representative(s) of Statutory Auditors of the Company. Internal Auditors attend Audit Committee Meetings wherein the Internal Audit reports are considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

All recommendations made by the Audit Committee during the year under review were accepted by the Board. Mr. Adesh Kumar Gupta, then Chairman of the Audit Committee was present at the Annual General Meeting held on July 23, 2019.

II. NOMINATION AND REMUNERATION COMMITTEE

Constitution

As at March 31, 2020 the Nomination and Remuneration Committee comprised of Mr. Piyush Pandey, Independent Director as Chairman and Mr. Manish Chokhani, Independent Director and Mr. Ashok Kurien, Non-Executive Director as its Members.

During the year under review five (5) meetings of the Nomination and Remuneration Committee were held on May 27, 2019; October 17, 2019; November 25, 2019; February 20, 2020 and March 19, 2020.

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule II to the Listing Regulations, the Committee is responsible for *inter alia* formulating the criteria for determining qualification, positive attributes and independence of a Director. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors and Key Managerial Personnel. The Board has adopted the Remuneration Policy for Directors and Key Managerial Personnel.

Terms of reference

The terms of reference of the Nomination and Remuneration Committee include:

- Formulation of guidelines for evaluation of candidature of individuals for nominating and/or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification / experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets etc.;
- Formulation of the process for evaluation of functioning of the Board - individually and collectively;
- Recommending to the Board for approval appointment of Directors and nomination of Key Managerial Personnel of the Company;
- Recommending all elements of remuneration package of Executive Directors including increment / variable pay / special incentive payable to them within the limits approved by the Board / Members; and
- Deciding and approving issuance of Stock Options, including terms of grant etc. under the Company's Employee Stock Option Scheme.

Ms. Neharika Vora, then Chairperson of the Nomination and Remuneration Committee was present at the Annual General Meeting held on July 23, 2019.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement/employment shall be competitive enough to ensure that the Company is in position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company. Focus on productivity and pay-for-performance have been the cornerstones of the Company's reward philosophy with differentiated compensation growth to high-performing employees. With a view to bring performance based growth approach, the remuneration of employees of the Company have been moderated and structured as a mix of fixed and variable pay - in which the Variable Pay ranges between 15% to 25% depending on the grade and level of employee. The Remuneration Policy of the Company has been uploaded on Company's website www.zeeentertainment.com.

The increments and variable pay of all employees of the Company is deliberated and approved by the Nomination and Remuneration Committee of the Board. The Nomination and Remuneration Committee considers and recommends for approval of the Board, the compensation package of Managing Director and Chief Executive Officer which *inter alia* includes fixed pay (Salary, Allowances & Perquisites) and Variable Pay in the ratio of 75:25. The compensation packages are in accordance with applicable laws, in line with the Company's objectives, shareholders' interest and as per the Industry Standards.

The Commission paid/payable to the Non-Executive Directors of the Company is in accordance with Shareholders' approval and in compliance with the Act.

Remuneration to Managing Director & Chief Executive Officer

The details of the remuneration paid to Mr. Punit Goenka, Managing Director and Chief Executive Officer of the Company during the year ended March 31, 2020 is as under:

Particulars	Amount (₹ Million)
Salary & Allowances	62.79
Perquisites	0.04
Variable Pay	22.14
Provident Fund Contribution	5.21
Total	90.18

Remuneration to Non-Executive Directors

During financial year 2019-20 Non-Executive Directors were paid sitting fee of ₹ 30,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee, Finance Sub-Committee and ESOP Allotment Sub-Committee.

The Non-Executive Directors are additionally entitled to remuneration by way of Commission of up to 1% of net profits of the Company, as approved by the Members at the Annual General Meeting held on July 15, 2015. Within the aforesaid limit, the commission payable each year is determined by the Board based *inter alia* on the performance of, and regulatory provisions applicable to, the Company. As per the current policy, the Company pays commission to Non-Executive Directors on a pro-rata basis.

Details of the sitting fees paid and commission payable to the Non-Executive Directors of the Company for Financial Year 2019-20 as approved by the Board are as under:

Name of Director	Sitting Fees Paid	Commission Payable	Total
Mr. R Gopalan	0.24	2.44	2.68
Mr. Subhash Chandra	0.27	4.77	5.04
Mr. Ashok Kurien	0.63	5.54	6.17
Mr. Manish Chokhani	0.63	5.54	6.17
Mr. Adesh Kumar Gupta	0.84	5.54	6.38
Mr. Piyush Pandey	0.03	0.10	0.13
Mr. Surender Singh	0.15	1.52	1.67
Ms. Aparajita Jain	0.12	1.52	1.64
Mr. Subodh Kumar	0.42	2.04	2.46
Mr. Sunil Sharma	0.30	2.06	2.36
Ms. Neharika Vohra	0.21	2.04	2.25
Total	3.84	33.11	36.95

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationship or transactions with the Company or its directors, senior management, subsidiary or associate, other than in the normal course of business.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution

As at March 31, 2020, the Stakeholders Relationship Committee of the Board comprised of Mr. Ashok Kurien, Non-Executive Director as Chairman; Mr. Piyush Pandey, Independent Director and Mr. Punit Goenka, Managing Director and Chief Executive Officer as its Members.

During the year under review, Stakeholders Relationship Committee met four (4) times on May 03, 2019; July 23, 2019; October 15, 2019 and January 21, 2020.

Terms of reference

The terms of reference of Stakeholders Relationship Committee include review of statutory compliances relating to all security holders, resolving investors grievances/complaints; review measures taken for effective exercise of voting rights; review adherence of service standards by Company and Registrar and Transfer Agent ('RTA') and review management actions for reducing unclaimed dividend/shares etc. The Committee has delegated the power of approving requests for transfer, rematerialisation and dematerialization etc. of shares of the Company in the normal course of business to the RTA.

Details of number of requests/complaints received from investors and resolved during the year ended March 31, 2020, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend Warrant(s)	16	16	0
Non-receipt of Shares	5	5	0
Non-receipt of Annual Report	2	2	0
Letter received from SEBI/Stock Exchanges	2	2	0
Complaints received from ROC	0	0	0
Total	25	25	0

Mr. Ashish Agarwal, Company Secretary has been appointed as Compliance Officer pursuant to the Listing Regulations. The designated email for investor service and correspondence is shareservice@zee.esselgroup.com.

IV. RISK MANAGEMENT COMMITTEE

Constitution

As at March 31, 2020, the Risk Management Committee of the Board comprised of Mr. Manish Chokhani, Independent Director as its Chairman and Mr. Adesh Kumar Gupta, Independent Director, Mr. Punit Goenka, Managing Director & Chief Executive Officer and Mr. Rohit Kumar Gupta, Chief Financial Officer as its Members. During the year, Mr. M Lakshminarayanan, Chief Compliance Officer and Company Secretary had resigned and hence ceased to be a member of the Risk Management Committee on close of business hours on November 25, 2019.

On the resignation of Mr. Subodh Kumar, the earlier Chairman of the Risk Management Committee, Mr. Manish Chokhani was appointed as the Chairman of the Committee with effect from November 25, 2020.

During the year under review, the Committee met four (4) times on May 18, 2019; September 17, 2019; November 12, 2019 and March 19, 2020.



Terms of reference

Terms of reference and the scope of the Risk Management Committee *inter alia* include (a) assisting the Board in fulfilling its Corporate Governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational and other risks; (b) approving, implementing and monitoring the risk management framework / plan and associated practices within the Company; and (c) reviewing and approving risk-related disclosures

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution

In compliance with the requirements of Section 135 read with Schedule VII of the Act, the Board has constituted Corporate Social Responsibility Committee. As on March 31, 2020, the Corporate Social Responsibility Committee comprises of Mr. Ashok Kurien, Non-Executive Director as its Chairman and Mr. Piyush Pandey, Independent Director and Mr. Punit Goenka, Managing Director & Chief Executive Officer as its Members. During the year under review, the CSR Committee met four (4) times on May 23, 2019, October 17, 2019, March 19, 2020 and March 25, 2020.

Terms of reference

Terms of reference and the scope of the CSR Committee *inter alia* include (a) to consider and approve the proposals for CSR spends; and (b) to review monitoring reports on the implementation of CSR projects funded by the Company.

Non-Statutory Committees

In addition to the above-mentioned Statutory Committees, the Board has voluntarily constituted following Non-Statutory Committees to exercise powers delegated by the Board as per the scope mentioned herein:

i. Finance Sub-Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities that may be sanctioned and/or renewed to the Company by various Banks and/or Indian Financial Institutions from time to time and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee comprising of Mr. Punit Goenka, Managing Director & Chief Executive Officer

as Chairman and Mr. Ashok Kurien, Non-Executive Director as Member. During the year under review, the Finance Sub-Committee met once on February 17, 2020.

ii. ESOP Allotment Sub-Committee

To facilitate allotment of Equity Shares pursuant to exercise of Stock Options granted in accordance with the Company's ESOP Scheme, the Nomination and Remuneration Committee had constituted an ESOP Allotment Sub-Committee. As at March 31, 2020, the ESOP Allotment Sub-Committee comprised of Mr. Ashok Kurien, Non-Executive Director as Chairman and Mr. Punit Goenka, Managing Director & Chief Executive Officer as Member. During the year, Mr. M Lakshminarayanan ceased to be a member of ESOP Allotment Sub-Committee on close of business hours on November 25, 2019. During the year under review the ESOP Allotment Sub-Committee met twice on April 16, 2019 and November 11, 2019.

iii. Corporate Management Committee

To facilitate grant of authorisations for managing day-to-day affairs of the Company, the Board has constituted a Corporate Management Committee comprising of Senior Management Personnel of the Company. As at March 31, 2020, the Corporate Management Committee comprised of Mr. Punit Goenka, Managing Director & Chief Executive Officer as Chairman, Mr. Punit Misra, CEO – Domestic Broadcast Business and Mr. Rohit Kumar Gupta, Chief Financial Officer as its Members. During the year, Mr. M Lakshminarayanan ceased to be a member of Corporate Management Committee on close of business hours on November 25, 2019. The Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

GENERAL MEETINGS

The 38th Annual General Meeting of the Company for the Financial Year 2019-20 will be held on Friday, September 18, 2020 at 03.30 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed at these meetings are:

Year	Date and Time	Special Resolutions passed	Venue
2018-19	23.07.2019 – 4.00 p.m.	Nil	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
2017-18	17.07.2018 – 4.00 p.m.	Re -appointment of Mr. Adesh Kumar Gupta as Independent Director for Second term.	Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025.
2016-17	12.07.2017 – 11.00 a.m.	Re-appointment of Mr. Manish Chokhani as Independent Director for Second term. Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered Office of the Company.	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

All the above special resolutions were passed with requisite majority.

No Special Resolution was passed through Postal Ballot during the financial year 2019-20. No Extra Ordinary General Meeting of the members was held during FY 2019-20.

None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's corporate website www.zeeentertainment.com. The extract of quarterly, half yearly and annual financial results and other statutory information are communicated to the shareholders by way of publication in leading English newspaper i.e. Business Standard and in a vernacular language newspaper viz. Punya Nagri (Marathi) as per requirements of the Listing Regulations. The financial and other information are filed by the Company on the electronic platforms of National Stock Exchange of India and BSE Limited.

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, quarterly / half-yearly / annual financial statements, Shareholding patterns, Stock Exchange filing along with applicable policies of the Company. The Company's official press releases, presentations made to institutional investors or to the analysts and transcripts of con-call are also available on Company's website www.zeeentertainment.com.

Management Discussion and Analysis Report and Business Responsibility Report forming part of annual report are annexed separately.

GENERAL SHAREHOLDER INFORMATION

1. Date, Time and Venue of Shareholder's Meeting	Meeting : 38th Annual General Meeting Day & Date : Friday, September 18, 2020 Time : 03:30 p.m. Venue : The Company is conducting meeting through VC/ OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement of having a venue for the AGM. For details please refer to the Notice of the AGM.
2. Financial Year	2019-20
3. Record Date	Friday, September 11, 2020
4. Dividend Payment Date	On or after Tuesday, September 22, 2020
5. Registered office	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg Lower Parel, Mumbai – 400 013 India Tel: +91-22-7106 1234 Fax: +91-22-2300 2107 Website : www.zeeentertainment.com
6. Corporate Identity Number	L92132MH1982PLC028767
7. Listing on Stock Exchanges	BSE Limited (BSE) Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Company has paid requisite Listing Fees to the Stock Exchanges for FY 2019-20. None of the Company's Securities have been suspended from trading.
8. Stock Code	BSE 505537(Equity) 717503 (Preference) NSE ZEEL EQ (Equity) ZEEL-P2(Preference) Reuters - ZEE.BO (BSE) / ZEE.NS (NSE) Bloomberg - Z IN (BSE) / NZ IN (NSE)
9. ISIN	Equity - INE256A01028 Preference Shares -INE256A04022
10. Registrar & Share Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli West Mumbai 400 083 India Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 Email: rnt.helpdesk@linkintime.co.in

11. Transfer of Unclaimed Dividend / Shares to IEPF

As per Section 124 and 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (IEPF Rules) dividend, if not claimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement will not apply to shares in respect of which dividend for the Financial Year ended March 31, 2013, remains unpaid or unclaimed, and the same will become due to be transferred to the IEPF on completion of 7 (seven) years i.e. September 20, 2020. Members who have not encased their dividend warrant(s) issued by the Company for FY 2012-13 and any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

Information in respect of unclaimed dividend of the Company for the subsequent financial years and date(s) when due for transfer to IEPF is given below:

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2013	25.07.2013	30.08.2020	28.09.2020
31.03.2014	18.07.2014	23.08.2021	22.09.2021
31.03.2015	15.07.2015	20.08.2022	19.09.2022
31.03.2016	26.07.2016	31.08.2023	30.09.2023
31.03.2017	12.07.2017	17.08.2024	16.09.2024
31.03.2018	17.07.2018	22.08.2025	21.09.2025
31.03.2019	23.07.2019	28.08.2026	27.08.2026

During the year under review, besides transfer of unclaimed dividend of ₹ 1.53 Million pertaining to FY 2011-12, the Company had pursuant to the IEPF Rules also transferred 98,105 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority.

The Unclaimed Dividend and/or the Equity Shares transferred to IEPF can be claimed by the Shareholders from IEPF authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a duly signed physical copy of the same to the Company along with requisite documents enumerated in the Form No. IEPF-5. No claims lay against the Company in respect of the dividend / shares so transferred.

In accordance with IEPF Rules the Board of Directors have appointed Mr. Ashish Agarwal, Chief Compliance Officer & Company Secretary of the Company as Nodal Officer w.e.f. November 26, 2019.

12. SHARE TRANSFER SYSTEM

Requests for physical transfer and/or for dematerialization of Equity/Preference Shares received by the Company and/or its Registrar are generally registered and returned within a period of 7 days from the date of receipt of completed and validly executed documents.

With effects from April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

However, the transfer deed(s) lodged prior to April 1, 2019 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline of April 1, 2019 with the Registrar and Share transfer Agents of the Company.

13. Dematerialization of Shares & Liquidity

The Company's Equity and Listed Preference Shares are compulsorily traded in electronic (dematerialized) form on NSE and BSE. As at March 31, 2020, 99.89% of the Equity Share Capital and 99.85% of the Listed Preference Share Capital of the Company are held in electronic form. Under the Depository system, the ISIN allotted to Company's Equity Shares is INE256A01028 and Listed Preference Shares is INE256A04022. Entire equity and preference shareholding of the entities forming part of promoter/promoter group in the Company is held in dematerialized form.

14. Sub-division/ Consolidation/ Redemption of Shares

Sub-division of Equity Shares

Pursuant to the approval of the Members at the Meeting held on October 25, 1999, the Company had sub-divided the nominal face value of its equity shares from 10/- per share to ₹ 1 per share, with effect from December 6, 1999. From that day onwards trading in equity shares of ₹ 1 each commenced and consequently the equity shares of ₹ 10 each ceased to trade on the Exchanges.

Shareholders who could not exchange their old Equity certificates held in physical form earlier for the new certificates and who are desirous of exchanging the same, should write to the Company or its Registrar and Share Transfer agent requesting for sub-divided share certificate and attaching old share certificate in original.

Consolidation of Face Value of Preference Shares

In accordance with the approval accorded by the Equity & Preference Shareholders, the face value of Listed Preference Shares of the Company was consolidated from ₹ 1 to ₹ 10 each vide Corporate Action dated April 1, 2016. Accordingly, all listed preference shares of ₹ 1 each held in demat mode as at the record date of March 31, 2016 were cancelled and replaced with Preference Shares of ₹ 10 post such consolidation.

Partial Redemption of Preference Shares

As per terms of issue of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each issued as Bonus in 2014, the said Preference Shares are redeemable at par value in 5 tranches of 20% of nominal value each commencing from 4th anniversary from the date of allotment. The 1st 2nd and 3rd tranche of redemption was done during financial year 2017-18, 2018-19 and 2019-20 respectively resulting in reduction of Nominal Value of Preference Shares to ₹ 4/- as at March 31, 2020. While the reduction in face value of Preference Shares consequent to redemption were effected by way of Corporate Action for Preference Shares held in Demat Mode, the Preference Share Certificates held in physical mode were cancelled and fresh Preference Share Certificates were issued to the registered Preference Shareholders.

15. Shareholders' Correspondence

The Company has attended to all the investors' grievances /queries/ information requests except for the cases where the Company is restrained due to some pending legal proceedings or court/statutory orders. It is the endeavor of the Company to reply all letters / communications received from the shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Compliance Officer & Company Secretary of the Company.

16. Outstanding Convertible Securities or Global Depository Receipts or American Depository Receipts or Warrants

The Company has not issued any Convertible Securities or Global Depository Receipts or American Depository Receipts or Warrants in the past and hence as on March 31, 2020, the Company does not have any outstanding convertible Securities.

17. Commodity Price risk or foreign exchange risk and hedging activities

Since the Company is engaged in broadcasting business, there are no risk associated with Commodity Price. Further the Company has not carried out any activity for hedging of foreign exchange risk.

18. Credit Rating

During the year under review, Brickwork Ratings India Private Limited (Brickwork Ratings) had revised the rating assigned to the Company as the issuer of the 6% Cumulative Redeemable Non-Convertible Preference Shares, issued as Bonus in 2014 and listed at the Stock Exchanges, from 'BWR AAA' to 'BWR AA+' and further to 'BWR AA'. The rating outlook was revised from 'Credit watch with developing implications' to 'Credit watch with Negative Implications' due to dilution of Promoters' stake.

19. Equity Share Capital Build-up

Particulars	No. of shares issued	Date of issue
Initial shareholding at the time of change of name of the Company from Empire Holdings Ltd to Zee Telefilms Ltd	744,000	08.09.1992
Right Issue	8,928,000	15.06.1993
Public Issue	9,000,000	10.09.1993
Allotment under ESOP	160,000	09.06.1999
Allotment under ESOP	190,000	10.07.1999
Allotment under ESOP	396,880	30.09.1999
Issued for acquisition of stake in overseas Company by way of Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to ₹ 1 each	388,377,600	23.12.1999
Issued for acquisition of stake in Indian and overseas Company, partly, by way of Share Swap	16,127,412	24.01.2000
Allotment on Preferential basis	4,100,000	31.03.2000
Allotment on Preferential basis	3,900,000	24.04.2000
Allotment on conversion of FCCB	111,237	29.03.2006
Allotment on conversion of FCCB during FY 2006-07	20,950,516	Various dates
Allotment on conversion of FCCB during FY 2008-09	440,346	Various dates
Issued to shareholders of Zee News Ltd pursuant to Scheme	50,476,622	20.04.2010
Issued to shareholders of ETC Networks Ltd pursuant to Scheme	4,413,488	23.09.2010
Issued to shareholders of 9X Media Pvt Ltd pursuant to the Scheme	140,844	08.11.2010
Bonus Issue in ratio of 1:1	489,038,065	15.11.2010
Allotment under ESOP Scheme during FY 2011-12	66,800	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2011-12	(19,372,853)	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2012-13	(4,812,357)	Various dates
Allotment under ESOP Scheme during FY 2013-14	6,491,000	Various dates
Allotment under ESOP Scheme during FY 2017-18	4,900	15.11.2017
Allotment under ESOP Scheme during FY 2018-19	9,450	10.04.2018
Allotment under ESOP Scheme during FY 2018-19	3,430	31.10.2018
Allotment under ESOP Scheme during FY 2019-20	15,265	16.04.2019
Allotment under ESOP Scheme during FY 2019-20	1,470	11.11.2019
Issued and Paid-up Capital as at March 31, 2020	960,483,235	

Note:

Subsequent to the close of the financial year, 21,240 equity shares were issued and allotted under ESOP Scheme thereby increasing the issued and paid up share capital to 960,504,475 equity shares of ₹ 1/- each.

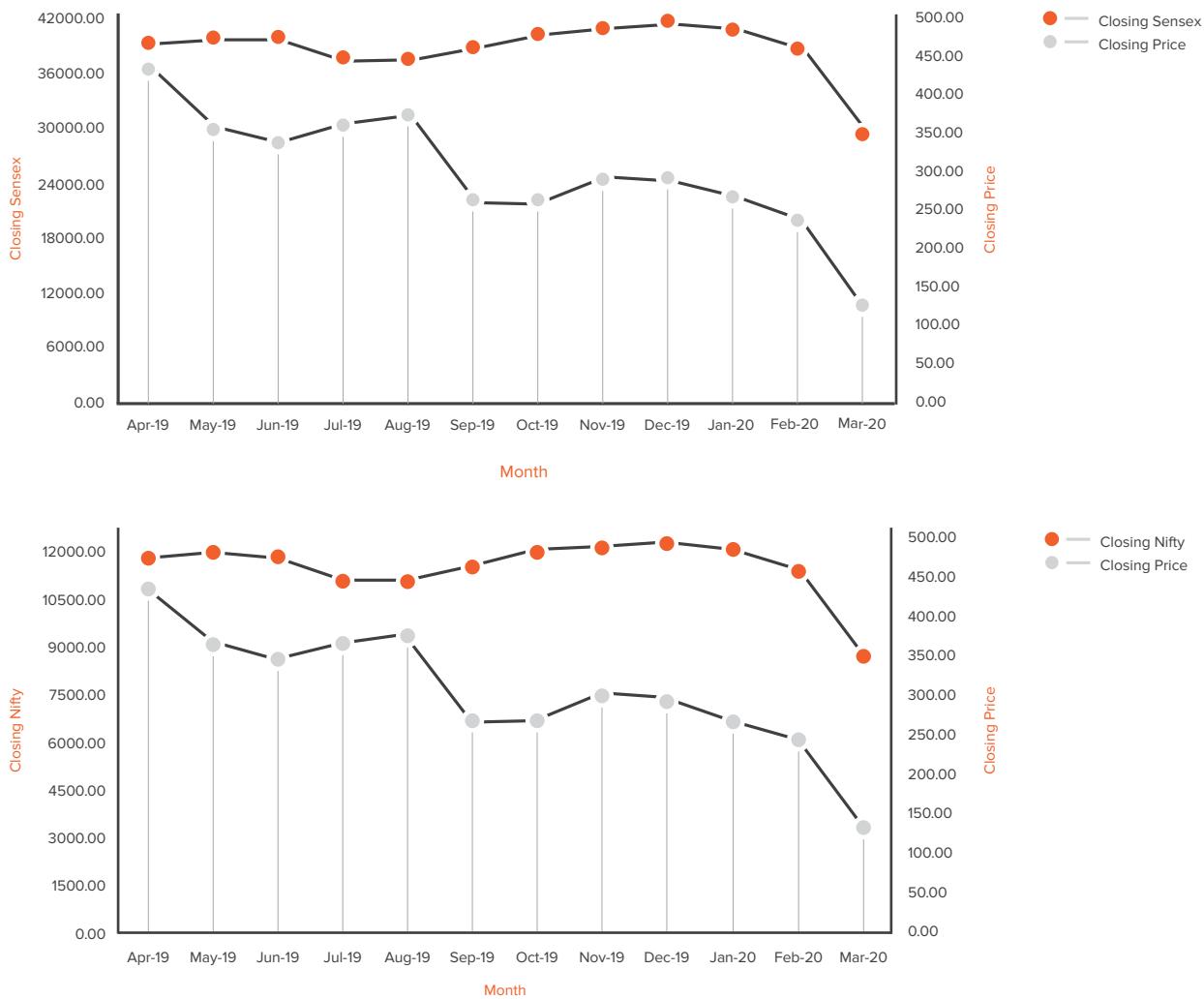
**20. Stock Market Data Relating to Listed Equity Shares & Preference Shares**

Equity Shares		BSE			NSE	
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2019	448.45	391.50	6846044	444.70	391.00	128197326
May 2019	434.90	309.60	21565365	435.30	309.35	423807201
June 2019	366.00	325.00	7393089	366.00	324.65	164588114
July 2019	405.50	327.05	13485610	405.20	327.10	238281402
August 2019	376.20	305.05	9526413	376.00	304.70	175581340
September 2019	371.70	251.60	30139108	369.95	251.65	327983288
October 2019	273.75	203.70	23008831	274.00	199.15	421761224
November 2019	362.50	261.70	36480840	364.00	261.05	656240278
December 2019	307.00	268.80	19639911	307.00	268.90	424370402
January 2020	303.95	260.30	10848808	304.00	260.25	346067411
February 2020	269.00	220.25	13259236	269.15	220.10	317801240
March 2020	255.80	114.00	15810161	255.95	114.00	339466064

Preference Shares		BSE			NSE	
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2019	5.60	5.00	78579359	5.60	5.00	91354757
May 2019	5.35	5.07	29714587	5.35	5.10	26062232
June 2019	5.34	5.00	42467727	5.35	5.10	27215765
July 2019	5.49	5.17	39630690	5.45	5.15	22437724
August 2019	5.47	5.15	68961756	5.45	5.10	9386340
September 2019	5.56	5.01	17340328	5.50	5.25	17705511
October 2019	5.35	4.90	15483411	5.35	4.95	40551720
November 2019	5.65	5.05	120073093	5.70	5.05	44055747
December 2019	5.72	5.15	18393056	5.60	5.35	29921406
January 2020	5.80	5.36	23931364	5.75	5.35	46202359
February 2020	5.70	3.45	30223339	5.70	3.40	106490886
March 2020 *	3.60	2.48	105568460	3.50	2.70	57749622

* Consequent to Partial redemption of Preference shares carried out on March 5, 2020, the face value of Preference shares stood reduced to ₹ 4/- per Preference Share

21. Relative Performance of Equity Shares Vs. BSE Sensex & Nifty Index



22. Distribution of Shareholding as on March 31, 2020

No. of Equity Shares	Equity			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	183,753	99.20	24,739,072	2.58
5001 – 10000	427	0.23	3,104,822	0.32
10001-20000	254	0.14	3,572,631	0.37
20001-30000	102	0.06	2,461,851	0.26
30001-40000	64	0.03	2,263,984	0.24
40001-50000	49	0.03	2,222,418	0.23
50001-100000	144	0.08	10,548,149	1.10
100001 and Above	436	0.23	911,570,308	94.90
Total	185,229	100	960,483,235	100

**No. of Preference Shares**

	Preference			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	73,028	96.91	22,810,011	1.13
5001 – 10000	536	0.71	4,126,528	0.20
10001-20000	328	0.43	4,743,890	0.24
20001-30000	159	0.21	3,903,529	0.19
30001-40000	102	0.14	3,622,292	0.18
40001-50000	108	0.14	5,059,652	0.25
50001-100000	215	0.29	16,796,596	0.83
100001 and Above	883	1.17	1,955,879,814	96.98
Total	75,359	100	2,016,942,312	100

23. Categories of Shareholders as on March 31, 2020

Category	Equity		Preference	
	% of shareholding	No. of shares held	% of shareholding	No. of shares held
Promoters	4.77	45,819,874	0.06	1,260,420
Individuals / HUF	3.09	29,648,863	25.08	505,777,021
Domestic/Central Govt. Companies/ NBFC / IEPF	1.78	17,133,761	42.56	858,341,044
FIs, Mutual funds, Insurance, trust and Banks	11.48	110,250,500	16.66	336,119,361
FIIIs, OCBs & NRI	78.88	757,630,237	15.64	315,444,466
Total	100	960,483,235	100	2,016,942,312

24. Particulars of Shareholding

a) Promoter & Promoter Group Shareholding as on March 31, 2020

EQUITY SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Essel Media Ventures Limited, Mauritius	33,155,180	3.45
2	Essel International Limited, Mauritius	1,327,750	0.14
3	Essel Holdings Limited, Mauritius	1,718,518	0.18
4	Cyquator Media Services Private Limited	8,107,136	0.84
5	Essel Corporate LLP	1,510,790	0.16
6	Sprit Infrapower & Multiventures Private Limited	400	0.00
7	Essel Infraprojects Limited	100	0.00
Total		45,819,874	4.77

PREFERENCE SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Cyquator Media Services Private Limited	1,260,000	0.06
2	Essel Infraprojects Limited	210	0.00
Total		1,260,210	0.06

b) Top ten (10) Public Shareholding as on March 31, 2020

EQUITY SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	OFI Global China Fund LLC	97,350,000	10.14
2	Invesco Oppenheimer Developing Markets Fund	74,318,476	7.74
3	Government of Singapore	59,441,268	6.19
4	Life Insurance Corporation of India	46,946,402	4.89
5	Amansa Holdings Private Limited	35,608,761	3.71
6	Monetary Authority of Singapore	26,608,340	2.77
7	Small Cap World Fund INC	21,442,874	2.23
8	Virtus Vontobel Emerging Market Opportunities F	20,227,278	2.11
9	SBI ETF Nifty 50	19,515,496	2.03
10	Vanguard Total International Stock Index Fund	15,620,078	1.63
Total		417,078,973	43.44

PREFERENCE SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Invesco Oppenheimer Developing Markets Fund	189,591,305	9.40
2	ICICI Prudential Life Insurance Company Limited	141,531,423	7.02
3	Shree Cement Limited	96,837,325	4.80
4	ICICI Prudential Multi Asset Fund	83,124,300	4.12
5	Pico Capital Private Limited	80,764,769	4.04
6	Saffron Agencies Limited	65,041,620	3.22
7	Digvijay Finlease Limited	61,992,247	3.07
8	Pace Stock Broking Services Private Limited	40,483,513	2.07
9	SBI Life Insurance Co Limited	37,763,510	1.87
10	Blue Diamond Properties Limited	32,216,407	1.60
Total		829,346,491	41.21

Note: Equity & Preference Shareholding are consolidated based on Permanent Account Number (PAN) of the Shareholder.

25. Plant Locations

The Company is engaged in the business of 'Content and Broadcasting'. Hence, the Company has no plant.

Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.zeeentertainment.com.

26. Other Disclosures

- All transactions entered into by the Company with related parties during the financial year 2019-20 were in ordinary course of business and on arms-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of the Act and Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or key managerial personnel or their relatives, having any potential conflict with interests of the Company at large.

- There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.
- As per Section 177 of the Act and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved the Related Party



the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

- iv. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr. Ashish Agarwal, Chief Compliance Officer & Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while the Chief Financial Officer of the Company has been assigned responsibility under Fair Disclosure policy as Investor Relations Officer. In line with the amendment to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Insider Trading Code and Policy for Fair Disclosure of Unpublished Price Sensitive Information was revised with effect from April 1, 2019. The revised Code and Policy can be viewed on Company's website www.zeeentertainment.com. The audit Committee is updated periodically on the compliances ensured under the above regulations.

- v. Pursuant to the revised threshold prescribed for Material Subsidiary in Regulation 16 of the Listing Regulations as applicable from April 1, 2019, ATL Media Limited, Mauritius, a wholly owned overseas subsidiary remains a Material Subsidiary of the Company. Detailed secretarial activity reports along with the minutes of the Meetings of Subsidiaries are placed before the Board at the meeting on periodical basis. The Audit Committee reviews the financial statements including investments made by the unlisted subsidiaries. The policy on determining material subsidiaries has been uploaded on the website of the Company www.zeeentertainment.com.

Additionally, the Board has in accordance with the requirements of the Act and Listing Regulations approved and adopted various other policies including Material Events Determination and Disclosure Policy, Document Preservation Policy, Corporate Social Responsibility Policy etc. These policies can be viewed on Company's website www.zeeentertainment.com.

- vi. During the year, the company has not raised any funds through preferential allotment or qualified Institutions Placement as specified under Regulation 32(7A) of the Listing Regulations.
- vii. Your Board hereby confirms that the Company has obtained a certificate from the Company Secretary in practice that none of the Directors have been debarred or disqualified from being appointed or continuing as Directors by SEBI/ Ministry of Corporate Affairs or Ministry of Information & Broadcasting. The same is annexed as Annexure I to this report.

viii. The Company has obtained compliance certificate from the Statutory Auditors on corporate governance. The same is reproduced at the end of this report and marked as Annexure II.

- ix. During the year under review, the Statutory Auditors of the Company M/s. Deloitte Haskins & Sells LLP, Chartered Accountants were paid an aggregate remuneration of ₹ 12 Million (including Statutory Audit Fees of ₹ 9 Million). Apart from the Company, the Statutory Auditors and its network firms across the globe provided Audit and other Services to certain subsidiaries of the Company viz. Asia Today Limited, Mauritius, ATL Media Limited, Mauritius, Zee Multimedia Worldwide (Mauritius) Limited, Mauritius and Zee TV South Africa (Proprietary) Limited.

Particulars of payments (converted into Indian Rupees) made to the Statutory Auditors and its Network firms on consolidated basis (excluding taxes) are given below:

Particulars	₹ Million
	Amount
Audit Fees	19
Tax Audit Fees	0
Certifications and Tax representation	3
Other Services	0
Total	22

- x. The Company is committed to provide safe and conducive working environment to all its employees (permanent, contractual, temporary, trainees etc.) and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, the Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted 11 Internal Complaints Committee functioning at various locations to redress complaints received regarding sexual harassment. During the year the Company received 2 (two) complaint of sexual harassment which were investigated in accordance with the procedure and resolved.

xi. Directors & Officers Liability Insurance:

As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors & Officers Liability Insurance Policy.

xii. **Details of Shares lying in Unclaimed Suspense Account**

Pursuant to Regulation 39(4) of the Listing Regulations, details in respect of the physical shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	Equity Shares	
	Number of shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2019	174	112,640
Fresh undelivered cases during the financial year 2019-20	0	0
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2020	10	2,954
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2020	10	2,954
Number of Unclaimed Shares transferred to the Demat Account of IEPF Authority during FY 2019-20	8	3,730
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	156	105,956

Description	Preference Shares	
	Number of shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares of FV ₹ 6/- in the suspense account as at April 1, 2019	30	67,220
Fresh undelivered cases of FV ₹ 6/- during the financial year 2019-20 till date of redemption March 5, 2020	262	917,699
Number of shareholders who approached and to whom the Company transferred the shares from suspense account till March 05, 2020	5	13,620
Total Unclaimed Preference Shares of FV ₹ 6/- as on March 5, 2020 which are being cancelled pursuant to redemption of Preference shares due to change in face value from ₹ 6/- to ₹ 4/-	287	971,299
Aggregate number of shareholders and the outstanding shares of FV of ₹ 4/- paid up in the suspense account lying as on July 24, 2020 *	197	4,92,929

Note: * Due to COVID -19 pandemic and countrywide lockdown, the Company could not receive the undelivered Preference share certificates of FV ₹ 4/- each and hence the outstanding Preference shares lying in the suspense account are as on the signing date of the annual report i.e. on July 24, 2020.

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 shall remain frozen till the rightful owner of such shares claims the shares.

The Company has complied with all the requirements of Corporate Governance Report as stated under sub-paras (2) to (10) of section (C) of Schedule V to the Listing Regulations.

The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

xiii. **Compliance with Discretionary requirements**

Pursuant to Schedule II Part E of the Listing Regulations, the Company has also ensured the implementation of non-mandatory items such as:

- a. Internal auditors of the Company, make quarterly presentations to the Audit Committee on their reports
- b. Separate posts of Chairman and CEO & MD and reimbursement of expenses in the performance of official duties.



ANNEXURE-I TO THE CORPORATE GOVERNANCE REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Zee Entertainment Enterprises Limited
18th Floor, 'A' wing,
Marathon Futurex,
NM Joshi Marg, Lower Parel,
Mumbai – 400 013 Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Zee Entertainment Enterprises Limited** having CIN L92132MH1982PLC028767 and having registered office at 18th Floor, 'A' wing, Marathon Futurex NM Joshi Marg, Lower Parel Mumbai-400013 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or Ministry of Information and Broadcasting.

Sl. No.	Name of the Director as on March 31, 2020	Director Identification Number	Category of Directorship	Date of Appointment
1.	Mr. Rajarangamani Gopalan	01624555	Independent Director	25/11/2019
2.	Mr. Punit Goenka	00031263	Managing Director	01/01/2005
3.	Mr. Subhash Chandra	00031458	Non-Executive Director	25/06/1992
4.	Mr. Ashok Kurien	00034035	Non-Executive Director	17/11/1992
5.	Mr. Manish Chokhani	00204011	Independent Director	01/04/2015
6.	Mr. Adesh Kumar Gupta	00020403	Independent Director	30/12/2015
7.	Mr. Piyush Pandey	00114673	Independent Director	24/03/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s Vinod Kothari & Company
Practising Company Secretaries**

Vinita Nair
Senior Partner
Membership No.: F10559
C P No.: 11902
UDIN: F010559B000410662

Place: Mumbai

Date: July 02, 2020

ANNEXURE-II TO THE CORPORATE GOVERNANCE REPORT

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated July 12, 2019.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of **ZEE ENTERTAINMENT ENTERPRISES LIMITED** ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

A.B. Jani

Partner

(Membership No. 46488)

Place: Mumbai

Date: July 24, 2020

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- 1. Corporate Identity Number (CIN)** : L92132MH1982PLC028767
- 2. Name of the Company** : Zee Entertainment Enterprises Limited
- 3. Registered Address** : 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai-400013
- 4. Website** : www.zeeentertainment.com
- 5. Email id** : shareservice@zee.esselgroup.com
- 6. Financial Year reported** : April 1, 2019 – March 31, 2020

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

The Company is mainly engaged in the business of Broadcasting of General Entertainment Television Channels i.e. Non-News & Current Affairs Television Channels falling into 'Television Programming & Broadcasting Services – NIC code (2008) -6020.

8. Three key products/services that the Company manufactures/provides (as in balance sheet):

The Company mainly provides Broadcasting Services and is engaged in the business of Broadcasting of various National and Regional General Entertainment, Music and Niche Television Channels.

As part of the said broadcasting business, apart from Advertisement revenue and Subscription revenue, the Company earns revenue from out of Syndication of Media Contents.

9. Total number of locations where business activity is undertaken by the Company:

i) **Number of International locations:** Company's international business operations are carried out by various direct and in-direct subsidiaries overseas through their offices in 10 International locations (including representative offices and/or distribution arrangement) which includes Singapore, Mauritius, UAE - Dubai, South Africa, Canada, Indonesia, Thailand, Russia, UK and America.

ii) **Number of National Locations:** Indian operations of the Company are carried out through over 12 offices located in major commercial hubs of the Country including Mumbai, Gurgaon, Pune, Chennai, Kolkata, Noida, Hyderabad, Cochin, Bhubaneshwar, Chandigarh, Bengaluru and Guwahati.

10. Markets served by the Company:

Company's television channels reach out to a little over 1.3 Billion viewers across 173+ countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)

- 1. Paid up Capital** : ₹ 9,028 Million
- 2. Total Revenue** : ₹ 72,190 Million
- 3. Total Profit after taxes** : ₹ 7,480 Million
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)**
During the year under review, Company CSR spend was ₹ 0.72 Million which, included amounts remitted towards CSR Projects committed during last financial year. The CSR spend during the year works out to 0.01% of Profit after tax for FY 19-20.

5. List of activities in which expenditure in 4 above has been incurred.

During the year under review, the CSR spends of the Company were towards (i) measures for the benefit of armed forces veterans, war widows and their dependents; (ii) Development, relief and welfare of the women.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

As at March 31, 2020, the Company has 28 subsidiaries, including 8 domestic and 20 overseas direct and indirect subsidiaries.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

BR Policies / initiatives adopted by the Company are implemented across all Indian and Overseas subsidiaries subject to compliance of local laws for subsidiaries in overseas territories.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity /entities (Less than 30 %, 30-60%, More than 60%)

Though Company's BR Policies/initiatives does not apply to vendors/ suppliers, the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and / or with any of its employees.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

All Corporate Policies including the Policies forming part of Business Responsibility Reporting are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by Mr. Punit Goenka (DIN 00031263) Managing Director & Chief Executive Officer of the Company.

b) Details of the BR head:

Sr	Particulars	Details
1	DIN Number	00031263
2	Name	Mr Punit Goenka
3	Designation	Managing Director & Chief Executive Officer
4	Telephone Number	022 – 7106 1234
5	E mail Id	punit.goenka@zee.esselgroup.com

2. Principle-wise (as per NVGs) BR Policy/policies

a. Details of Compliance (Reply in Y/N)

Sr No	Questions	Business Ethics	Product Responsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/ policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the Policy been formulated in consultation with the relevant Stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does policy conform to any national/ international standards	Policies are prepared ensuring adherence to applicable regulatory requirements and Industry standards								
4	Has the policy been approved by the board? If yes has it been signed by MD/ CEO/ appropriate Board Director?	No	No	No	No	No	No	No	Yes	No
5	Does the Company have a specified committee of the Board/Director/ Official to oversee implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online	Most of the relevant policies are disseminated and uploaded for information of relevant stakeholders and employees either on Company's intranet site or on corporate website								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in house structure to implement the policy	All Corporate Policies including Policies forming part of Business Responsibility Reporting are engrained in all day-to-day business operations of the Company and are implemented at all Management levels and monitored by the Managing Director & Chief Executive Officer from time to time								

Sr No	Questions	Business Ethics	Product Responsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy?							Yes		
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?							Yes. The Company consults the external agencies on a need basis and most of the policies are evaluated regularly by the CEO and/or respective Senior Executives		

b. If answer to the question at Sr No 1 against any principle, is "No", please explain why:

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (Please specify)									

3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company.

Within 3 months, 3-6 months, Annually, More than 1 year –

The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

- Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company had started publishing BR report from financial year 2012-13 on a yearly basis. The BR report is/shall be available as part of Annual Report on www.zeeentertainment.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website: www.zeeentertainment.com. Transparency and accountability are the hallmark as Corporate Governance in the Company. Additionally, as part of HR policy the Company has framed/circulated policies which deal with Ethics at work place and restraining giving and receiving of gifts and other benefits in the course of business relationship etc.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/ Others?

The policies are applicable to the employees at all levels, including subsidiaries.

Though the Company's policies do not apply to external stakeholders including suppliers, contractors, NGOs etc., the Company follows zero tolerance on any acts of bribery, corruption etc. by such agencies during their dealings with the Company and or with any of its employees.

2. How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

As mentioned in the Corporate Governance Report, 25 complaints were received from Shareholders during FY 2019-20, and all have been resolved. Additionally, on an ongoing basis the complaints/grievances/views/suggestions from viewers and other stakeholders are dealt with by respective functions within the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company's broadcasting services and distribution of contents thereof are in compliance with applicable regulations issued by Ministry of Information and Broadcasting and the self-regulatory guidelines/advisories issued by Indian Broadcasting Federation (IBF) and its arm Broadcasting Content Complaints Council (BCCC) from time to time.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the business of Broadcasting of General Entertainment Channels across the globe, contents whereof address social and environmental concerns.

2. For each such product, provide the following details in respect of resource use (energy, water, raw materials etc.) per unit of product (optional) including

a) Reduction during sourcing/production/distribution throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's broadcasting operations requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. The Company's broadcast operations and studios are designed to ensure optimal energy saving.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor. Further various events/programs broadcast on Company's television channels are designed to offer opportunities to talents from all strata of society.

4. Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors

Most of the business operations of the Company are carried out from commercial hubs of the country and the content provider and other goods

and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth. Additionally, the Company encourages local talent in production of contents for its television channels.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

As the Company is a service provider, it does not discharge any effluent or waste. However mindful of the need for recycling products and waste, the Company has been directing its efforts in reducing use of plastic bottles, recycling used plastic bottles and has been using rechargeable batteries / other products.

Principle 3: Business should promote the well-being of all employees

Being in the business of creativity, people are the ultimate differentiator and efforts are taken to attract, develop and retain best talent. To ensure sustainable, business growth and become future ready, the Company has been focusing on strengthening its talent management, performance management & employee engagement processes. Accordingly, apart from confirming to regulatory requirements and industry standards, all HR policies are prepared and implemented considering overall well-being of the employees. Over the years, these policies have helped in building a high-trust, high-performance culture.

1. Please indicate the total number of employees: 3429

2. Please indicate the total number of employees hired on temporary/ contractual /casual basis: 1126

3. Please indicate the number of permanent women employees: 755

4. Please indicate number of permanent employees with disabilities: NA

5. Do you have employee association that is recognized by management?
No employee association exists

6. What percentage of your permanent employees are members of this recognized employee association?
NA

7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

During the year under review, the Company had received 2 (two) complaints on sexual harassment at workplace and the same have been investigated in accordance with the procedure and resolved. No other complaints in respect of any other subject has been received during the financial year.

8. What percentage of your above-mentioned employees were given safety and skill up-gradation training in the last year?

The Company organizes various training sessions in-house on a regular basis for its employees and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill, of employees handling relevant functions. Apart from this the Company organises EMBARK – First Time Manager Capability Building Program, AI/ML in M&E Industry, PMP Training, Screenwriting Workshop, Digital Marketing, Adobe After Effects, High Impact Business Presentation, MS Excel Level 1 & 2, Fire and Safety training/drills mock fire drills as part of basic fire and safety training.

Principle 4: Businesses should respect interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Business operations of the Company, apart from being compliant with the regulatory requirements is mindful and responsive towards interest of all stakeholders. The Company has been known to offer opportunities to talents/ producers/vendors from all strata of society, many of whom have achieved success in Media industry. Additionally, Company's CSR spends are targeted towards long-term sustainable programs that actively contribute to and support the social and economic development of the society.

1. Has the Company mapped its internal and external shareholders?

The Company has mapped its internal and external stakeholders, the major/key categories include (i) Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Depositories & Self-regulatory bodies viz. Broadcast Content Compliant Council & Advertising Standards Council of India and Broadcast Audience Research Council; (ii) Content Producers; (iii) Vendors; (iv) Financial Institutions; (v) Banks; (vi) Domestic & International Investors and (vii) Professional Service Providers.

The process of mapping of stakeholders is an ongoing exercise and are updated on regular basis.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof

Apart from providing opportunities to the talents and vendors from all strata of society, the Company's CSR spends are targeted towards long-term sustainable programs that actively contribute to and support the social and economic development of the society.

Principle 5: Business should respect and promote human rights

Zee believes that an organization rests on a foundation of business ethics and valuing of human rights. Zee adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?

While Company's policies are not applicable to the vendors, the Company promotes awareness of the importance of protecting human rights within its value chain and discourage instances of any abuse. Such policies and practices apply to the Company and its subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

Apart from two Sexual Harassment related complaint, there were no complaints reported on violation of any Human rights during the financial year 2019-20.

Principle 6: Business should respect, protect, and make efforts to restore the Environment

The Broadcasting operations of the Company have minimal impact on the environment. The offices and studios of the Company are designed to be Green and environment friendly.

1. Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/ Others?

Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, on standalone basis, have been undertaking several green initiatives across all the offices at all its office locations during the year.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N.

If yes, please give hyperlink for webpage etc.

No

3. Does the company identify and assess potential environmental risks? Y/N

No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company being in the business of Broadcasting does not involve in any manufacturing activity

5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.

No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

6. Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable, since the Company being in the business of Broadcasting, does not involve any manufacturing activity

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is a Member of and interacts with various industry chambers / associations including Indian Broadcasting Federation, Indian Film & TV Producer Council, Indian Motion Pictures Distributor Association, Broadcast Audience Research Council and Indian Council of Arbitration.

2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas

The Company has been active in various business associations and supports / advocates on various issues for better viewer experience.

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility (CSR) at Zee is all about engaging in long-term sustainable programs that actively contribute to and support the social and economic development of the society. Accordingly, as a unified approach towards CSR at Essel Group level and with an intent to support long term projects focused on developing and empowering society.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

Requisite details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

2. Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/government structures/any other organisation?

To facilitate identifying long-term CSR projects and monitoring implementation, the CSR Committee of the Company was reconstituted which has assigned the responsibility to identify and monitor CSR spends to a focused team within the Company.

3. Have you done any impact assessment of your initiative?

The CSR Committee and a focused team within the organization is responsible for monitoring and doing impact assessment of various CSR Projects and providing requisite update to CSR Committee annually.

4. What is Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

Refer details of CSR contributions in the Annual report on CSR forming part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

The Company's value system includes Customer first as one of the values. All activities and programs of the Company are targeted to provide value to its viewers and advertisers.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

There are no consumer cases / customer complaints outstanding as at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Not applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?

None

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Apart from television ratings signifying popularity and viewership of various Television channels/Program, the marketing department on a regular basis carries out surveys (either web-based or otherwise) for identifying consumers viewing behavior and emerging trends on consumer preferences. The Company also carries out studies from time to time on process requirement areas through consulting firms.



CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Punit Goenka, Managing Director & Chief Executive Officer and Rohit Kumar Gupta, Chief Financial Officer of Zee Entertainment Enterprises Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind-AS), applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2020 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) During the year:
 - i) there has not been any significant change in internal control over financial reporting;
 - ii) there have not been any significant changes in accounting policies; and
 - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Punit Goenka
Managing Director & Chief Executive Officer

Rohit Kumar Gupta
Chief Financial Officer

Mumbai, July 24, 2020

INDEPENDENT AUDITOR'S REPORT

To
The Members of Zee Entertainment Enterprises Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Zee Entertainment Enterprises Limited (the Company), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note 35 of the standalone financial statements. This Note, inter alia, states regarding the Letter of Comfort (LOC) issued in May 2016, by the Company to Yes Bank Limited (Bank) in connection with a borrowing by Living Entertainment Limited (LEL), a related party, from the said Bank, confirming, among other matters, to support ATL Media Limited (ATL), a wholly owned subsidiary of the Company, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring a Put Option entered into by ATL with LEL, which was renewed on 29 July 2019 to be valid until 30 December 2026, to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL), another related party of the Company, at the exercise price of \$52.50 Millions (₹ 3,927 Millions) as at 31 March 2020, which was assigned by LEL in favour of Axis Bank Limited, DIFC branch, the security trustee for the benefit of the Bank, to secure the said borrowing by LEL. In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the Put Option, subsequent to the year-end, the Bank filed a plaint in the Hon'ble High Court of Bombay on the grounds, among other matters, seeking an interim application with a main prayer that the aforesaid LOC is a guarantee given by the Company. The Hon'ble High Court has refused the ad-interim relief sought by the Bank. The Bank has preferred an appeal against the Order and the Company is contesting the Bank's claim in the Hon'ble High Court. Consequently, the Management has not considered the LOC as a financial guarantee and since the matter is sub-judice, has not accounted for any liability in respect of the LOC and the aforesaid contention of the Bank.

In view of the confirmation given by the Company in the LOC issued to the Bank to fund ATL through debt/equity, such LOC partakes the character of an executory contract under Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' which needs to be assessed for any onerous commitment. In the absence of sufficient appropriate audit evidence, we are unable to determine if the LOC is an onerous commitment and whether any adjustment is required to be made in this regard in the books of account and on compliances required with the provisions of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's response	Key Audit Matters	Auditor's response
Goodwill Impairment assessment as at 31 March 2020:	Principal audit procedures performed: <p>The standalone financial statements reflect goodwill aggregating ₹ 1,881 Million recognised mainly on acquisitions and allocated to the following cash generating units (CGUs):</p> <ol style="list-style-type: none"> 1. Online Media Business (₹ 1,260 Millions (net of impairment of ₹ 1,355 Millions)); and 2. Regional channel in India (₹ 621 Millions). <p>We considered this as key audit matter due to the significance of the balance of goodwill and because of the Company's assessment of the fair value less cost of disposal (FVLCD) and value-in-use (VIU) calculations of the CGU, which involve significant judgements about the valuation methodology, future performance of business including likely impact on account of lockdowns due to spread of COVID-19 pandemic and discount rate applied to future cash flow projections.</p> <p>Refer Note 7 of the standalone financial statements.</p>	Audit of transactions involving payment of advance for movie rights acquisitions:	Principal audit procedures performed: <ul style="list-style-type: none"> • Read the minutes of the meetings of the Risk Management Committee wherein the approval policy for advance payments for movie content has been defined; • Evaluated the design and operating effectiveness of internal controls relating to review of goodwill impairment testing performed by the Management; • Validating impairment models through testing of the mathematical accuracy and verifying the application of the key input assumptions; • Understanding the underlying process used to determine the risk adjusted discount rates; • Assessing the appropriateness of significant changes to assumptions since the prior period; • Validating the cash flow forecasts with reference to historical forecasts and actual performance to support any significant expected future changes to the business. Review of the factors considered by the Management on the business projections on account of lockdowns due to spread of COVID-19 pandemic; • Working with auditor's valuation experts to benchmark the discount rates and perpetual growth rates applied by the Company for the purposes of computing VIU; • We have also engaged auditor's valuation experts to assist us in evaluating the FVLCD determined by the Company. The valuation experts independently evaluated revenue multiple used in determination of FVLCD.

Key Audit Matters	Auditor's response	Key Audit Matters	Auditor's response
Recoverability of long overdue receivables from two customers (and their group companies):	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Evaluated the design and operating effectiveness of internal controls relating to the assessment of recoverability of receivables and determination of the provision for expected credit loss; Verified the completeness and accuracy of data considered for ageing analysis and assessment of recoverability of receivables and determination of the provision for expected credit loss; Obtained the payment plan agreed by the Company (approved by the Board of Directors) with the two customers and checked if the collections were in line with the agreed payment plan; Evaluated whether the provision for expected credit loss recorded by the Company is appropriate considering specific factors like credit worthiness of these customers and adherence to the payment plan agreed with the Company; Obtained direct confirmations from the two customers as at the year-end for the outstanding balances. 	Matter of litigation relating to Letter of Comfort (LOC) issued by the Company to Yes Bank Limited:	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> Circulated direct balance confirmations requests to the bankers of the Company, including Yes Bank Limited, for balances as at 31 March 2020; Perused the legal opinions obtained by the Management from various lawyers based on which the Management has concluded that LOC is not in the nature of guarantee; Perused the briefs for the legal opinions provided by the Management to the lawyers; Independently obtained a legal opinion from an external law firm to evaluate the Management's assertion that the LOC is not in the nature of a guarantee on the Put Option; Considered if the LOC met the requirements of an executory contract and if so whether it could be onerous in nature requiring a provision under Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets'.
Valuation of investment in Optionally Convertible Debentures (OCDs) of a subsidiary as at 31 March 2020:	<p>Principal audit procedures performed:</p> <p>The standalone financial statements reflect investments in Optionally Convertible Debentures (OCDs) in a subsidiary with a carrying value of ₹ 1,555 Millions. These OCDs are accounted at fair value through profit and loss account.</p> <p>We considered this as key audit matter due to the amount of balance of OCD, fair value loss recorded during the year and the Company's assessment of the fair value calculations of the OCD. This assessment involve judgements about the fair valuation methodology, appropriate market multiples, percentage of discount of the value arrived due to specific risk and operational factors applicable to the subsidiary to compute fair value. The valuation is performed by an independent valuer engaged by the Company.</p>	<p>Our procedures consisted of understanding the Management's methodology and key assumptions and included the following audit procedures:</p> <ul style="list-style-type: none"> Evaluated the design and operating effectiveness of internal controls relating to Management's review of fair value determined by the independent valuer; Validate impairment models through testing of the mathematical accuracy and verifying the application of the input assumptions; Engaged auditor's valuation expert to assist us in evaluating the fair valuation determined by the Company. The valuation expert independently evaluated revenue multiple and percentage of discount of the value arrived used in determination of fair value. 	<p>We considered this as key audit matter on account of the amount of the claims, the matter being sub-judice and due to any other consequential impacts.</p> <p>This matter is also a subject matter of qualification included in the Basis of Qualified Opinion section above.</p> <p>Refer note 35 of the standalone financial statements.</p>

Key Audit Matters	Auditor's response
Transaction involving fixed deposit of the Company placed with a Bank and the Bank's adjustment of the fixed deposit against dues of related parties:	<p>Principal audit procedures performed:</p>
<p>A Bank, during the month of July 2019, had prematurely and, as represented by the Management, unilaterally adjusted the amount of the fixed deposit of ₹ 2,000 Millions, which was maturing on 10 September 2019, against the dues of certain related parties (promoter group companies). These related parties have subsequently during the year paid the amount of ₹ 2,000 Millions along with interest thereon aggregating ₹ 25 Millions to the Company, which have been adjusted by the Company against the said fixed deposit.</p>	<ul style="list-style-type: none"> • Obtained direct confirmation from the Bank as at 31 March 2019 to identify if the Bank had confirmed any lien against the fixed deposit; • Based on the register of charges and minutes of the meeting of the Board of Directors, evaluated whether a lien existed on these fixed deposits; • Communicated with the Audit Committee during the quarters ended 30 September 2019 and 31 December 2019 about the transaction and requested them to initiate steps to understand the reasons from the Bank for adjusting the fixed deposit against dues of certain related parties;
<p>Subsequent to the year-end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.</p>	<ul style="list-style-type: none"> • Perused the legal advice received by the Management from external counsel for the possible course of action available for the Company and understood the subsequent steps taken by the Management in this regard, including their communication with the Bank expressing their non-acceptance of the adjustment of the fixed deposit amount by the Bank and seeking information regarding the basis on which the Bank initiated such action;
<p>Considering the significance of the matter, this has been viewed as a key audit matter.</p> <p>Refer note 50 of the standalone financial statements.</p>	<ul style="list-style-type: none"> • Tested the amounts received from the related parties in whose favour the Bank had adjusted the fixed deposit. Perused through the communication received from these related parties in this regard; • Perused through the documentation for the understanding between the Company and the Bank in relation to the aforesaid adjustment. Further, understood the legal enforceability of the said documentation based on legal advice obtained by the Management; • Perused through the report of the investigation performed by Management auditor, which was presented to the Audit Committee and taken on record and discussed with the Management auditor to understand the nature and extent of such work performed.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of information included in the Management Discussion and Analysis, Directors' Report including Annexures to the Directors' Report, Corporate Governance and Shareholders' Information, but does not include the standalone and consolidated financial statements and our auditor's reports thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that

- is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) Except for the possible effect of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the possible effect of the matter described in the Basis of Qualified Opinion section above, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
- ii. Except for the possible effect of the matter described in the Basis of Qualified Opinion section above, provision has been made in the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

A. B. Jani

Partner

Membership No. 46488

Mumbai, 24 July 2020

UDIN: 20046488AAAABR2251

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls over financial reporting of Zee Entertainment Enterprises Limited (the Company) as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls over financial reporting as at 31 March 2020:

We draw attention to Note 35 of the standalone financial statements regarding the Company issuing a Letter of Comfort (LOC) to Yes Bank Limited confirming, among other matters, to support ATL Media Limited, its wholly owned subsidiary, by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honoring the Put Option, take or pay agreements and guarantees. The Company's financial reporting process did not have controls to identify the issuance of such LOC and assessing if it could be in that nature of an executory contract which may be onerous requiring adjustment in the books of account under Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effect of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March 2020, and this material weakness has affected our opinion on the said standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements of the Company.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

A. B. Jani

Partner

Membership No. 46488

UDIN: 20046488AAAABR2251

Mumbai, 24 July 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (the Act) of Zee Entertainment Enterprises Limited (the Company)

- (i) In respect of its fixed assets:
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Some of the fixed assets were physically verified, during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the nature of the inventories of the Company are such that clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) We refer to the matter described in the Basis for Qualified Opinion section of our audit report, the outcome of which is inconclusive as on date of this report. Read with the above, in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans,
- making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.
 - (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-Section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 - (vii) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Wealth-tax, Sales tax, Service tax/Goods and Service Tax, Customs duty, Excise duty, Cess, and any other material statutory dues applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Wealth Tax, Sales Tax, Service Tax/Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
 - c) Details of dues of Income-tax, Sales Tax, Service Tax/Goods and Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ Millions)
The Central Excise Act, 1944	Service Tax	Customs, Central Excise and Service Tax Appellate Tribunal	F.Y. 2006-07	312
			F.Y. 2007-08	148
			F.Y. 2011-12 F.Y. 2012-13	4
		Additional Commissioner of Service Tax, Mumbai	F.Y. 2012-13 F.Y. 2013-14 F.Y. 2014-15	39
			F.Y. 2015-16 F.Y. 2016-17	51
			F.Y. 2008-09	3*
The Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal		

*pertains to erstwhile ETC Networks Limited, merged with the Company

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans from the financial institutions and Government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
- (x) We refer to the matter described in the Basis for Qualified Opinion section of our audit report, the outcome of which is inconclusive as on date of this report. Read with the above, to the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) We refer to the matter described in the Basis for Qualified Opinion section of our audit report, the outcome of which is inconclusive as on date of this report. Read with the above, in our opinion and according to the information and explanations given to us, the Company is in

compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

A. B. Jani

Partner

Membership No. 46488

UDIN: 20046488AAAABR2251

Mumbai, 24 July 2020

BALANCE SHEET

AS AT 31 MARCH 2020

(₹ Millions)

	Note	Mar-20	Mar-19
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	3,827	3,477
(b) Capital work-in-progress	5	215	175
(c) Investment property	6	797	1,448
(d) Goodwill	7	1,881	3,018
(e) Other intangible assets	7	459	845
(f) Financial assets			
(i) Investments			
a) Investments in subsidiaries	8	6,191	6,219
b) Other investments	8	1,330	6,984
(ii) Other financial assets	9	199	289
(g) Income-tax assets (net)		1,115	5,409
(h) Deferred tax assets (net)	10	2,124	-
(i) Other non-current assets	11	79	168
Total non-current assets		18,217	28,032
Current assets			
(a) Inventories	12	44,101	32,564
(b) Financial assets			
(i) Other investments	13	1,022	2,519
(ii) Trade receivables	14	20,520	16,595
(iii) Cash and cash equivalents	15	3,826	8,585
(iv) Bank balances other than (iii) above	15	1,005	109
(v) Loans	30	-	1,784
(vi) Other financial assets	9	4,307	9,844
(c) Other current assets	11	9,538	8,659
Total current assets		84,319	80,659
Non current assets classified as held for sale	46	769	-
Total assets		103,305	108,691
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	960	960
(b) Other equity	17	75,584	70,354
Total equity		76,544	71,314
Liabilities			
Non-current liabilities			
(a) Financial liabilities - borrowings			
(i) Redeemable preference shares	18	2,975	7,409
(ii) Others	18	358	17
(b) Provisions	19	1,265	1,249
Total non-current liabilities		4,598	8,675
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises (Refer note 41)		0	0
Total outstanding dues of creditors other than micro and small enterprises		14,355	13,028
(ii) Other financial liabilities			
Redeemable preference shares	20	2,975	3,704
Others	20	2,451	7,698
(b) Other current liabilities	21	1,379	667
(c) Provisions	19	80	56
(d) Income tax liabilities (net)		923	2,072
(e) Deferred tax liabilities (net)	10	-	1,477
Total current liabilities		22,163	28,702
Total liabilities		26,761	37,377
Total equity and liabilities		103,305	108,691

See accompanying notes to the financial statements

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Punit Goenka
Managing Director and CEO

A. B. Jani
Partner

Rohit Kumar Gupta
Chief Financial Officer

R Gopalan
Director

Ashish Aggarwal
Company Secretary

Place: Mumbai Date: 24 July 2020



STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ Millions)

	Note	Mar-20	Mar-19
Revenue			
Revenue from operations	22	72,190	68,579
Other income	23	2,278	1,894
Total income	I	74,468	70,473
Expenses			
Operational cost	24	33,140	24,006
Employee benefits expense	25	6,169	5,419
Finance costs	26	1,390	1,284
Depreciation and amortisation expense	27	1,776	1,589
Fair value loss / (gain) on financial instruments at fair value through profit and loss	28	3,314	(68)
Other expenses	29	13,807	12,069
Total expenses	II	59,596	44,299
Profit before exceptional item and tax	III=(I-II)	14,872	26,174
Less: Exceptional items	30	2,843	218
Profit before tax	IV	12,029	25,956
Less : Tax expense			
Current tax - current year	31	5,693	9,482
- earlier years	31	29	(209)
Deferred tax	31	(1,173)	133
	V	4,549	9,406
Profit for the year	VI=(IV-V)	7,480	16,550
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) (i) Re-measurement of defined benefit obligation		111	(104)
(ii) Fair value changes of equity instruments through other comprehensive income		64	(19)
(b) Income-tax relating to items that will not be reclassified to the profit or loss		(28)	36
Total other comprehensive income / (loss)	VII	147	(87)
Total comprehensive income for the year	VIII=(VI+VII)	7,627	16,464
Earnings per equity share (face value ₹ 1 each)			
Basic	43	7.79	17.23
Diluted	43	7.79	17.23

See accompanying notes to the financial statements

For and on behalf of the Board

In terms of our report attached

Punit Goenka

R Gopalan

For Deloitte Haskins & Sells LLP

Managing Director and CEO

Director

Chartered Accountants

Rohit Kumar Gupta

Ashish Aggarwal

A. B. Jani

Chief Financial Officer

Company Secretary

Partner

Place: Mumbai Date: 24 July 2020

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

(₹ Millions)

A. Equity share capital

As at 1 April 2018								960
Add: Issued during the year (Refer note 16)								0
As at 31 March 2019								960
Add: Issued during the year (Refer note 16)								0
As at 31 March 2020								960

'0' (zero) denotes amounts less than a Million.

B. Other equity

(₹ Millions)

	Other equity							Total other equity	
	Reserves and surplus						Other comprehensive income		
	Capital redemption reserve	Capital reserve on scheme of amalgamation	Capital reserve on business combination	Share based payment reserve	General reserves	Retained earnings			
As at 1 April 2018	4,056	787	340	8	3,996	47,613	437	57,237	
Profit for the year	-	-	-	-	-	-	16,550	16,550	
Add / (less): Transfer on redemption of preference shares	4,073	-	-	-	-	(4,073)	-	-	
Add: Options granted during the year	-	-	-	12	-	-	-	12	
Less: Re-measurement loss on defined benefit plans	-	-	-	-	-	(104)	-	(104)	
Add: Income tax impact thereon	-	-	-	-	-	36	-	36	
Add: Reversal of deferred tax liability on redemption of preference shares	-	-	-	-	-	828	-	828	
Less: Dividend distribution tax on redemption of preference shares	-	-	-	-	-	(828)	-	(828)	
Less: Loss on fair value of equity instruments classified as fair value through other comprehensive income (net) (Refer note 17)	-	-	-	-	-	-	(19)	(19)	
Less: Dividend on Equity Shares	-	-	-	-	-	(2,785)	-	(2,785)	
Less: Tax on Dividend on Equity Shares	-	-	-	-	-	(573)	-	(573)	
As at 31 March 2019	8,129	787	340	20	3,996	56,664	418	70,354	
Profit for the year	-	-	-	-	-	-	7,480	7,480	
Add / (less): Transfer on redemption of preference shares	4,034	-	-	-	-	(4,034)	-	-	
Add: Options granted during the year	-	-	-	11	-	-	-	11	
Add: Re-measurement gains on defined benefit plans	-	-	-	-	-	111	-	111	
Less: Income tax impact thereon	-	-	-	-	-	(28)	-	(28)	
Add: Reversal of deferred tax liability on redemption of preference shares	-	-	-	-	-	2,474	-	2,474	
Less: Dividend distribution tax on redemption of preference shares	-	-	-	-	-	(829)	-	(829)	
Add / (less): Profit on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	-	-	-	-	-	489	(489)	-	
Add: Gain on fair value of equity instruments classified as fair value through other comprehensive income (net) (Refer note 17)	-	-	-	-	-	-	64	64	
Less: Dividend on Equity Shares	-	-	-	-	-	(3,362)	-	(3,362)	
Less: Tax on Dividend on Equity Shares	-	-	-	-	-	(691)	-	(691)	
As at 31 March 2020	12,163	787	340	31	3,996	58,274	(7)	75,584	

See accompanying notes to the financial statements

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells LLP

Chartered Accountants

A. B. Jani

Partner

Punit Goenka
Managing Director and CEO

Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai Date: 24 July 2020

R Gopalan
Director

Ashish Aggarwal
Company Secretary



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	(₹ Millions)	
	Mar-20	Mar-19
A. Cash flow from operating activities		
Profit before tax	12,029	25,956
Adjustments for :		
Depreciation and amortisation expense	1,776	1,589
Allowances for doubtful debts and advances	3,110	130
Exceptional items (Refer note 30)	2,843	218
Bad debts and advances written off	-	4
Share based payment expense	11	12
Liabilities and excess provision written back	(16)	(110)
Unrealised (gain) / loss on exchange adjustments (net)	(106)	13
(Profit) / loss on sale or impairment of property, plant and equipment (net)	(2)	14
Interest expenses	77	133
Fair value loss / (gain) on financial instruments classified as fair value through profit and loss	3,314	(68)
Loss on sale of investments	-	231
Dividend on redeemable preference shares	855	1,149
Dividend income	(95)	(6)
Net gain on sale of investments classified as fair value through profit and loss	(104)	(268)
Interest income	(1,437)	(882)
Operating profit before working capital changes	22,255	28,115
Adjustments for :		
(Increase) in inventories	(11,537)	(10,764)
(Increase) in trade and other receivables	(2,257)	(15,478)
(Decrease) / increase in trade and other payables	(2,822)	9,057
Cash generated from operations	5,639	10,930
Direct taxes paid (net)	(2,553)	(8,297)
Net cash flow from operating activities (A)	3,086	2,633
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(820)	(748)
Purchase of intangible assets	(208)	(324)
Sale of property, plant and equipment / intangible assets	17	13
Fixed deposit invested	(1,964)	(86)
Fixed deposit matured	1,075	6,749
Receipt towards sale of shares of associate company	-	2
Purchase of non current investments	(15)	(1,249)
Sale of non current investments	769	120
Purchase of current investments	(31,850)	(27,850)
Sale / redemption of current investments	34,052	33,159
Dividend received from subsidiary company	90	-
Dividend received from others	5	4
Interest received	1,393	817
Net cash flow from investing activities (B)	2,544	10,607

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ Millions)

	Mar-20	Mar-19
C. Cash flow from financing activities		
Redemption of redeemable non-convertible preference shares	(4,842)	(4,891)
Payment of lease liability	(314)	-
Proceeds from long-term borrowings	2	21
Repayment of long-term borrowings	(12)	(10)
Dividend paid on equity shares and tax thereon	(4,049)	(3,357)
Dividend paid on redeemable non-convertible preference shares	(1,146)	(1,377)
Interest paid	(28)	(48)
Net cash flow used in financing activities (C)	(10,389)	(9,662)
Net cash flow during the year (A+B+C) (Refer note 50)	(4,759)	3,578
Cash and cash equivalents at the beginning of the year	8,585	5,007
Net cash and cash equivalents at the end of the year	3,826	8,585

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

A. B. Jani

Partner

For and on behalf of the Board

Punit Goenka

Managing Director and CEO

R Gopalan

Director

Rohit Kumar Gupta

Chief Financial Officer

Ashish Aggarwal

Company Secretary

Place: Mumbai Date: 24 July 2020

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ('ZEE' or 'the Company') is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Mumbai 400013, India. The Company is mainly in the following businesses:

- a) Broadcasting of Satellite Television Channels and digital media;
- b) Space Selling agent for other satellite television channels;
- c) Sale of Media Content i.e. programs / film rights / feeds / music rights.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

b) Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

c) Business combination

Business combinations have been accounted for using the acquisition method.

The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is achieved by the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination

as a bargain purchase, the Company recognises the gain, after assessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

d) Property, plant and equipment

i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price and related expenses and for qualifying assets, borrowing costs are capitalised based on the Company's accounting policy. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

iii) Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

The estimate of the useful life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc. The estimated useful life of items of property, plant and equipment is as mentioned below:

Furniture and Fixtures - 5 years ^

Buildings - 60 years *

Computers - 3 and 6 years *

Plant and Machinery ^

Gas Plant - 20 years

Others - 5 to 10 years

Equipment - 3 to 5 years ^

Vehicles - 5 years ^

* Useful life is as prescribed in Schedule II to the Companies Act, 2013

^ Useful life is lower than as prescribed in Schedule II to the Companies Act, 2013

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

e) Right-of-use assets

Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future. Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

f) Investment property

- i) Investment property are properties (land or a building or part of a building or both) held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment, if any.
- ii) Depreciation on investment property is provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- i) The appropriate level of management is committed to a plan to sell the asset,
- ii) An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- iii) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts and are recognised in the statement of profit and loss.

h) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. Any impairment loss for the goodwill is recognised directly in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

i) Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination:

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

j) Impairment of property, plant and equipment / right-of-use assets / other intangible assets / investment property

The carrying amounts of the Company's property, plant and equipment, right-of-use assets, intangible assets and investment property are reviewed at each reporting date to determine whether there is any indication that those assets have suffered any impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in the statement of profit and loss.

k) Derecognition of property, plant and equipment / other intangible assets / investment property

The carrying amount of an item of property, plant and equipment / right of use assets / intangible assets / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / right of use assets / intangible assets / investment property is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss.

l) Leases

Effective 1 April 2019, the Company adopted Ind AS 116 on 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Refer note 4 (a) below for detailed accounting policy.

m) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n) Inventories

i) Media Content:

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) including content in digital form are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed. Programs, film rights, music rights are expensed / amortised as under :

1. Programs - reality shows, chat shows, events, game shows etc. are fully expensed on telecast / upload.
2. Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast / upload, as per management estimate of future revenue potential.
3. Film rights are amortised on a straight-line basis over the licensed period or sixty months from the commencement of rights, whichever is shorter.
4. Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

ii) Raw Stock:

Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

o) Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

ii) Financial assets

1. Classification of financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

2. Subsequent measurement

- Debt Instrument - amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Lease liability associated with assets taken on lease (except short-term and low value assets) is measured at the present value of lease payments to be made. Lease payments are discounted using the incremental rate of borrowing as the case may be. Lease payments comprise fixed payments in relation to the lease (less lease incentives receivable), variable lease payments, if any and other amounts (residual value guarantees, penalties, etc.) to be payable in future in relation to the lease arrangement.

- Fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- (b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

- Fair value through Profit and Loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

- Equity investments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payment is established.

- Investment in subsidiaries, joint ventures and associates:

Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with Ind AS 27 on 'Separate Financial Statements'.

- Derivative financial instruments:

Derivative financial instruments are classified and measured at fair value through profit and loss.

3. Derecognition of financial assets

A financial asset is derecognised only when:

i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or

ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

4. Impairment of financial assets

The Company measures the expected credit loss associated with its financial assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii) Financial liabilities and equity instruments

1. Classification of debt or equity:

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2. Subsequent measurement:

- Financial liabilities measured at amortised cost:

Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

- Financial liabilities measured at fair value through profit and loss (FVTPL):

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognised in other income or finance costs in the statement of profit and loss.

3. Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iv) Fair value measurement

The Company measures financial instruments such as debts and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) Borrowings and borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

q) Provisions, contingent liabilities and contingent assets

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

r) Revenue recognition

Ind AS 115 'Revenue from Contracts with Customers'

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

ii) Sale of media content - Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

iii) Commission revenue - Commission of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

iv) Revenue from other services is recognised as and when such services are completed / performed.

v) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable.

vi) Dividend income is recognised when the Company's right to receive dividend is established.

vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

s) Retirement and other employee benefits

Payments to defined contribution plans viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity and leave encashment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expense or income; and

iii) remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

t) Transactions in foreign currencies

i) The functional currency of the Company is Indian Rupees ('₹').

Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

iii) Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

u) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

v) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

w) Share-based payments

The Company recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

3. KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and

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the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c) Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Company has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Company believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Company and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

d) Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

f) Media content, including content in digital form

The Company has several types of inventory such as general entertainment, movies and music. Such inventories are expensed/amortised based on certain estimates and assumptions made by Company, which are as follows:

i) Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.

ii) The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii) Cost of movie rights - The Company's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast / upload on digital platform. Hence, it is amortised on a straight line basis over the license period or sixty months from the date of acquisition / rights start date, whichever is shorter.

iv) Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

g) Estimation of uncertainties relating to the global health pandemic from Corona virus (COVID-19)

The outbreak of the COVID-19 pandemic has spread globally and in India, which has affected economic activities.

The Company has assessed the impact of this pandemic on its business operations. The same has been incorporated in the plans going forward.

Based on its review and current indicators of future economic conditions, the Company has also taken various steps aimed at augmenting liquidity, conserving cash including various cost saving initiatives, and sale of non-core and other assets.

The Company has also assessed the recoverability of its assets including property, plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets considering the internal and external information including subsequent collections of receivables, credit risk and industry reports available. The Company made necessary adjustments to the carrying amounts by recognizing provisions/ impairment of assets wherever necessary.

As a result of the uncertainties growing with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic condition.

4. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW / REVISION IN ACCOUNTING STANDARDS

a) Adoption of Ind AS 116 Leases

Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company has adopted Ind AS 116 on 'Leases' with the date of initial application being 1 April 2019. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April 2019. As a result, the comparative information has not been restated. The Company has elected to apply the two exemptions proposed by the standard for leases with a term of less than 12 months and/or leases of low-value assets. Since the interest rate implicit in the leases cannot be readily determined, discount rates are based on each lessee's marginal borrowing rate.

When applying Ind AS 116 for the first time, the Company has used discount rates based on the residual term of the lease at the date of transition. The weighted average rate applied at the first-time application was 9.25%. The lease term used is the non-cancellable period of the lease, plus any extension/early termination options that the Company is reasonably certain to exercise.

The Company is preparing financial statements for the financial year ended 31 March 2020 applying this new standard. The balance sheet, statement of profit and loss and statement of cash flows are amended accordingly as follows:

- In the balance sheet, an asset related to the right-of-use is recognized and recorded under property, plant and equipment while a corresponding lease liability is recognized under financial liabilities - borrowings.
- In the statement of profit and loss the right-of-use asset is amortised and recorded as depreciation and amortisation expense and financial expense corresponding to the interest on the lease liability is recorded under Finance costs replacing the lease payments previously charged.
- In the cash flow statement, cash flows from operating activities are impacted by interest expenses paid and cash flows from financing activities are impacted by the reimbursement of the principal of lease liability. Previously cash flows from operating activities were impacted by the total of lease payments.

For the effects of application of Ind AS 116 on the financial position as at 1 April 2019 and 31 March 2020 please refer note 32.

b) Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. This interpretation is effective from accounting period commencing 1 April 2019.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Company has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination. The Company determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

c) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 with effect from 1 April 2019 did not have any material impact on the financial statements of the Company.



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5. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of assets	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Equipments	Computers	Right to use assets (Refer note 32)	Leasehold improvements	Total
I. Cost									
As at 1 April 2018	596	3,514	317	203	805	920	-	794	7,149
Additions	1	265	28	56	64	173	-	138	725
Transfer to investment property	4	-	-	-	-	-	-	-	4
Disposals	-	77	3	35	22	1	-	2	140
As at 31 March 2019	593	3,702	342	224	847	1,092	-	930	7,730
Additions	-	259	28	10	102	135	180	270	984
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	669	-	669
Transfer from investment property	68	-	-	-	-	-	-	-	68
Assets held for sale (Refer note 46)	199	-	-	-	-	-	-	-	199
Disposals	-	111	2	18	3	36	-	4	174
As at 31 March 2020	462	3,850	368	216	946	1,191	849	1,196	9,078
II. Accumulated depreciation									
As at 1 April 2018	70	1,845	142	103	377	402	-	466	3,405
Depreciation charge for the year	9	331	57	36	143	199	-	190	965
Transfer to investment property	4	-	-	-	-	-	-	-	4
Disposals	-	53	3	32	22	1	-	2	113
Upto 31 March 2019	75	2,123	196	107	498	600	-	654	4,253
Depreciation charge for the year	12	332	60	39	148	215	225	138	1,169
Transfer from investment property	3	-	-	-	-	-	-	-	3
Assets held for sale (Refer note 46)	15	-	-	-	-	-	-	-	15
Disposals	-	102	2	13	3	35	-	4	159
Upto 31 March 2020	75	2,353	254	133	643	780	225	788	5,251
Net book value									
As at 31 March 2020	387	1,497	114	83	303	411	624	408	3,827
As at 31 March 2019	518	1,579	146	117	349	492	-	276	3,477

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Net book value		Mar-20	Mar-19
Property, plant and equipment		3,827	3,477
Capital work-in-progress		215	175

Notes:

- Buildings include ₹ 114,100/-, (₹114,100/-) the value of share in a co-operative society.
- Part of Property, plant and equipment have been given on operating lease.
- During the year, the Company has written off property, plant and equipment of ₹ 0 Million (₹ 13 Millions) which is charged to the statement of profit and loss.
- Certain vehicles have been hypothecated against borrowings for vehicles aggregating to ₹ 18 Millions (₹ 28 Millions).
- '0' (zero) denotes amounts less than a Million.

6. INVESTMENT PROPERTY

(₹ Millions)

Description of Assets	Land and building
I. Cost	
As at 1 April 2018	1508
Transfer from property, plant and equipment	8
As at 31 March 2019	1,516
Transfer to property, plant and equipment	68
Assets held for sale (Refer note 46)	573
As at 31 March 2020	875
II. Accumulated depreciation	
Upto 31 March 2018	46
Depreciation charge for the year	15
Transfer from property, plant and equipment	7
Upto 31 March 2019	68
Depreciation charge for the year	13
Transfer to property, plant and equipment	3
Upto 31 March 2020	78
Net book value	
As at 31 March 2020	797
As at 31 March 2019	1,448

The fair value of the Company's investment property ₹ 1,515 Millions (₹ 2,601 Millions), has been arrived at on the basis of a valuation carried out at balance sheet date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value measurement is categorized as Level 3.

**NOTES****FORMING PART OF THE FINANCIAL STATEMENTS****7. GOODWILL AND OTHER INTANGIBLE ASSETS**

(₹ Millions)

Description of assets	Goodwill	Trademark	Customer list and websites	Software	Channels	Total
I. Cost						
As at 1 April 2018	3,236	290	1,081	751	103	5,461
Additions	-	-	-	324	-	324
Disposals	-	-	-	22	-	22
As at 31 March 2019	3,236	290	1,081	1,053	103	5,763
Additions	-	-	-	151	57	208
Disposals	-	-	-	3	-	3
As at 31 March 2020	3,236	290	1,081	1,201	160	5,968
II. Accumulated amortisation						
As at 31 March 2018	-	205	250	537	103	1,095
Amortisation for the year	-	85	360	164	-	609
Impairment	218	-	-	-	-	218
Disposals	-	-	-	22	-	22
As at 31 March 2019	218	290	610	679	103	1,900
Amortisation for the year	-	0	360	230	4	594
Impairment	1,137	-	-	-	-	1,137
Disposals	-	-	-	3	-	3
As at 31 March 2020	1,355	290	970	906	107	3,628
Net book value						
As at 31 March 2020	1,881	-	111	295	53	2,340
As at 31 March 2019	3,018	-	471	374	-	3,863

'0' (zero) denotes amounts less than a Million.

The carrying amount of goodwill which is tested for impairment is allocated to following cash generating units (CGU):

Cash generating unit	Mar-20	Mar-19
Regional channel in India	621	621
Online media business	1,260	2,397

Regional channel in India

The recoverable amount of this CGU is determined based on a value in use. The estimated value in use of this CGU is based on the future cash flows using a 2% terminal growth rate for periods subsequent to the 5 years and discount rate of 17.15%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long term growth rate), based on a reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Online media business

As at 31 March 2020, the Company assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate CGU. The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severely impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of ₹ 1,137 Millions for the year ended 31 March 2020 and disclosed as 'Exceptional item' (Refer Note 30). Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.

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8. NON-CURRENT INVESTMENTS

(₹ Millions)

		Mar-20	Mar-19
a Investments in subsidiaries (carried at cost)			
Investment in equity instruments			
Wholly owned - unquoted			
56,796,292 (56,796,292) Ordinary shares of USD 1/- each of Zee Multimedia Worldwide (Mauritius) Limited		2,584	2,584
583 (583) Ordinary shares of USD 1/- each of ATL Media Ltd		2,515	2,515
100,000 (100,000) Equity shares of ₹ 10/- each of Zee Digital Convergence Limited		1	1
1,000,000 (1,000,000) Equity shares of ₹ 1/- each of India Webportal Private Limited		9	9
100,000 (100,000) Equity shares of ₹ 10/- each of Zee Unimedia Limited		1	1
13,009,997 (13,009,997) Equity shares of ₹ 10/- each of Essel Vision Productions Limited		330	330
2,000,000 (2,000,000) Equity shares of ₹ 10/- each of Fly-By-Wire International Private Limited (Refer note 46)		-	28
100,000 (74,000) Equity shares of ₹ 10/- each of Zee Network Distribution Limited (formerly Zee Turner Limited) (Extent of holding 100% (74%) with effect from 6 August 2019)		1	1
Others - unquoted			
40,000 (40,000) Equity shares of ₹ 10/- each of Margo Networks Private Limited (Extent of holding 80%)		750	750
		6,191	6,219
b In associate - quoted			
Investment in equity instruments			
# 475,000 (475,000) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42% upto 15 January 2019)		-	4
# Less: Reclassified as Investments at fair value through other comprehensive income		-	4
		-	-
c Other investments			
i) Investments in debentures at amortised cost			
Wholly owned subsidiaries - unquoted			
Nil (180,000,000) 0% Optionally convertible debentures of ₹ 1/- each of Fly-By-Wire International Private Limited		-	180
Others - quoted			
50 (50) 10.20% Unsecured redeemable non-convertible debentures of ₹ 1,000,000/- each of Yes Bank Limited (tenure - 10 years)		52	52
Others - unquoted			
Nil (50,000) 9.35% Secured redeemable non-convertible debentures of ₹ 1,000/- each of IFCI Limited (tenure - 5 years)		-	71
Nil (50,000) 9.80% Secured redeemable non-convertible debentures of ₹ 1,000/- each of IFCI Limited (tenure - 5 years)		-	51
ii) Investments at fair value through other comprehensive income			
Investments in equity instruments - quoted			
* Nil (3,644,000) Equity shares of ₹ 2/- each of Essel Propack Limited		-	425
475,000 (475,000) Equity shares of ₹ 10/- each of Aplab Limited		3	4



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	(₹ Millions)	
	Mar-20	Mar-19
Investment in equity instruments - unquoted		
1 (1) Equity share of ₹ 10/- each of Tagos Design Innovations Private Limited	0	0
30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited ₹ 300,000/- (₹ 300,000/-)	0	0
Less: Impairment in value of investment ₹ 300,000/- (₹ 300,000/-)	0	0
	-	-
(iii) Investments at fair value through profit and loss		
Investment in debentures		
Wholly owned subsidiaries - unquoted		
** 5,223,600,000 (5,223,600,000) 0% Optionally convertible debentures of ₹ 1/- each of Essel Vision Productions Limited	1,555	5,904
Less: Amount disclosed under the head 'current investment' (Refer note 13)	497	-
3,553,600,000 (5,223,600,000) 0% Optionally convertible debentures of ₹ 1/- each of Essel Vision Productions Limited	1,058	5,904
Others - Unquoted		
2,905 (2,905) Compulsorily convertible preference shares of ₹ 10/- each of Tagos Design Innovations Private Limited	98	102
1,069.6 (1,069.6) units of ₹ 1,000,000/- each of Morpheus Media Fund	58	165
100 (100) Units of ₹ 1,000,000/- each (partly paid: ₹ 600,000/- (₹ 450,000/-) each) of Exfinity Technology Fund-Series II	61	30
	1,330	6,984
Total	7,521	13,203
(All the above securities are fully paid-up except where specifically mentioned as partly paid) '0' (zero) denotes amounts less than a Million.		
# During the previous year, the Company sold 846,200 equity shares i.e. 16.92% stake in Aplab Limited and accordingly, Aplab Limited is no longer an associate of the Company. The Company has elected to classify the balance stake at fair value through other comprehensive income.		
* During the year, the Company sold its entire stake in Essel Propack Limited. Accordingly, the Company has transferred the gains recorded earlier under available for sale reserves to retained earnings.		
** Optionally Convertible Debentures (OCD) have a tenure of 5 years. The Company has an option to convert the OCD at any time after initial period of 3 years / 18 months from the date of allotment, into Equity Shares at a price as determined by the Board or net asset value at the time of conversion, whichever is higher. OCD's not converted into Equity Shares shall be redeemable at par at the end of the tenure.		
Aggregate amount and market value of quoted investments	55	481
Aggregate carrying value of unquoted investments	7,466	12,722
Aggregate amount of impairment in value of investments	0	0

NOTES**FORMING PART OF THE FINANCIAL STATEMENTS****9. OTHER FINANCIAL ASSETS**

(₹ Millions)

	Non-current		Current	
	Mar-20	Mar-19	Mar-20	Mar-19
Deposits - (unsecured)				
- Considered good				
to related parties	48	36	342	517
to others (Refer note 51)	151	253	72	7,041
- Considered doubtful	-	-	29	-
	199	289	443	7,558
Less: Allowance for doubtful deposits	-	-	29	-
	199	289	414	7,558
Unbilled revenue	-	-	2,501	709
Interest accrued	-	-	16	28
Other receivables				
- Considered good				
to related parties	-	-	1,262	1,524
to others	-	-	114	25
- Considered doubtful	-	-	655	-
	-	-	2,031	1,549
Less: Allowance for doubtful receivables	-	-	655	-
	-	-	1,376	1,549
Total	199	289	4,307	9,844

For transactions relating to related party receivables, refer note 52.

10. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-20	Mar-19
Deferred tax assets		
Employee retirement benefits obligation	338	456
Depreciation and amortisation	225	54
Allowance for doubtful debts, loans and advances	1,477	375
Disallowances under section 40(a)	84	94
	2,124	979
Deferred tax liabilities		
Tax on preference shares redemption*	-	2,456
Deferred tax assets / (liabilities) (net)	2,124	(1,477)

*Finance Bill 2020, which was enacted on 23 March 2020 removed the tax on dividend paid by the Company and consequently, deferred tax liability for dividend distribution tax of bonus redeemable preference shares was reversed by the Company through equity.



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11. OTHER ASSETS

(₹ Millions)

	Non-current		Current	
	Mar-20	Mar-19	Mar-20	Mar-19
Capital advances (unsecured)	59	119	-	-
Other loans and advances (unsecured)				
Other advances (unsecured)				
- Considered good				
to related parties	8	27	120	45
to others (Refer note 51)	-	-	7,671	7,762
- Considered doubtful	-	-	336	206
	8	27	8,127	8,013
Less: Allowance for doubtful advances	-	-	336	206
	8	27	7,791	7,807
Prepaid expenses	12	22	169	241
Balance with Government authorities	-	-	1,578	611
Total	79	168	9,538	8,659

For transactions relating to related party receivables, refer note 52.

12. INVENTORIES

(VALUED AT LOWER OF COST / UNAMORTISED COST OR NET REALISABLE VALUE)

(₹ Millions)

	Mar-20	Mar-19
Raw tapes	11	10
Media content *	44,052	32,534
Under production - Media content	38	20
Total	44,101	32,564

*Includes rights ₹ 7,812 Millions (₹ 4,756 Millions), which will commence at a future date.

Inventories expected to be recovered post 12 months is 68% (69%).

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13. CURRENT INVESTMENTS

		₹ Millions)
	Mar-20	Mar-19
a Investment at amortised cost		
Certificate of deposit (non-transferable) - unquoted		
Nil (7.10%) Housing Development Finance Corporation Limited	-	1,516
Nil (7.10%) Housing Development Finance Corporation Limited	-	503
6.15% (7.55%) Housing Development Finance Corporation Limited	525	500
	525	2,519
b Investments at fair value through profit and loss		
Investment in debentures		
Wholly owned subsidiaries - unquoted		
1,670,000,000 (Nil) 0% Optionally convertible debentures of ₹ 1/- each of Essel Vision Productions Limited (Refer note 8)	497	-
Total	1,022	2,519
(All the above securities are fully paid-up)		
Aggregate amount and market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	1,022	2,519

14. TRADE RECEIVABLES (UNSECURED)

	₹ Millions)	
	Mar-20	Mar-19
Considered good	20,520	16,595
Considered doubtful	3,161	866
	23,681	17,461
Less: Allowance for doubtful debts (Refer note 48 d ii)	3,161	866
Total	20,520	16,595

For transactions relating to related party receivables, refer note 52.

15. CASH AND BANK BALANCES

	₹ Millions)	
	Mar-20	Mar-19
a Cash and cash equivalents		
Balances with banks		
In current accounts	702	2,052
In deposit accounts (Refer note 50)	2,840	5,000
Cheques in hand	284	1,532
Cash in hand	0	1
	3,826	8,585



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		(₹ Millions)	
		Mar-20	Mar-19
b	Other bank balances		
	In deposit accounts	962	73
	In unclaimed dividend accounts		
	Preference shares	19	16
	Equity shares	24	20
	Total	1,005	109
		4,831	8,694

'0' (zero) denotes amounts less than a Million.

16. EQUITY SHARE CAPITAL

		(₹ Millions)	
		Mar-20	Mar-19
Authorised*			
2,000,000,000 (2,000,000,000) Equity Shares of ₹ 1/- each		2,000	2,000
		2,000	2,000
Issued, subscribed and paid-up			
960,483,235 (960,466,500) Equity Shares of ₹ 1/- each fully paid-up		960	960
Total		960	960

* Authorised capital of 2,100,000,000 (2,100,000,000) Redeemable Preference Shares of ₹ 10/- (₹ 10/-) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. (Refer note 18)

a) Reconciliation of number of Equity shares and Share capital

	Mar-20		Mar-19	
	Number of Equity Shares	₹ Millions	Number of Equity Shares	₹ Millions
At the beginning of the year	960,466,500	960	960,453,620	960
Add: Issued during the year	16,735	0	12,880	0
Outstanding at the end of the year	960,483,235	960	960,466,500	960

'0' (zero) denotes amounts less than a Million.

b) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 1/- each. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

NOTES**FORMING PART OF THE FINANCIAL STATEMENTS****c) Details of Equity Shareholders holding more than 5 % of the aggregate Equity Shares**

Name of the Shareholders	Mar-20		Mar-19	
	Number of Equity Shares	% Shareholding	Number of Equity Shares	% Shareholding
OFI Global China Fund, LLC	97,350,000	10.14%	-	-
Oppenheimer Developing Markets Fund	74,318,476	7.74%	68,644,603	7.15%
Government of Singapore	59,441,268	6.19%	6,859,160	0.71%
Essel Media Ventures Limited	33,155,180	3.45%	102,888,286	10.71%
Cyquator Media Services Private Limited	8,107,136	0.84%	219,024,694	22.80%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) Employees Stock Option Scheme (ESOP)

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into Equity Shares not exceeding in the aggregate 5% of the issued and paid-up capital of the Company as at 31 March 2009 i.e. up to 21,700,355 Equity Shares of ₹ 1/- each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Company as well as that of its subsidiaries. The said ESOP 2009 was amended during the previous year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year, the Nomination and Remuneration Committee of the Board granted 24,700 stock options convertible at ₹ 1/- each to an employee of the Company. The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1, 2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the Equity Shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	Number of Options
Opening at beginning of the year	28,220
Grant during the year	24,700
Exercised during the year	(16,735)
Outstanding at the end of the year	36,185

During the year, the Company recorded an employee stock compensation expense of ₹ 11 Millions (₹ 12 Millions) in the statement of profit and loss. The market price at the date of grant was ₹ 404/- (₹ 580/-) per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	22%	20%	16%
Expected dividend yield on the underlying share for the expected term of the option	3.50	2.90	2.90
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year has a weighted average remaining contractual life of 301 days.



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17. OTHER EQUITY

	₹ Millions)	Mar-20	Mar-19
Reserves and surplus			
Capital redemption reserve			
As per last Balance Sheet		8,129	4,056
Add: Transfer from retained earnings		4,034	4,073
		12,163	8,129
Capital reserve on scheme of amalgamation			
As per last Balance Sheet		787	787
Capital reserve			
As per last Balance Sheet		340	340
Share based payment reserve			
As per last Balance Sheet		20	8
Add: Options granted during the year		11	12
		31	20
General reserve			
As per last Balance Sheet		3,996	3,996
Retained earnings			
As per last Balance Sheet		56,664	47,613
Add : Profit for the year		7,480	16,550
Less: Transfer to capital redemption reserve		(4,034)	(4,073)
Add / (Less): Re-measurement gain / (loss) on defined benefit plans		111	(104)
(Less) / Add: Income tax impact thereon		(28)	36
Add: Profit on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings		489	-
Add: Reversal of deferred tax liability on redemption of preference shares		2,474	828
Less: Dividend distribution tax on redemption of preference shares		(829)	(828)
Less: Payment of dividend on Equity Shares		(3,362)	(2,785)
Less: Tax on dividend on Equity Shares		(691)	(573)
		58,274	56,664
Other comprehensive income			
As per last Balance Sheet		418	437
Less: Profit on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings		(489)	-
Add / (Less): Gain / (loss) on fair value of equity instruments classified as fair value through other comprehensive income (net)		64	(19)
		(7)	418
Total		75,584	70,354

i) Capital redemption reserve is created on redemption of redeemable preference shares issued.

ii) Share based payment reserve is related to share options granted by the Company to its employee under its employee share option plan.

iii) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iv) Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.

v) Other comprehensive income includes reserves for equity instruments through other comprehensive income i.e. cumulative gains and losses arising on the measurement of equity instruments at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

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18. LONG-TERM BORROWINGS

	(₹ Millions)	Mar-20	Mar-19
a Redeemable preference shares - unsecured, at fair value through profit and loss			
2,016,942,312 (2,016,942,312) 6% Cumulative redeemable non-convertible preference shares of ₹ 4/- (₹ 6/-) each fully paid-up - quoted		5,950	11,113
Less: Amount disclosed under the head 'other financial liabilities' (Refer note 20)		2,975	3,704
		2,975	7,409
b Vehicle loans from bank, at amortised cost *		18	28
Less: Amount disclosed under the head 'other financial liabilities' (Refer note 20)		8	11
		10	17
c Lease liabilities (Refer note 32)		594	-
Less: Amount disclosed under the head 'other financial liabilities' (Refer note 20)		246	-
		348	-
Total (a+b+c)		3,333	7,426

* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 8.14% p.a. - 10.17% p.a. and are repayable upto October 2023.

Terms / rights attached to preference shares

i) 6% Cumulative redeemable non-convertible preference shares - quoted

During the year ended 31 March 2014, the Company had issued 20,169,423,120 6% cumulative redeemable non-convertible preference shares of ₹ 1/- each (consolidated to face value of ₹ 10/- each in 2017) by way of bonus in the ratio of 21 bonus preference shares of ₹ 1/- each fully paid up for every one Equity Share of ₹ 1/- each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. During the year ended 31 March 2017, 6% cumulative redeemable non-convertible preference shares of ₹ 1/- each has been converted to 6% cumulative redeemable non-convertible preference shares of ₹ 10/- each.

The Company redeems at par value, 20% of the total bonus preference shares allotted, every year from the fourth anniversary of the date of allotment. The Company has an option to buy back the bonus preference shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of bonus preference shares bought back and redeemed cumulatively is in excess of the cumulative bonus preference shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus preference shares shall be redeemed by the Company.

The holders of bonus preference shares shall have a right to vote only on resolutions which directly affect their rights. The holders of bonus preference shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said bonus preference shares for an aggregate period of atleast two years preceeding the date of the meeting.

During the year, the Company redeemed 20% (₹ 2/- each) of the Nominal Value of 2,016,942,312 bonus preference shares of ₹ 10/- each (par value) consequent to which the face value of these preference shares stand revised to ₹ 4/- each.

19. PROVISIONS

(₹ Millions)

	Non Current		Current	
	Mar-20	Mar-19	Mar-20	Mar-19
Provision for employee benefits				
- Gratuity	782	775	33	21
- Compensated absences	483	474	47	35
Total	1,265	1,249	80	56



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20. OTHER FINANCIAL LIABILITIES - CURRENT

	₹ Millions)	Mar-20	Mar-19
Current maturities of long-term borrowings - redeemable preference shares (Refer note 18a)	2,975	3,704	
Current maturities of long-term borrowings - vehicle loan from banks (Refer note 18b)	8	11	
Current maturities of long-term borrowings - lease liabilities (Refer note 18c, 32)	246	-	
Deposits received *	445	5,437	
Unclaimed equity dividends #	24	20	
Unclaimed preference shares redemption / dividend #	19	16	
Creditors for capital expenditure	104	140	
Employee benefits payable	957	1,039	
Dividend payable on redeemable preference shares and tax thereon	585	876	
Temporary overdrawn balances	53	148	
Other payables	10	11	
Total	2,451	7,698	
Total	5,426	11,402	

For transactions relating to related party payables, refer note 52.

* During the previous year, the Company had received interest free business deposit aggregating ₹ 5,000 Millions from customers which were callable after eleven months / adjustable against digital content / subscription. The same has been adjusted / repaid during the year.

Dividend ₹ 2 Millions (₹ 2 Millions) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2020.

21. OTHER CURRENT LIABILITIES

	₹ Millions)	Mar-20	Mar-19
Advances received from customers	507	219	
Statutory dues payable	872	448	
Total	1,379	667	

For transactions relating to related party payables, refer note 52.

22. REVENUE FROM OPERATIONS

	₹ Millions)	Mar-20	Mar-19
Services - Broadcasting revenue			
Advertisement	44,091	46,902	
Subscription	23,941	18,100	
- Sales of media content	3,165	2,545	
- Commission	335	536	
- Transmission revenue	396	431	
Other operating revenue	262	65	
Total	72,190	68,579	

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23. OTHER INCOME

	(₹ Millions)	
	Mar-20	Mar-19
Interest income		
- Bank deposits	151	371
- Other financial assets	144	336
- Others (including on income tax refunds ₹ 951 Millions (₹ Nil))	1,142	175
Dividend income		
- Subsidiaries	90	-
- Investments classified as fair value through other comprehensive income	5	4
- Investments classified as fair value through profit and loss	0	2
Gain on sale of investments classified as fair value through profit and loss	104	268
Foreign exchange gain (net)	154	35
Profit on sale of property, plant and equipment and investments (net)	2	-
Liabilities and excess provision written back	16	110
Rent income	317	345
Miscellaneous income	153	248
Total	2,278	1,894

24. OPERATIONAL COST

	(₹ Millions)	
	Mar-20	Mar-19
a) Media content		
Opening inventory	32,554	21,791
Add: Purchase of inventory	37,787	28,844
Less: Closing inventory	44,090	32,554
Amortisation of inventory #	26,251	18,081
Other production expenses	5,205	4,535
	31,456	22,616
b) Telecast and technical cost	1,684	1,390
Total (a+b)	33,140	24,006

Media content of ₹ 1,659 Millions (₹ 1,122 Millions) are written down during the year as the estimated net realisable value was lower than amortised cost.

25. EMPLOYEE BENEFITS EXPENSE

	(₹ Millions)	
	Mar-20	Mar-19
Salaries and allowances	5,722	5,056
Share based payment expense	11	12
Contribution to provident and other funds	319	257
Staff welfare expenses	117	94
Total	6,169	5,419



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26. FINANCE COSTS

	₹ Millions)	Mar-20	Mar-19
Interest on - Vehicle loans		2	2
- Lease rental interest		71	-
- Others		459	131
Dividend on redeemable preference shares		855	1,149
Other financial charges		3	2
Total		1,390	1,284

27. DEPRECIATION AND AMORTISATION EXPENSE

	₹ Millions)	Mar-20	Mar-19
Depreciation on property, plant and equipment		1,169	965
Depreciation on investment property		13	15
Amortisation of intangible assets		594	609
Total		1,776	1,589

28. FAIR VALUE LOSS / (GAIN) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	₹ Millions)	Mar-20	Mar-19
Fair value loss / (gain) on financial assets (net)		4,444	(10)
Fair value gain on financial liabilities		(1,130)	(58)
Total		3,314	(68)

29. OTHER EXPENSES

	₹ Millions)	Mar-20	Mar-19
Rent		475	660
Repairs and maintenance			
- Buildings		8	25
- Plant and machinery		95	100
- Others		391	221
Insurance		73	30
Rates and taxes		59	63
Electricity and water charges		165	160
Communication charges		127	124
Printing and stationery		97	74
Travelling and conveyance expenses		637	632
Legal and professional charges		408	480
Directors remuneration and sitting fees		37	23
Payment to auditors (Refer note 37)		12	12
Corporate Social Responsibility expenses (Refer note 44)		1	227
Hire and service charges		1,091	1,309
Commission expenses		152	30
Advertisement and publicity expenses		5,762	5,822

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(₹ Millions)

	Mar-20	Mar-19
Marketing, distribution and promotion expenses	1,028	1,494
Conference expenses	30	166
Allowances for doubtful debts and advances (Refer note 48 d ii)	3,110	130
Bad debts and advances written off	-	197
Less: Provisions for doubtful debts adjusted	-	(193)
Loss on sale of investments classified as fair value through profit and loss	-	15
Loss on sale of investments classified as amortised cost (pertains to reversal of interest accrued)	-	216
Loss on sale / write off of property, plant and equipment and investments (net)	-	14
Miscellaneous expenses	49	38
Total	13,807	12,069

30. EXCEPTIONAL ITEMS

(₹ Millions)

	Mar-20	Mar-19
Impairment of goodwill (Refer note 7)	1,137	218
Impairment of loan (Refer note 48)	1,706	-
Total	2,843	218

31. TAX EXPENSE

The major components of income tax for the year are as under:

(₹ Millions)

	Mar-20	Mar-19
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	5,693	9,482
- earlier years	29	(209)
Deferred tax (benefit) / charge	(1,173)	133
Total	4,549	9,406
Effective tax rate	38%	36%

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2020 and 31 March 2019 is as follows:



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(₹ Millions)

	Mar-20	Mar-19
Profit before tax	12,029	25,956
Income tax		
Statutory income tax rate of 25.168% (34.944%) on profit	3,027	9,070
Tax effect on non-deductible expenses	1,197	663
Additional allowances for tax purposes	(1)	(14)
Effect of exempt income and income taxed at lower rates	(24)	(103)
Reversal of deferred tax asset created earlier	47	-
Effect of change in tax rate	274	-
Tax effect for earlier years	29	(209)
Tax expense recognised in the statement of profit and loss	4,549	9,406

Deferred tax recognised in statement of other comprehensive income

(₹ Millions)

For the year ended	Mar-20	Mar-19
Defined benefit obligation	28	(36)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.168% (34.944%) for the year ended 31 March 2020.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

The Company does not have any temporary differences in respect of unutilized tax losses.

Deferred tax recognised as on 31 March 2020

(₹ Millions)

Deferred tax assets / (liabilities) in relation to:	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefit obligation	456	(90)	(28)	-	338
Depreciation and amortisation	54	171	-	-	225
Allowance for doubtful debts, loans and advances	375	1,102	-	-	1,477
Disallowances under section 40 (a)	94	(10)	-	-	84
Dividend distribution tax liability on redemption of preference shares	(2,456)	-	-	2,456	-
Total	(1,477)	1,173	(28)	2,456	2,124

Deferred tax recognised as on 31 March 2019

(₹ Millions)

Deferred tax (liabilities)/ assets in relation to:	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefit obligation	285	135	36	-	456
Depreciation and amortisation	(5)	59	-	-	54
Allowance for doubtful debts, loans and advances	396	(21)	-	-	375
Disallowances under section 40 (a)	399	(305)	-	-	94
Dividend distribution tax liability on redemption of preference shares	(3,284)	-	-	828	(2,456)
Total	(2,209)	(133)	36	828	(1,477)

NOTES**FORMING PART OF THE FINANCIAL STATEMENTS****32. DISCLOSURES UNDER IND AS 116****Operating leases:**

The right-of-use asset (ROU assets) is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of ₹ 669 Millions and a corresponding lease liability of ₹ 669 Millions has been recognized.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.25% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability. The difference between the future minimum lease rental commitments towards non-cancellable operating leases compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

a)The Company as a lessee:

i) The following is the break-up of current and non current lease liabilities as at 31 March 2020:

(₹ Millions)

	Mar-20
Current lease liabilities	246
Non current lease liabilities	348
Total (Refer note 48)	594

ii) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020:

(₹ Millions)

	Mar-20
Due in 1st year	246
Due in 2 to 5th year	303
Due after 5 years	45
Total	594

iii) The following is the movement in lease liabilities during the year ended 31 March 2020:

(₹ Millions)

	Mar-20
Balance as at 1 April 2019	669
Additions	180
Finance expense	71
Payment of lease liabilities	(326)
Balance as at 31 March 2020	594

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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iv) The changes in the carrying amounts of right-of-use assets of land and buildings is as follows:

(₹ Millions)

	Mar-20
As at 1 April 2019	669
Additions	180
As at 31 March 2020	849
Depreciation for ROU assets for the year ended 31 March 2020	225

v) For the year ended 31 March 2020, expenses relating to short-term leases and leases of low-value assets is ₹ 475 Millions.

The Company has entered into various lease contracts at various premises used in its operations. Leases of premises generally have lease terms upto 7 years.

b) The Company as a lessor:

i) The Company has given part of its investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 12 months.

The lease rental revenue for the year is ₹ 317 Millions (₹ 345 Millions).

ii) The Company has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

	(₹ Millions)	Mar-20	Mar-19
Sub lease rent income		105	117
Future sub lease rental obligation receivable (under non-cancellable lease)			
Not later than one year		-	68

33. a) CONTINGENT LIABILITIES

(₹ Millions)

	Mar-20	Mar-19
i) Corporate guarantees - For other related parties ^&	1,637	1,137
ii) Disputed indirect taxes	557	557
iii) Disputed direct taxes *	672	851
iv) Claims against the Company not acknowledged as debts #	308	431
v) Legal cases against the Company @	Not ascertainable	Not ascertainable

^^ Includes commitment for meeting shortfall funding towards revolving Debt Service Reserve Account (DSRA) obligation against financial facilities availed by the borrowers.

& Loan outstanding ₹ 2,523 Millions (₹ 3,698 Millions).

* Income tax demands mainly include appeals filed by the Company before various appellate authorities (including Dispute Resolution panel) against the disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases are likely to be decided in its favour and hence no provision is considered necessary.

The amount represents the best possible estimate arrived at on the basis of available information. The Company has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

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- \$ The Company had provided Letter of Undertaking to secure 650 units of rated, unlisted, secured redeemable non-convertible debentures (NCDs) issued by a related party to a Mutual Fund. The said related party had made partial redemption of the NCDs prior to the due date of redemption, that is, 8 July 2020. But, due to COVID-19 pandemic, its business was severely impacted and therefore it was unable to redeem the balance portion of the NCDs on the redemption date.
- Subsequent to the year end, the Company has purchased these NCDs from the Mutual Fund for an amount aggregating to ₹ 445 Millions. These NCDs are secured by first pari- passu charge over the current assets, movable fixed assets including all rights, title, interest, benefits and claims / demands of the related party i.e. the Issuer Company. The tenure of NCDs have been extended by 1.5 years.
- @ The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.
- b) The Company has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of media rights contract for telecast of cricket matches between India and other Countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ 1,236 Millions (plus interest) in favour of the Company. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Company has also filed an execution petition in April 2018. Accordingly, pending final outcome, effect has not been given in these financial statements. During the previous year, Company has received ₹ 300 Millions which is accounted as deposits received in other financial liabilities.

34. CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts remaining to be executed for capital expenditure not provided for (net of advances) is ₹ 121 Millions (₹ 301 Millions).
- b) Other commitments as regards media content and others (net of advances) are ₹ 6,830 Millions (₹ 8,333 Millions).
- c) Uncalled liability / contractual obligation on investments committed is ₹ 40 Millions (₹ 55 Millions).

35. a) ATL Media Limited (ATL), an overseas wholly-owned subsidiary of the Company, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with Living Entertainment Limited (LEL) to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Company) for \$ 105 Millions, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, based on certain representations made by LEL and the exercise price was set at \$52.50 Millions (₹ 3,927 Millions) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the Put Option agreement and consequently, ATL has rescinded the Put Option from the date the Put Option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

b) In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the Put Option, take or pay agreements and guarantees. The Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans to the Bank and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub - judice.

Since the matters are sub-judice and based on legal advise obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company or require any compliances with the provisions of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), or with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).



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36. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Managing Director included in Note 25

'Employee benefits expense' is as under :

(₹ Millions)

	Managing Director	
	Mar-20	Mar-19
Salary and allowances *	85	78
Contribution to provident fund	5	5

* Salary and Allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

37. PAYMENT TO AUDITORS

(₹ Millions)

	Mar-20	Mar-19
Audit fees	9	9
Certification	3	2
Other services (₹ Nil (₹ 500,000/-))	-	1
Reimbursement of expenses (₹ 241,248/- (₹ 435,976/-))	0	0
Total	12	12

38. INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

a) Loans given

During the year ended 31 March 2020

(₹ Millions)

	Mar-19	Repaid	Provided for \$	Mar-20
In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,784	78 *	1,706	-

During the year ended 31 March 2019

(₹ Millions)

	Mar-18	Given	Repaid	Mar-19
In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,706	163 ^	85 *	1,784

\$ Refer note 48.

^ Represents interest receivable.

* Represents interest received.

Inter Corporate Deposits are given as a part of treasury operations of the Company on following terms:

i) Loans given to related corporate entities at an average interest rate of 11% p.a.

ii) All the loans are short term in nature.

iii) All the loans are provided for business purposes.

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b) Investments made

There are no investments by the Company other than those stated under Note 8 and Note 13 in the Financial Statements.

c) Guarantees given

	(₹ Millions)	Mar-20	Mar-19
Performance guarantees			
To Banks to secure obligations of other related parties:			
- Guarantees	34	170	
- Commitment for meeting shortfall funding towards revolving Debt Service Reserve Account (DSRA) obligation against financial facilities availed by the borrowers *	1,603	967	

* Loan outstanding ₹ 2,523 Millions (₹ 3,698 Millions).

d) Securities provided

There are no securities provided during the year.

39. Operational cost, employee benefits expense and other expenses are net off recoveries ₹ 446 Millions (₹ 665 Millions).

40. The standalone financial statements of the Company for the year ended 31 March 2020, were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 24 July 2020.

41. DISCLOSURE REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006.

As at 31 March 2020, there are outstanding dues of ₹ 0 Million (₹ 10 Millions) to Micro, Small and Medium enterprises (including ₹ 0 Million (₹ 0 Million) towards micro and small enterprises). There is no interest due or outstanding towards the aforesaid balances. During the year ended 31 March 2020, an amount of ₹ 15 Millions (₹ 62 Millions) was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

'0' (zero) denotes amounts less than a Million.

42. During the year, the Company has made political contribution of ₹ Nil (₹ Nil).

43. EARNINGS PER SHARE (EPS)

	Mar-20	Mar-19
a Profit after Tax (₹ Millions)	7,480	16,550
b Weighted average number of Equity Shares for basic EPS (in numbers)	960,481,710	960,464,265
c Nominal value of Equity Shares (₹)	1	1
d Basic EPS (₹)	7.79	17.23
e Weighted average number of Equity Shares for diluted EPS (in numbers)	960,519,218	960,494,595
f Nominal value of Equity Shares (₹)	1	1
g Diluted EPS (₹)	7.79	17.23



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44. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the current year, the Company has spent ₹ 1 Million (₹ 227 Millions) on various schemes of Corporate Social Responsibility (CSR) Projects as prescribed in Schedule VII of the Companies Act, 2013. The prescribed CSR expenditure required to be spent in the current year as per the Companies Act, 2013 was ₹ 881 Millions.

45. The Company is of the knowledge that Dr. Subhash Chandra in his individual capacity has given Personal Letters of Comfort (LOC) to a Bank. Based on the legal opinion obtained, the Company is of the view that the aforesaid LOCs are given in his personal capacity and hence will have no financial implication for such LOCs on the Company.

46. NON CURRENT ASSETS HELD FOR SALE

(₹ Millions)

	Mar-20	Mar-19
Investment in subsidiary #	28	-
Freehold land and building \$	741	-
Total	769	-

The Company intends to sell its entire investment in its 100% subsidiary, Fly-By-Wire International Private Limited and accordingly has entered into share purchase agreement post 31 March 2020, subject to fulfilment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment of such conditions, investment in subsidiary has been classified as held for sale.

\$ The Company intends to dispose off building (mainly residential flats) and freehold land in the next 12 months which it no longer intends to use. The residential flats were previously used for guest house purpose. The buyers for these assets have been identified and the sale transactions are in progress. Impairment loss of ₹ 16 Millions is recognised in the Statement of profit and loss under miscellaneous expenses.

47. DIVIDEND

Dividend on Equity Shares is approved by the Board of Directors in their meeting held on 24 July 2020 and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability. Appropriation of dividend is done in the financial statements subsequent to approval by the shareholders.

Final dividend on Equity Shares for the current year is ₹ 0.30 per share (₹ 3.50 per share) which aggregates to ₹ 288 Millions (₹ 3,362 Millions).

48. FINANCIAL INSTRUMENTS

A) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stake holders through optimisation of debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company.

NOTES**FORMING PART OF THE FINANCIAL STATEMENTS****B) Categories of financial instruments and fair value thereof** (₹ Millions)

	Mar-20		Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
a) Financial assets				
i) Measured at amortised cost				
Trade receivables	20,520	20,520	16,595	16,595
Cash and cash equivalents	3,826	3,826	8,585	8,585
Other bank balances	1,005	1,005	109	109
Loans	-	-	1,784	1,784
Other financial assets	4,506	4,506	10,133	10,133
Optionally convertible debentures	-	-	180	180
Redeemable non-convertible debentures	52	52	174	174
Certificate of deposits	525	525	2,519	2,519
	30,434	30,434	40,080	40,080
ii) Measured at fair value through profit and loss account				
Investments				
Essel Vision Productions Limited (Optionally convertible debentures)*	1,555	1,555	5,904	5,904
Tagos Design Innovations Private Limited	98	98	102	102
Morpheus Media Fund	58	58	165	165
Exfinity Technology Fund-Series II	61	61	30	30
	1,772	1,772	6,201	6,201
iii) Measured at fair value through other comprehensive income				
Equity shares	3	3	429	429
b) Financial liabilities				
i) Measured at amortised cost				
Trade payables	14,355	14,355	13,028	13,028
Other financial liabilities	2,197	2,197	7,687	7,687
Lease liabilities *	594	594	-	-
Vehicle loans *	18	18	28	28
	17,164	17,164	20,744	20,744
ii) Fair value through Profit and Loss				
6% Cumulative redeemable non-convertible preference shares*	5,950	5,950	11,113	11,113

* Includes current maturities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.



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c) Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities. Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2020.

	Mar-20	Mar-19	Fair Value Hierarchy	(₹ Millions) Valuation technique(s) & key inputs used
Financial assets at fair value through other comprehensive income				
Investment in Equity Shares	3	429	Level 1	Quoted in an active market.
Investment in Equity Shares	0	0	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method.
Financial assets at fair value through profit and loss				
Investment in Essel Vision Productions Limited (optionally convertible debentures)*	1,555	5,904	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.
Investment in Tagos Design Innovations Private Limited	98	102	Level 3	
Morpheus media fund	58	165	Level 3	
Exfinity technology fund-series II	61	30	Level 3	
Financial liabilities at fair value through profit and loss				
Quoted 6% cumulative redeemable non-convertible preference shares	5,950	11,113	Level 1	Quoted in an active market.

* Includes current maturities.

The fair values of the financial assets under level 3 category have been determined based on market approach techniques, such as, discounted cash flow basis and executed definitive documents for sell of investments.

Reconciliation of Level 3 category of financial assets:

	Mar-20	Mar-19	(₹ Millions)
Opening balance	6,201	4,944	
Additions	15	1,249	
(Loss) / gain recognised	(4,444)	8	
Closing balance	1,772	6,201	

d) Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings (majorly comprises redeemable preference shares issued by the Company), trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, unsecured interest free deposits, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk.

- Foreign currency risk

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk.

The carrying amounts of financial assets and financial liabilities the Company denominated in currencies other than its functional currency are as follows:

Currency	Assets as at		Liabilities as at		(₹ Millions)
	Mar-20	Mar-19	Mar-20	Mar-19	
United States Dollar (USD)	2,762	1,868	185	402	
Euro (EUR)	-	-	4	1	
Singapore Dollar (SGD)	-	-	3	1	
UAE (AED)	-	-	0	-	
Japanese Yen (JPY)	1	-	-	-	
Great Britain Pound (GBP)	-	-	2	3	

'0' (zero) denotes amounts less than a Million.

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used while reporting foreign currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

Currency	Sensitivity analysis				(₹ Millions)	
	Mar-20		Mar-19			
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%		
United States Dollar (USD)	(258)	258	(147)	147		
Euro (EUR)	0	(0)	0	(0)		
Singapore Dollar (SGD)	0	(0)	0	(0)		
UAE (AED)	0	(0)	-	-		
Japanese Yen (JPY)	(0)	0	-	-		
Great Britain Pound (GBP)	0	(0)	0	(0)		

'0' (zero) denotes amounts less than a Million.

The Company is mainly exposed to USD currency fluctuation risk.

The Company's sensitivity to foreign currency assets has increased during the current year mainly due to overall increase in assets in foreign currency. The Company's sensitivity to foreign currency liabilities has decreased during the current year mainly on account of overall decrease in liabilities in foreign currency.



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- Interest rate risk

The borrowings of the Company include redeemable preference shares and vehicle loan which carries fixed coupon rate and consequently the Company is not exposed to interest rate risk.

The Company's investment in debt instruments and loans given by the Company are at fixed interest rates, consequently the Company is not exposed to interest rate risk.

- Other price risk

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 10% lower / higher :

	Sensitivity analysis				(₹ Millions)
	Mar-20		Mar-19		
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%	
Other comprehensive income for the year ended would (decrease) / increase by	(0)	0	(43)	43	

ii Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Company does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 45 days. The Company's exposure to customers is diversified and except for two customers, no other customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

	(₹ Millions)	
	Mar-20	Mar-19
Trade Receivables (unsecured)		
Over six months	7,007	2,197
Less than six months	16,674	15,264
Total	23,681	17,461

	(₹ Millions)	
	Mar-20	Mar-19
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	866	870
Add: Provided during the year	2,295	187
Less: Reversal / write off during the year	-	(191)
Balance as at the end of the year	3,161	866
Net trade receivables	20,520	16,595

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Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

The Company has trade receivables aggregating ₹ 8,155 Millions from two key strategic customers as at 31 March 2020, which include amounts which are long overdue. For one of the customer, the Management, based on detailed assessment of recoverability, has agreed on revised individual plans with this customer, which involve recovering the amounts over a period of 12 to 24 months. Subsequently, the customer has been paying as per the agreed plan. Accordingly, the Management has considered the aforesaid amounts as good of recovery and, in line with Ind AS 109 on 'Financial Instruments' recorded expected credit loss aggregating ₹ 376 Millions towards time value of money on account of the delayed collections from this customer. Further, in respect of the other key customer (a related party), based on the assessment of its credit risk as well as the potential impact of the COVID - 19 pandemic on this customer, the Company has recorded an expected credit loss aggregating ₹ 1,179 Millions.

Further, provision of ₹ 413 Millions has been recorded with respect to advertising and subscription customers as a matter of abundant caution, on account of potential credit risk due to COVID-19 pandemic.

The Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating ₹ 1,500 Millions. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of ₹ 1,706 Millions (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during the year and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.

During the year, the Company has made provision for slow moving financial assets aggregating to ₹ 655 Millions (₹ Nil).

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit-rating agencies. The credit risk on mutual funds, non-convertible debentures, certificates of deposit and other debt instruments is limited because the counterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

iii Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company consistently generated cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short term as well as in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	(₹ Millions)
Financial liabilities					
Trade payables and other financial liabilities	16,552	-	-	16,552	16,552
Lease liabilities	246	303	45	594	594
Borrowings	4,042	4,043	-	8,085	5,968
Total	20,840	4,346	45	25,231	23,114

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	(₹ Millions)
Financial liabilities					
Trade payables and other financial liabilities	20,715	-	-	20,715	20,715
Borrowings	4,045	8,085	-	12,130	11,141
Total	24,760	8,085	-	32,845	31,857

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.



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FORMING PART OF THE FINANCIAL STATEMENTS

49. EMPLOYEE BENEFITS

The disclosures as per Ind AS 19 - Employee Benefits are as follows:

a) Defined contribution plans

'Contribution to provident and other funds' is recognised as an expense in Note 25 'Employee benefits expense' of the statement of profit and loss.

b) Defined benefit plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

		₹ Millions)	Mar-20	Mar-19
		Gratuity (Non Funded)		
i)	Expenses recognised during the year			
1	Current service cost		121	67
2	Interest cost		50	34
3	Past service cost		-	230
	Total Expenses		171	331
ii)	Amount recognised in other comprehensive income (OCI)			
1	Opening amount recognised in OCI		77	(27)
2	Remeasurement during the period due to			
	- Changes in financial assumptions		(169)	16
	- Changes in demographic assumptions		(8)	(0)
	- Changes in experience charges		66	88
	Closing amount recognised in OCI		(34)	77
iii)	Net liability recognised in the Balance Sheet as at 31 March			
1	Present value of Defined Benefit Obligation (DBO)		815	796
2	Net liability		815	796
iv)	Reconciliation of net liability recognised in the Balance Sheet			
1	Net liability at the beginning of year		796	404
2	Transferred during the year		-	-
3	Expense as per (i) above		171	331
4	Other comprehensive income as per (ii) above		(111)	104
5	Liabilities transferred on divestiture		-	(8)
6	Benefits paid		(41)	(35)
	Net liability at the end of the year		815	796
v)	The following payments are expected to defined benefit plan in future years :			
1	Expected benefits for year 1		34	22
2	Expected benefits for year 2 to year 5		149	128
3	Expected benefits beyond year 5		2307	2,889

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		Mar-20	Mar-19
vi)	Actuarial assumptions		
1	Discount rate	6.73%	7.71%
2	Expected rate of salary increase	7.00%	9.50%
3	Mortality	IAL (2012-14)	IAL (2012-14)

vii) The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

viii) Sensitivity analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

	₹ Millions)	Mar-20	Mar-19
1	Impact of increase in 50 bps on DBO - discount rate	769	744
2	Impact of decrease in 50 bps on DBO - discount rate	863	852
3	Impact of increase in 50 bps on DBO - salary escalation rate	864	838
4	Impact of decrease in 50 bps on DBO - salary escalation rate	768	757

Notes:

1 The current service cost recognised as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

2 The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

c Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.



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- 50.** The Company had a fixed deposit with a bank of ₹ 2,000 Millions. During the month of July 2019, the bank had prematurely and unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain non-group related parties (promoter group entities). Subsequently, these related parties have paid the said amount to the Company along with the interest thereon amounting to ₹ 25 Millions. The Audit Committee had advised the management to investigate the matter fully and take appropriate action. The report of the findings was presented to the Audit Committee and taken on record that there were no exceptions.

Based on legal advice, and the fact that the related parties have paid the said amount, along with interest, the Audit Committee and the Board of Directors of the Company had approved the setting-off of the amounts received from the related parties with the aforesaid fixed deposit based on communication received from related parties. Subsequent to the year end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication / documentation for this matter.

- 51.** During the previous year, considering the increasing competition and content cost inflation, the Company adopted an aggressive differentiated movie library expansion strategy and entered into strategic content partnerships with major production houses, movie studios and creative partners for movies monetization on Zee5, domestic and international broadcast businesses. Accordingly, the Company had provided advances to content aggregators and their agencies (sub-agents) for movie library acquisition and advances aggregating ₹ 2,450 Millions (net of inventories acquired) were outstanding as on 31 March 2019. During the year, the Company has received inventories of the value of ₹ 1,950 Millions and refund aggregating to ₹ 500 Millions from the parties, along with interest of ₹ 19 Millions which is accounted under the head 'Other Income'.

Further, during the previous year, as part of the aforesaid business strategy, the Company had entered into certain output deals for future rights and given unsecured interest-free deposits aggregating ₹ 6,930 Millions for a period of eleven months to the aggregators. During the year, the Company received rights aggregating ₹ 2,205 Millions and has received refund of ₹ 525 Millions. The balance amount has been renewed as an advance.

52. RELATED PARTY DISCLOSURES

a) **List of parties where control exists**

Subsidiary companies

i) **Wholly owned (direct and indirect subsidiaries)**

Asia Multimedia Distribution Inc.; Asia Today Limited; Asia Today Singapore Pte Limited; Asia TV GmbH; Asia TV USA Limited; Asia TV Limited; ATL Media FZ-LLC; ATL Media Ltd.; *Eevee Multimedia Inc.; Essel Vision Productions Limited; Expand Fast Holdings (Singapore) Pte. Limited; Fly-By-Wire International Private Limited; Idea Shop Web and Media Private Limited (held through India Webportal Private Limited); India Webportal Private Limited; OOO Zee CIS Holding LLC; OOO Zee CIS LLC; Pantheon Productions Limited; Taj TV Limited; Zee Digital Convergence Limited; Zee Entertainment Middle East FZ-LLC; Zee Multimedia Worldwide (Mauritius) Limited; Zee Network Distribution Limited (formerly known as Zee Turner Limited extent of holding 100% w.e.f. 06 August 2019); Zee Technologies (Guangzhou) Limited; Zee TV South Africa (Proprietary) Limited; Zee Unimedia Limited; Z5X Global FZ-LLC; Zee Studios International Limited; Zee TV USA Inc.

*Deregistered as on 31 March 2020.

ii) **Other subsidiaries**

Zee Network Distribution Limited (formerly known as Zee Turner Limited extent of holding 100% w.e.f. 06 August 2019); Margo Networks Private Limited (extent of holding 80% w.e.f. 17 April 2017).

b) **Associates**

Aplab Limited (Upto 15 January 2019); Asia Today Thailand Limited (extent of holding 25% through Asia Today Singapore Pte Limited).

c) **Joint venture**

Media Pro Enterprise India Private Limited (extent of holding 50% through Zee Network Distribution Limited formerly known as Zee Turner Limited extent of holding 100% w.e.f. 06 August 2019).

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- d) Other related parties consist of Companies controlled by key management personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Asian Satellite Broadcast Private Limited; Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Creantum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited*; Dish TV India Limited*; Edisons Infrapower & Multiventures Private Limited; Essel Finance VKC Forex Limited; Essel Corporate LLP; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Essel Finance Wealth Zone Private Limited; Essel Green Mobility Limited; Essel Realty Private Limited; Essel Utilities Distribution Company Limited; Evenness Business Excellence Services Limited (Formerly known as Essel Business Excellence Services Limited); EZ Buy Private Limited; EZ Mall Online Limited; Indian Cable Net Company Limited; Konti Infrapower & Multiventures Private Limited; Liberium Global Resources Private Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Omnitrade Marketing Services Private Limited; Pan India Infraprojects Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Procall Infra & Utilities Private Limited; Real Media FZ-LLC; Shirpur Gold Refinery Limited; Siti Broadband Services Private Limited; Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communication Private Limited; Siti Karnal Digital Media Network Private Limited; Siti Networks Limited; Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Saistar Digital Media Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Subhash Chandra Foundation; Today Merchandise Private Limited; Veria International Limited; Widescreen Holdings Private Limited; Zee Aakash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited; Zen Cruises Private Limited.

* Related party till 31 March 2019.

Directors / Key Management Personnel

Dr. Subhash Chandra (Non-Executive Director); Punit Goenka (Managing Director & CEO); Ashok Kurien (Non-Executive Director); Subodh Kumar (Non-Executive Director) Upto 22 November 2019; Prof. Sunil Sharma (Independent Director) Upto 24 November 2019; Prof. Neharika Vohra (Independent Director) Upto 22 November 2019; Manish Chokhani (Independent Director); Adesh Kumar Gupta (Independent Director); R Gopalan (Independent Director) w.e.f. 25 November 2019; Surender Singh (Independent Director) w.e.f. 25 November 2019 upto 20 March 2020; Aparajita Jain (Independent Director) w.e.f. 25 November 2019 upto 20 March 2020; Piyush Pandey (Independent Director) w.e.f. 24 March 2020.

e)	Disclosure in respect of related party transactions and balances as at and during the year	(₹ Millions)	
Sl. No.	Particulars	Mar 20	Mar 19
Transactions during the year			
A)	Non-Current Investments		
I)	Investments purchased/ subscribed		
	Subsidiaries	-	1,239
II)	Investments sold		
	Subsidiaries	180	120
	Associate	-	2
B)	Revenue from operations		
I)	Advertisement income		
	Subsidiaries	-	3
	Other Related Parties	22	126
II)	Subscription income		
	Other Related Parties	1,955	6,227
III)	Share of subscription income payable		
	Subsidiaries	1,677	1,148
	Other Related Parties	611	683
IV)	Commission - Space Selling		
	Subsidiaries	68	162
	Other Related Parties	267	389



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(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
V)	Transmission income		
	Subsidiaries	246	327
	Other Related Parties	152	112
VI)	Sales - Media Content		
	Subsidiaries	807	1,120
VII)	Other Operating Income		
	Subsidiaries (₹ 50,000)	0	1
	Other Related Parties	7	-
C)	Other Income		
I)	Dividend income		
	Subsidiaries	90	-
II)	Rent/ Miscellaneous income		
	Subsidiaries (₹ 312,000/- (₹ 300,000/-))	0	0
	Other Related Parties	266	345
III)	Interest income		
	Other Related Parties	25	172
IV)	Liabilities / Excess provision written back		
	Other Related Parties	-	68
D)	Purchase - Media Content		
	Subsidiaries	5,068	3,250
E)	Purchase of Services		
	Subsidiaries	290	333
	Other Related Parties	3,009	2,936
F)	Recoveries/(Reimbursement) (net)		
	Subsidiaries	151	302
	Other Related Parties	181	306
G)	Loans, Advances and Deposits given		
	Other Related Parties	12	-
H)	Loans, Advances and Deposits Repayment received		
	Subsidiaries	175	-
	Other Related Parties	54	24
I)	Loans, Advances and Deposits Repayment given		
	Other Related Parties #	43	1,752
J)	Provision for Loans, Advance and Deposit Given / Other Receivables (Refer note 48 d ii)		
	Other Related Parties	3,570	-

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FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
K)	Amount paid by other related parties (Refer note 50)		
	Other Related Parties	2,025	-
L)	Corporate Social Responsibility		
	Other Related Parties	-	222
M)	Remuneration to Managing Director & CEO		
	Short term employee benefits*	90	83
N)	Commission and sitting fees		
	Non-executive directors	37	23
O)	Dividend paid		
	Director (₹ 11,099/- (₹ 1,140/-))	0	0

(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
	Balance as at 31 March		
A)	Investment		
	Subsidiaries	7,774	12,302
B)	Trade Receivables		
	Subsidiaries	2,311	1,686
	Other Related Parties	1,218	5,259
C)	Loans, Advances And Deposits Given		
	Subsidiaries	-	175
	Other Related Parties	408	2,233
D)	Other Receivables		
	Subsidiaries	910	750
	Other Related Parties	490	773
E)	Trade Advances and Deposits Received		
	Joint Venture	-	2
	Other Related Parties	33	81
F)	Trade/Other Payables		
	Subsidiaries	493	1,287
	Other Related Parties	690	762
G)	Due To Principals		
	Subsidiaries	528	520
H)	Corporate Guarantees given		
	Other Related Parties	1,637	1,137

Includes assignment of loan given worth ₹ 1,706 Millions.

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

**NOTES****FORMING PART OF THE FINANCIAL STATEMENTS**

f) Disclosure in respect of material related party which account for 10% or more of the transactions and balances as at and during the year

(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
	Transactions during the year		
A)	Non-current investments		
I)	Investments purchased / subscribed		
	Debenture - Essel Vision Productions Limited	-	1,239
II)	Investments sold		
	Redemption of Debenture - Fly-By-Wire International Private Limited	180	120
	Others	-	2
B)	Revenue from operations		
I)	Advertisement income		
	Dish TV India Limited	-	108
	Living Entertainment Enterprises Private Limited	4	2
	Zee Media Corporation Limited	15	13
	Others	3	6
II)	Subscription income		
	Dish TV India Limited	-	4,839
	Siti Networks Limited	1,233	1,012
	Indian Cable Net Company Limited	722	376
III)	Share of subscription income payable		
	ATL Media Limited	1,677	1,148
	Living Entertainment Enterprises Private Limited	229	210
	Zee Media Corporation Limited	382	473
IV)	Commission - Space selling		
	ATL Media Limited	45	119
	Zee Media Corporation Limited	224	345
	Zee Aakash News Private Limited	35	23
	Others	31	64
V)	Transmission income		
	Asia Today Limited	172	264
	ATL Media Limited	74	63
	Living Entertainment Enterprises Private Limited	47	33
	Zee Media Corporation Limited	105	79
VI)	Sales - Media content		
	Asia Today Limited	807	1,120
VII)	Other operating income		
	Essel Vision Productions Limited (₹ 50,000/-)	0	1
	Zee Media Corporation Limited	7	-
C)	Other income		
I)	Dividend income		
	Fly-By-Wire International Private Limited	90	-
II)	Rent/ miscellaneous income		
	Siti Networks Limited	32	29

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(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
	Zee Media Corporation Limited	149	133
	Evenness Business Excellence Services Limited	38	44
	Essel Infra Projects Limited	27	49
	Others	20	90
III)	Interest income		
	Widescreen Holdings Private Limited	-	47
	Konti Infrapower & Multiventures Private Limited	-	57
	Edison Infrapower & Multiventures Private Limited	-	57
	Pan India Infraprojects Private Limited	6	-
	Essel Corporate Resources Private Limited	3	-
	Pan India Network Infravest Limited	6	-
	Living Entertainment Enterprises Private Limited	2	-
	Evenness Business Excellence Services Limited	3	-
	Others	5	11
IV)	Liabilities / excess provision written back		
	Dish TV India Limited	-	68
D)	Purchase - Media content		
	Essel Vision Productions Limited	3,881	3,082
	ATL Media Limited	1,187	168
E)	Purchase of services		
	Broadcast Audience Research Council	368	383
	Digital Subscriber Management and Consultancy Services Private Limited	580	581
	Siti Networks Limited	380	249
	Evenness Business Excellence Services Limited	622	743
	Others	1,349	1,313
F)	Recoveries / (reimbursement) (net)		
	ATL Media Limited	151	302
	Living Entertainment Enterprises Private Limited	(38)	(15)
	Zee Media Corporation Limited	141	152
	Evenness Business Excellence Services Limited	41	34
	Others	37	135
G)	Loans, advances and deposits given		
	Indian Cable Net Company Limited	12	-
H)	Loans, Advances and Deposits Repayment received		
	Essel Corporate LLP	-	12
	Fly-By-Wire International Private Limited	175	-
	Evenness Business Excellence Services Limited	40	-
	Broadcast Audience Research Council	9	9
	Cyquator Media Services Pvt. Ltd	-	3
	Others	5	-
I)	Loans, Advances and Deposits Repayment given #		
	Widescreen Holdings Private Limited	-	460

**NOTES****FORMING PART OF THE FINANCIAL STATEMENTS**

(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
	Konti Infrapower & Multiventures Private Limited	-	560
	Edison Infrapower & Multiventures Private Limited	-	570
	Zee Media Corporation Limited	37	-
	Diligent Media Corporation Limited	6	-
	Others	-	162
J)	Provision for Loans, Advance and Deposit Given / Other Receivables (Refer note 48 d ii)		
	Widescreen Holdings Private Limited	460	-
	Konti Infrapower & Multiventures Private Limited	560	-
	Living Entertainment Enterprises Private Limited	324	-
	Siti Networks Limited	1,179	-
	Essel Infra Projects Limited	149	-
	Edisons Infrapower & Multiventures Private Limited	570	-
	Others	328	-
K)	Amount paid by other related parties (Refer note 50)		
	Pan India Infraprojects Private Limited	523	-
	Essel Green Mobility Limited	173	-
	Essel Corporate Resources Private Limited	226	-
	Essel Utilities Distribution Company Limited	194	-
	Pan India Network Infravest Limited	499	-
	Living Entertainment Enterprises Private Limited	176	-
	Evenness Business Excellence Services Limited	233	-
L)	Corporate Social Responsibility		
	Subhash Chandra Foundation	-	222
M)	Remuneration to Managing Director & CEO		
	Short term employee benefits*	90	83
N)	Commission and sitting fees		
	Non-executive directors	37	23
O)	Dividend paid		
	Director (₹ 11,099/- (₹ 1,140/-))	0	0

(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
Balance as at 31 March			
A)	Investment		
	Equity Shares of Zee Multimedia Worldwide Limited, BVI	2,584	2,584
	Equity Shares of ATL Media Limited	2,515	2,515
	Debentures - Essel Vision Productions Limited	1,555	5,904
	Others	1,120	1,299
B)	Trade Receivables		
	Asia Today Limited	1,874	1,481
	Dish TV India Limited	-	3,272
	Siti Networks Limited (net of provision)	812	1,278

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(₹ Millions)

Sl. No.	Particulars	Mar 20	Mar 19
	Indian Cable Net Company Limited	328	413
	Others (net of provision)	515	501
C)	Loans, Advances And Deposits Given		
	Digital Subscriber Management and Consultancy Services Private Limited	340	340
	Widescreen Holdings Private Limited	-	481
	Konti Infrapower & Multiventures Private Limited	-	586
	Edison Infrapower & Multiventures Private Limited	-	595
	Others	68	406
D)	Other receivables		
	ATL Media Limited	772	696
	Siti Networks Limited	162	106
	Others (net of provision)	466	721
E)	Trade advances and deposits received		
	Essel Corporate LLP	10	10
	Essel Infra Projects Limited	12	12
	Zee Media Corporation Limited	9	46
	Others	2	15
F)	Trade / other payables		
	ATL Media Limited	314	247
	Zee Media Corporation Limited	212	113
	Siti Networks Limited	179	52
	Indian Cable Net Company Limited	159	160
	Essel Vision Productions Limited	-	922
	Others	319	554
G)	Due to principals		
	Asia Today Limited	112	47
	ATL Media Limited	416	473
I)	Corporate guarantees given		
	Broadcast Audience Research Council	34	170
	Siti Networks Limited ^	1,166	967
	Zee Learn Limited	437	-

Includes assignment of loan given worth ₹ 1,706 Millions.

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

^ Loan outstanding ₹ 2,523 Millions (₹ 3,698 Millions).

53. SEGMENT INFORMATION

The Company has presented segment information on the basis of the consolidated financial statements as permitted by Ind AS 108 - Operating Segments.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai **Date:** 24 July 2020

R Gopalan
Director

Ashish Aggarwal
Company Secretary

LAST FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ending March 31	Consolidated					Standalone				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Revenue Account										
Income from Operations	81,299	79,339	66,857	64,342	58,125	72,190	68,579	57,956	50,249	42,065
Total Expenses	64,953	53,700	46,095	45,073	42,989	53,116	41,494	37,459	33,699	30,332
Operating Profit	16,346	25,639	20,762	19,269	15,136	19,074	27,085	20,497	16,550	11,733
% to Income from Operations	20%	32%	31%	30%	26%	26%	39%	35%	33%	28%
Other Income	2,836	2,515	4,403	2,240	1,951	2,278	1,894	9,818	3,479	2,260
PBITD and Fair Value adjustments	19,182	28,154	25,165	21,509	17,087	21,352	28,979	30,315	20,029	13,993
Financial Expenses	1,449	1,304	1,448	1,372	1,598	1,390	1,284	1,426	1,272	1,486
Fair value through profit and loss	2,597	(36)	68	2,205	673	3,314	(68)	180	2,216	609
Depreciation / Amortisation	2,706	2,347	1,821	1,152	777	1,776	1,589	1,398	860	599
Add: Share of Results of Associates and Joint ventures	(24)	24	12	(5)	19	-	-	-	-	-
Profit Before Tax & Exceptional Items	12,406	24,563	21,841	16,775	14,059	14,872	26,174	27,311	15,681	11,299
Exceptional Items	(2,843)	(218)	1,346	12,234	(331)	(2,843)	(218)	-	470	-
Taxation	4,317	8,673	8,409	6,808	5,491	4,549	9,406	8,192	6,467	4,717
Profit After Tax before non controlling interest	5,246	15,672	14,778	22,201	8,237	7,480	16,550	19,119	9,684	6,582
Less: Non Controlling Interest	(19)	1	(14)	(12)	5	-	-	-	-	-
Profit After Tax for the year	5,265	15,671	14,791	22,213	8,232	7,480	16,550	19,119	9,684	6,582
% to Total Income	6%	19%	21%	33%	14%	10%	23%	28%	18%	15%
Dividend	288	3,362	2,785	2,401	2,161	288	3,362	2,785	2,401	2,161
Dividend Rate	30%	350%	290%	250%	225%	30%	350%	290%	250%	225%
Capital Account										
Share Capital - Equity	960	960	960	960	960	960	960	960	960	960
Share Capital - Preference	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	92,479	88,279	74,657	65,944	47,079	75,584	70,354	57,237	42,511	35,119
Deferred Tax Balances	(2,742)	1,262	1,996	(903)	(648)	(2,124)	1,477	2,209	(648)	(325)
Non-Controlling Interests	110	143	142	10	22	-	-	-	-	-
Loan Funds**	2,986	7,429	11,452	18,208	17,149	2,985	7,426	11,452	18,208	17,149
Capital Employed	93,793	98,073	89,207	84,219	64,562	77,405	80,217	71,858	61,031	52,903
Eff. Capital Employed	96,535	96,812	87,211	85,122	65,210	79,529	78,740	69,649	61,679	53,228
Eff. Networth	93,439	89,239	75,617	66,904	48,039	76,544	71,314	58,197	43,471	36,079
Tangible and intangible assets	13,979	15,706	15,682	10,714	15,409	7,179	8,963	9,667	6,005	4,374
Investments (Including Current Investments)	3,248	9,765	15,290	13,432	10,499	8,543	15,722	19,878	24,121	21,342
Net Assets	76,566	72,602	58,235	60,073	38,654	61,682	55,531	42,313	30,905	27,187
Capital Deployed	93,793	98,073	89,207	84,219	64,562	77,405	80,217	71,858	61,031	52,903
Closing market price per share of ₹ 1	123.95	445.50	575.50	534.65	386.40	123.95	445.50	575.50	534.65	386.40
Market capitalisation	119,052	427,888	552,741	513,504	371,117	119,052	427,888	552,741	513,504	371,117

"0" (Zero) denotes amounts less than a million

PERFORMANCE RATIOS - AN ANALYSIS

Year Ending March 31	Consolidated					Standalone				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
Financial Performance										
Advertisement Income/Income from Operations (%)	57.6%	63.5%	62.9%	57.1%	57.9%	61.1%	68.4%	66.7%	65.4%	68.5%
Subscription Income/Income from Operations (%)	35.5%	29.1%	30.3%	35.2%	35.4%	33.2%	26.4%	26.6%	28.2%	25.6%
Operating Profit/Income from Operations (%)	20.1%	32.3%	31.1%	29.9%	26.0%	26.4%	39.5%	35.4%	32.9%	27.9%
Other Income/Total Income (%)	3.4%	3.1%	6.2%	3.4%	3.2%	3.1%	2.7%	14.5%	6.5%	5.1%
Programming Cost/Income from Operations (%)	44.4%	36.1%	35.3%	40.8%	42.4%	43.6%	33.0%	36.0%	39.0%	42.3%
Personnel Cost/Income from Operations (%)	9.6%	9.1%	10.0%	9.4%	8.6%	8.5%	7.9%	8.2%	8.9%	7.4%
Selling and Admin Expenses/Income from Operations (%)	23.2%	19.8%	21.2%	17.5%	20.7%	19.1%	17.6%	18.6%	17.6%	21.2%
Total Operating Cost/Income from Operations (%)	79.9%	67.7%	68.9%	70.1%	74.0%	73.6%	60.5%	64.6%	67.1%	72.1%
Financial Expenses/Income from Operations (%)	1.8%	1.6%	2.2%	2.1%	2.7%	1.9%	1.9%	2.5%	2.5%	3.5%
Tax/Income from Operations (%)	5.3%	10.9%	12.6%	10.6%	9.4%	6.3%	13.7%	14.1%	12.9%	11.2%
PAT for the year/Total Income (%)	6.2%	19.1%	20.7%	33.3%	13.7%	10.0%	23.5%	28.2%	18.0%	14.8%
Tax/PBT (%)	45.1%	35.6%	36.3%	23.5%	40.0%	37.8%	36.2%	30.0%	40.0%	41.8%
Dividend Payout/PAT for the year (%)	5.5%	21.4%	18.8%	10.8%	26.2%	3.9%	20.3%	14.6%	24.8%	32.8%
Dividend Payout/Effective Networth (%)	0.3%	3.8%	3.7%	3.6%	4.5%	0.4%	4.7%	4.8%	5.5%	6.0%
Balance Sheet										
Debt-Equity ratio (Total loans/Eff. Networth) (%)	3.2%	8.3%	15.1%	27.2%	35.7%	3.9%	10.4%	19.7%	41.9%	47.5%
Current ratio (Current assets/Current liabilities) (x)	4.0	3.5	3.7	4.9	4.0	3.8	3.0	3.1	3.9	4.3
Capital Output Ratio (Inc from Ops/Eff. Capital employed) (x)	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.8	0.8	0.8
Tangible / intangible assets Turnover (Inc from Ops/ Tangible / intangible assets)^	8.2	7.6	6.5	8.0	8.9	13.6	11.5	9.0	9.3	9.6
Cash & cash equivalents/Total Eff.capital employed @ (%)	7.6%	12.6%	18.5%	30.7%	14.8%	6.1%	11.0%	16.9%	9.0%	7.2%
RONW (PAT for the year/Eff. Networth) (%)	5.6%	17.6%	19.5%	33.2%	17.1%	9.8%	23.2%	32.9%	22.3%	18.2%
ROCE (PBIT/Eff. Capital employed) (%)	11.4%	26.5%	28.2%	35.7%	23.5%	16.9%	34.6%	41.3%	28.2%	24.0%
Per Share Data #										
Total Income per share (₹)	87.6	85.2	74.2	69.4	62.6	77.6	73.4	70.6	56.0	46.2
Dividend per share (₹)	0.30	3.50	2.90	2.50	2.25	0.30	3.50	2.90	2.50	2.25
Indebtedness per share (₹)	3.1	7.7	11.9	19.0	17.9	3.1	7.7	11.9	19.0	17.9
Book value per share (₹)	97.3	92.9	78.8	69.7	50.0	79.7	74.3	60.6	45.3	37.6
Earnings per share (₹)	5.48	16.3	15.4	23.1	8.6	-	-	-	-	-
PE Ratio -Price/EPS Ratio (Share Price as of March 31,) (x)	22.6	27.3	37.4	23.1	45.1	-	-	-	-	-

Note :

** Loan funds represents non current portion of borrowings i.e. redeemable preference shares, other borrowings and vehicle loans, excludes lease liabilities.

^ Excludes Goodwill on consolidation of ₹ 4,070 Million (₹ 5,252 Million) and ₹ 1,881 Million (₹ 3,018 Million) for the consolidated and standalone entity respectively.

@ Includes bank balance ₹ 1,816 Million (₹ 2,541 Million) and ₹ 1,005 Million (₹ 109 Million) for the consolidated and standalone entity respectively.

Annualised



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Zee Entertainment Enterprises Limited (the Parent/Company) and its subsidiaries, (the Parent and its subsidiaries together referred to as 'the Group') which includes the Group's share of loss in its associate and joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associate and joint venture referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to note 36 (A) to the consolidated financial statement, where the Group has explained the reasons for not recognizing the liability against the Put Option agreement which was initially entered on 20 January 2016 and which was renewed on 29 July 2019 to be valid until 30 December 2026 to purchase 64.38% of the issued share capital held by Living Entertainment Limited (LEL), a related party, of Veria International Limited (VIL), another related party of the Group (total value of the Put Option \$52.50 million (₹. 3,927 million) as at 31 March 2020) entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent. In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of the Bank. As explained in the note, the Put Option matter is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the Put Option in the financial statements of ATL that have been provided for inclusion in the consolidated financial statements of the Parent. Further, the auditors of ATL have been unable to comment on the Management's statement in the said note that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2017 to 31 March 2019), they had concluded that the value of the underlying shares in VIL was higher than the exercise price, since they have not been able to obtain appropriate evidence to audit the cash flow projections of VIL included in such valuation reports. In the absence of appropriate audit evidences to support the valuation of the Put Option in the prior periods, the auditors of ATL have been unable to comment if any adjustments are required in the financial statements of ATL provided for inclusion in the consolidated financial statements of the Parent for the prior periods when the Put Option was in existence. Consequently, we are unable to comment if any adjustments are

required to these consolidated financial statements in respect of the said Put Option, including in respect of the comparative/ corresponding amounts for the prior periods presented in these consolidated financial statements and to the opening balances considered in respect of the previous year ended 31 March 2019.

In continuation to the modification described above, we draw attention to Note 36 (B) to the consolidated financial statements regarding the Letter of Comfort (LOC) issued, in an earlier year, by the Parent to the aforesaid Bank in connection with the said borrowing by LEL, from the Bank, confirming among other matters, to support ATL, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring the aforesaid Put Option entered into by ATL with LEL.

In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the Put Option, subsequent to the year-end, the Bank filed a plaint against the Parent in the Hon'ble High Court of Bombay on the grounds, among other matters, seeking ad-interim application with a main prayer that the aforesaid LOC is a guarantee given by the Parent. The Hon'ble High Court has refused the ad-interim relief sought by the Bank. Consequently, the Parent has not considered the LOC as a financial guarantee. The Bank has preferred an appeal against the Order and the Parent is contesting the bank's claim in the Hon'ble High Court. Since the matters are currently sub-judice, we are unable to determine whether any further adjustment, in addition to any adjustments on the Put Option by ATL referred above, is required to be made in respect of such LOC given by the Parent, in the books of account and on compliance with the requirements of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's response	Key Audit Matter	Auditor's response
Goodwill impairment assessment as at 31 March 2020:	Principal audit procedures performed:	Audit of transactions involving payment of advance for movie rights acquisitions:	Principal audit procedures performed:
<p>The consolidated financial statements reflect goodwill aggregating ₹ 4,070 million recognised mainly for the acquisition and allocated to following cash generating unit (CGUs):</p> <ol style="list-style-type: none"> 1. Online Media Business (₹ 1,260 million (net of impairment of ₹ 1,355 million)); 2. International business (₹ 2,013 million); and 3. Regional channel in India (₹ 621 million). <p>We considered this as key audit matter due to the significance of the balance of goodwill and because of the Group's assessment of the fair value less cost of disposal (FVLCD) and value-in-use (VIU) calculations of the CGU, which involve significant judgements about the valuation methodology, future performance of business including likely impact on account of lockdowns due to spread of COVID-19 pandemic and discount rate applied to future cash flow projections.</p> <p>Refer note 7 of the consolidated financial statements.</p>		<p>Our procedures consisted of understanding the Management's methodology and key assumptions and included performance of the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluated the design and operating effectiveness of internal controls relating to review of goodwill impairment testing performed by Management; • Validating impairment models through testing of the mathematical accuracy and verifying the application of the key input assumptions; • Understanding the underlying process used to determine the risk adjusted discount rates; • Assessing the appropriateness of significant changes to assumptions since the prior period; • Validating the cash flow forecasts with reference to historical forecasts and actual performance to support any significant expected future changes to the business. Review of the factors considered by the Management on the business projections on account of lockdowns due to spread of COVID-19 pandemic; • Working with auditor's valuation experts to benchmark the discount rates and perpetual growth rates applied by the Group for the purposes of computing VIU; • We have also engaged auditor's valuation experts to assist us in evaluating the FVLCD determined by the Group. The valuation experts independently evaluated revenue multiple used in determination of FVLCD. <p>The Parent pays advances for acquiring movies from aggregators, sub-agents of aggregators and production houses. During the year, the Company paid advances to such aggregators and production houses (including conversion of unsecured interest-free deposits given to such aggregators to advances) for acquiring rights of movies on the basis of Memorandum of Understanding (MOU) and/or agreements entered into with the respective aggregators or production houses.</p> <p>We considered this as key audit matter on account of the value of such movie advances and the risks associated with non-performance. In addition, there was a material weakness which was identified in respect of the controls over the payment of advances to agencies (sub-agents) of aggregators for movie library acquisition in the previous year.</p> <p>Refer note 37 of the consolidated financial statements.</p>	

Key Audit Matter	Auditor's response			
Recoverability of long overdue receivables from two customers (and their group companies):	Principal audit procedures performed: <ul style="list-style-type: none"> • Evaluated the design and operating effectiveness of internal controls relating to the assessment of recoverability of receivables and determination of the provision for expected credit loss; • Verified the completeness and accuracy of data considered for aging analysis and assessment of recoverability of receivables and determination of the provision for expected credit loss; • Obtained the payment plan agreed by the Company (approved by the Board of Directors) with the two customers and checked if the collections were in line with the agreed payment plan; • Evaluated whether the provision for expected credit loss recorded by the Parent is appropriate considering specific factors like credit worthiness of these customers and adherence to the payment plan agreed with the Parent; • Obtained direct confirmations from the two customers as at the year-end for the outstanding balances. 	The Parent has receivables aggregating ₹ 6,600 million (net of allowance for doubtful debts) from two customers (and their group companies), which include amounts which are long overdue, as at 31 March 2020.		
We considered this as key audit matter on account of risk associated with long outstanding receivables from these customers, the Parent's assessment of the recoverability of these receivables and consequent determination of provision for expected credit loss which requires significant Management estimates and judgments.	Specific factors considered by the Management includes credit worthiness of these customers, adherence to the payment plan agreed by the Parent with these customers, including ageing analysis.	Refer note 44 d (ii) of the consolidated financial statements.		
Matter of litigation relating to the Put Option issued by a wholly owned subsidiary which was assigned in favour of Yes Bank Limited (Bank) and the Letter of Comfort (LOC) issued by the Parent to the Bank to support the subsidiary meet its obligations:	Principal audit procedures performed:			
During the financial year ended 31 March 2016, ATL Media Limited (ATL), a wholly owned subsidiary of the Parent had entered into a Put Option Agreement with Living Entertainment Limited (LEL), a related party, to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure borrowings, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at \$52.50 million (₹ 3,927 million as at 31 March 2020) for the same number of shares of VIL and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price.	<ul style="list-style-type: none"> • Circulated direct balance confirmations to the bankers of the Parent, including Yes Bank Limited, for balances as at 31 March 2020; • Perused the legal opinions obtained by the Management from various lawyers based on which the Management has concluded that LOC is not in the nature of guarantee; • Perused the briefs for the legal opinion provided by the Management to the lawyers; • Independently obtained a legal opinion from an external law firm to evaluate the Management's assertion that the LOC is not in the nature of a guarantee on the Put Option; 	Subsequent to year-end, ATL claims to have been made aware of certain misrepresentations by LEL at the time of renewal of the Put Option agreement on 29 July 2019. Consequently, ATL has rescinded the Put Option on grounds of misrepresentation and also filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius. The Parent had, in May 2016, issued a Letter of Comfort (LOC) to Yes Bank Limited in connection with the aforesaid borrowing by LEL from the said Bank, confirming among other matters, to support ATL by way of infusion of equity/debt for meeting various requirements of ATL, including honouring a Put Option entered into by ATL with LEL.		
			Subsequent to the year-end, the Bank filed a plaint in the Hon'ble High Court of Bombay on the grounds, among other matters, seeking ad-interim application with a main prayer that the aforesaid LOC is a guarantee given by the Parent. The Parent has not considered the LOC as a financial guarantee.	
			We considered this as key audit matter on account of these being sub-judice and due to any other consequential impacts.	
			This matter is also a subject matter of a qualification included in the Basis of Qualified Opinion section above.	
			Refer note 36 of the consolidated financial statements.	

Key Audit Matter	Auditor's response	Information Other than the Financial Statements and Auditor's Report Thereon
<p>Transaction involving fixed deposit of the Parent placed with a Bank and the Bank's adjustment of the fixed deposit against dues of related parties</p> <p>A Bank, during the month of July 2019, had prematurely and, as represented by the Management, unilaterally adjusted the amount of the fixed deposit of ₹ 2,000 million, which was maturing on 10 September 2019, against the dues of certain related parties (promoter group companies). These related parties have, subsequently, during the year paid the amount of ₹ 2,000 million along with interest thereon aggregating ₹ 25 million to the Parent, which have been adjusted by the Parent against the said fixed deposit.</p> <p>Subsequent to the year-end, the Parent has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.</p> <p>Considering the significance of the matter, this has been viewed as a key audit matter.</p> <p>Refer note 45 of the consolidated financial statements.</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> • Obtained direct confirmation from the Bank as at 31 March 2019 to identify if the Bank had confirmed any lien against the fixed deposit; • Based on the register of charges and minutes of the meeting of the Board of Directors of the Parent, evaluated whether a lien existed on these fixed deposits • Communicated with the Audit Committee of the Parent during the quarters ended 30 September 2019 and 31 December 2019 about the transaction and requested them to initiate steps to understand the reasons from the Bank for adjusting the fixed deposit against dues of certain related parties; • Perused the legal advice received by the Management from external counsel for the possible course of action available for the Parent and understood the subsequent steps taken by the Management of the parent in this regard, including their communication with the Bank expressing their non-acceptance of the adjustment of the fixed deposit amount by the Bank and seeking information regarding the basis on which the Bank initiated such action; • Tested the amounts received from the related parties in whose favour the Bank had adjusted the fixed deposit. Perused through the communication received from the related parties in this regard; • Perused through the documentation for the understanding between the Parent and the Bank in relation to the aforesaid adjustment. Further, understood the legal enforceability of the said documentation based on legal advice obtained by the Management; • Perused through the report of the investigation performed by Management auditor, which was presented to the Audit Committee and taken on record and discussed with the Management auditor to understand the nature and extent of such work performed. 	<p>• The Parent's Board of Directors is responsible for the other information. The other information comprises of information included in the Management Discussion and Analysis, Directors' Report including Annexures to the Directors' Report, Corporate Governance and Shareholders' Information, but does not include the standalone and consolidated financial statements and our auditor's reports thereon.</p> <p>• Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p> <p>• In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint venture and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, associate and joint venture, is traced from their financial statements audited by the other auditors.</p> <p>• If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.</p>

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.



Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 28 subsidiaries whose financial statements reflect total assets of ₹ 59,113 million as at 31 March 2020, total revenues of ₹ 20,000 million and net cash inflows amounting to ₹ 605 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 24 million for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of an associate and a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associate is based solely on the reports of the other auditors.
- (b) We did not audit the financial information of a subsidiary, whose financial information reflect total assets of ₹ 2 million as at 31 March 2020, total revenues of ₹ 9 million and net cash flow amounting to ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associate and joint venture referred to in the Other Matters section above we report, to the extent applicable that:
- a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and joint venture company incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
 - g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A' which is based on the auditors' reports of the Parent, subsidiary companies and joint venture company incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) Except for the possible effect of the matter described in the Basis for Qualified Opinion section above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture;
 - ii) Except for the possible effect of the matter described in the Basis of Qualified Opinion section above, provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture company incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488
UDIN: 20046488AAAABS6065

Mumbai, 24 July 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of Zee Entertainment Enterprises Limited (hereinafter referred to as the 'Parent') and its subsidiary companies and a joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and a joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and a joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and a joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Parent's internal financial controls over financial reporting as at 31 March 2020:

We draw attention to Note 36 of the consolidated financial statements regarding the Put Option Agreement entered into between ATL Media Limited (ATL), a wholly owned subsidiary of the Parent and Living Entertainment Limited (LEL), a related party, which was assigned by such related party in favor of Yes Bank Limited, pursuant to which the Parent issued a Letter of Comfort (LOC) to that Bank confirming, among other matters, to support its subsidiary by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honoring the Put Option, take or pay agreements and guarantees. The Parents financial reporting process did not have controls to identify the issuance of such LOC and controls surrounding the consideration of the valuation of the Put Option entered by the subsidiary company when preparing the consolidated financial statements. This could potentially result in adjustment in the books of account or disclosure in the consolidated financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent and its subsidiary companies and a joint venture which are companies incorporated in India have maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2020, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Parent for the year ended 31 March 2020, and these material weakness has affected our opinion on the said consolidated financial statements of the Group and we have issued a qualified opinion on the consolidated financial statements of the Group

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 7 subsidiary companies and a joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488
UDIN: 20046488AAAABS6065

Mumbai, 24 July 2020



CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

(₹ Millions)

	Note	Mar-20	Mar-19
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	6,797	5,959
(b) Capital work-in-progress	5	334	1,083
(c) Investment property	6	797	1,551
(d) Goodwill	7	4,070	5,252
(e) Other intangible assets	7	1,484	1,383
(f) Intangible assets under development	7	497	478
(g) Financial assets			
(i) Investments			
a) Investments in associates	8	4	3
b) Investments in joint ventures	8	193	217
c) Other investments	8	281	969
(ii) Other financial assets	9	429	523
(h) Income tax assets (net)		4,101	7,982
(i) Deferred tax assets (net)	10	2,742	-
(j) Other non-current assets	11	90	591
Total non-current assets		21,819	25,991
Current assets			
(a) Inventories	12	53,475	38,505
(b) Financial assets			
(i) Other investments	13	2,770	8,576
(ii) Trade receivables	14	20,847	18,274
(iii) Cash and cash equivalents	15	5,529	9,677
(iv) Bank balances other than (iii) above	15	1,816	2,541
(v) Loans	30	-	2,135
(vi) Other financial assets	9	3,732	10,055
(c) Other current assets	11	12,804	13,576
Total current assets		100,973	103,339
Non current asset classified as held for sale	41	945	-
Total assets		123,737	129,330
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	960	960
(b) Other equity	17	92,479	88,279
Equity attributable to shareholders		93,439	89,239
Non-controlling interests	17	110	143
Total equity		93,549	89,382
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings			
a) Redeemable preference shares	18	2,975	7,409
b) Others	18	526	20
(b) Provisions	19	1,405	1,350
Total non-current liabilities		4,906	8,779
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(ii) Other financial liabilities			
a) Redeemable preference shares	20	2,975	3,704
b) Others	20	2,808	8,029
(b) Other current liabilities	21	1,668	1,096
(c) Provisions	19	122	101
(d) Income tax liabilities (net)		906	2,080
(e) Deferred tax liabilities (net)	10	-	1,262
Total current liabilities		25,282	31,169
Total liabilities		30,188	39,948
Total equity and liabilities		123,737	129,330

See accompanying notes to the Consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

A. B. Jani

Partner

For and on behalf of the Board

Punit Goenka

Managing Director and CEO

Rohit Kumar Gupta

Chief Financial Officer

Place: Mumbai | Date: 24 July 2020

R Gopalan

Director

Ashish Agarwal

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ Millions)

	Note	Mar-20	Mar-19
Revenue			
Revenue from operations	22	81,299	79,339
Other income	23	2,836	2,515
Total Income	I	84,135	81,854
Expenses			
Operational cost	24	38,285	30,758
Employee benefits expense	25	7,805	7,249
Finance costs	26	1,449	1,304
Depreciation and amortisation expense	27	2,706	2,347
Fair value loss / (gain) on financial instruments at fair value through profit and loss	28	2,597	(36)
Other expenses	29	18,863	15,693
Total Expenses	II	71,705	57,315
Profit before share of (loss)/profit in associates and joint venture, exceptional items and tax	III=(I-II)	12,430	24,539
Less/Add: Share of (loss)/profit in associates and joint venture	IV	(24)	24
Profit before exceptional items and tax	V=(III+IV)	12,406	24,563
Less : Exceptional items	VI	30	(2,843)
Profit before tax	VII=(V+VI)	9,563	24,345
Less : Tax expense			
Current tax - current year	31	5,815	9,686
- earlier years	31	29	(1,147)
Deferred tax (charge)/benefit	31	(1,527)	134
	VIII	4,317	8,673
Profit for the year	IX=(VII-VIII)	5,246	15,672
Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(a) (i) Re-measurement of defined benefit obligation		109	(99)
(ii) Fair value changes of equity instruments through other comprehensive income		1	(88)
(b) Income tax relating to items that will not be reclassified to profit or loss		(28)	35
	X	82	(152)
B Items that will be reclassified profit or loss			
(i) Exchange differences on translation of financial statements of foreign operations	XI	1,254	1,449
Total other comprehensive income	XII=(X+XI)	1,336	1,297
Total comprehensive income for the year	XIII=(IX+XII)	6,582	16,969
Profit for the year			
Attributable to:			
Shareholders of the Company	XIV=(IX-XV)	5,265	15,671
Non-controlling interests	XV	(19)	1
		5,246	15,672
Total comprehensive income for the year			
Attributable to:			
Shareholders of the Company	XVI=(XIII-XVII)	6,601	16,968
Non-controlling interests	XVII	(19)	1
		6,582	16,969
Earnings per equity share (face value Re. 1/- each)	32		
Basic		5.48	16.32
Diluted		5.48	16.32

See accompanying notes to the Consolidated financial statements

For and on behalf of the Board

In terms of our report attached

Punit Goenka

R Gopalan

For Deloitte Haskins & Sells LLP

Managing Director and CEO

Director

Chartered Accountants

Rohit Kumar Gupta

Ashish Agarwal

A. B. Jani

Chief Financial Officer

Company Secretary

Partner

Place: Mumbai

Place: Mumbai

Date: 24 July 2020

Date: 24 July 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ Millions)

	Mar-20	Mar-19
A. Cash flow from operating activities		
Profit before tax	9,563	24,345
Adjustments for :		
Depreciation and amortisation expense	2,706	2,347
Allowances for doubtful debts and advances	5,656	834
Exceptional items (Refer Note 30)	2,843	218
Bad debts and advances written off	-	4
Share based payment expense	11	12
Liabilities and excess provision written back	(41)	(111)
Unrealised (gain) / loss on exchange adjustments (net)	(106)	13
(Profit) / Loss on sale / write off of Property, plant and equipment (net)	(250)	24
Loss on sale of investments classified as fair value through profit and loss/amortised cost	-	219
Profit on sale of investments	(105)	(292)
Interest expenses	135	139
Fair value loss / (gain) on financial instruments classified as fair value through profit and loss	2,597	(36)
Share of loss / (profit) in associates and joint ventures	24	(24)
Dividend on redeemable non convertible preference shares	855	1,149
Dividend income	(5)	(6)
Interest income	(1,512)	(1,033)
Operating profit before working capital changes	22,371	27,802
Adjustments for :		
(Increase) in inventories	(14,830)	(11,542)
(Increase) in trade and other receivables	(289)	(14,255)
(Decrease)/Increase in trade and other payables	(1,639)	8,646
Cash generated from operations	5,613	10,651
Direct taxes paid (net)	(3,114)	(9,299)
Net cash flow from operating activities (A)	2,499	1,352
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(810)	(1,967)
Purchase of intangible assets	(1,008)	(856)
Sale of property, plant and equipment / intangible assets	367	9
Fixed deposit invested	(1,963)	(2,505)
Fixed deposit matured	2,695	6,749
Purchase of non current investments	(15)	(10)
Proceeds from sale of non current investments	609	131
Purchase of current investments	(31,850)	(27,850)
Proceeds from sale / redemption of current investments	34,418	33,659
Loans repaid by others	78	293
Dividend received	5	6
Interest received	1,362	1,004
Net cash flow from investing activities (B)	3,888	8,663
C. Cash flow from financing activities		
Redemption of redeemable non-convertible preference shares and tax thereon	(4,842)	(4,891)
Proceeds from long-term borrowings	2	26

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

(₹ Millions)

	Mar-20	Mar-19
Repayment of lease liabilities	(447)	-
Repayment of long-term borrowings	(14)	(11)
Dividend paid on equity shares and tax thereon (including subsidiaries)	(4,081)	(3,357)
Dividend paid on Redeemable Non-Convertible Preference Shares	(1,146)	(1,377)
Interest paid	(92)	(54)
Net cash flow used in financing activities (C)	(10,620)	(9,664)
Net cash flow during the year (A+B+C) (Refer note 45)	(4,233)	351
Effect of exchange differences on translation of foreign currency cash and cash equivalents	85	(19)
Cash and cash equivalents at the beginning of the year	9,677	9,345
Net cash and cash equivalents at the end of the year	5,529	9,677

See accompanying notes to the Consolidated financial statements

For and on behalf of the Board

In terms of our report attached

Punit Goenka
Managing Director and CEO

R Gopalan
Director

For Deloitte Haskins & Sells LLP

Chartered Accountants

Rohit Kumar Gupta
Chief Financial Officer

Ashish Agarwal
Company Secretary

A. B. Jani

Partner

Place: Mumbai

Place: Mumbai

Date: 24 July 2020

Date: 24 July 2020



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

A. Equity share capital	₹ Millions)
As at 1 April 2018	960
Add: Issued during the year (Refer note 16)	0
As at 31 March 2019	960
Add: Issued during the year (Refer note 16)	0
As at 31 March 2020	960

0' (zero) denotes amounts less than a million.

B. Other equity	₹ Millions)							
	Reserves and surplus	Other comprehensive income				Total other equity	Attributable to non-controlling interests	
	Capital redemption reserve	Shared based payment reserve	Capital reserve	General Reserves	Retained earnings	Foreign currency translation reserve	Equity instruments	
As at 1 April 2018	4,056	8	340	2,820	68,003	(808)	238	74,657
Profit for the year	-	-	-	-	15,671	-	-	15,671
Add: Foreign currency translation gain for the year	-	-	-	-	-	1,449	-	1,449
Add: Options granted during the year	-	12	-	-	-	-	-	12
Add/Less: Transfer on redemption of preference shares	4,073	-	-	-	(4,073)	-	-	-
Less: Re-measurement loss on defined benefit plans	-	-	-	-	(99)	-	-	(99)
Add: Income tax impact thereon	-	-	-	-	35	-	-	35
Add: Reversal of deferred tax liability on redemption of preference shares	-	-	-	-	828	-	-	828
Less: Dividend distribution tax on redemption of preference shares	-	-	-	-	(828)	-	-	(828)
Less: Loss on fair value of equity instruments classified as fair value through other comprehensive income (Refer note 17)	-	-	-	-	-	-	(88)	(88)
Less/Add: Loss on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	-	-	-	-	(278)	-	278	-
Less: Dividend on equity shares	-	-	-	-	(2,785)	-	-	(2,785)
Less: Tax on dividend on equity shares	-	-	-	-	(573)	-	-	(573)
As at 31 March 2019	8,129	20	340	2,820	75,901	641	428	88,279
Profit for the year	-	-	-	-	5,265	-	-	5,265
Add: Foreign currency translation gain for the year	-	-	-	-	-	1,254	-	1,254
Add/Less: Transfer on redemption of preference shares	4,034	-	-	-	(4,034)	-	-	-
Add: Options granted during the year	-	11	-	-	-	-	-	11
Add: Re-measurement gain on defined benefit plans	-	-	-	-	109	-	-	109
Less: Income tax impact thereon	-	-	-	-	(28)	-	-	(28)

B. Other equity

(₹ Millions)

	Reserves and surplus				Other comprehensive income			Total other equity	Attributable to non-controlling interests
	Capital redemption reserve	Shared based payment reserve	Capital reserve	General Reserves	Retained earnings	Foreign currency translation reserve	Equity instruments		
Less: Transfer to reserves from minority interest	-	-	-	-	14	-	-	14	(14)
Add: Reversal of deferred tax liability on redemption of preference shares	-	-	-	-	2,474	-	-	2,474	-
Less: Dividend distribution tax on redemption of preference shares	-	-	-	-	(829)	-	-	(829)	-
Add/Less: Profit on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	-	-	-	-	489	-	(489)	-	-
Add: Gain on fair value of Equity instruments classified as fair value through other comprehensive income (net) (Refer note 17)	-	-	-	-	-	-	-	1	1
Less: Dividend on Equity Shares	-	-	-	-	(3,362)	-	-	(3,362)	-
Less: Tax on dividend on equity shares by subsidiaries	-	-	-	-	(18)	-	-	(18)	-
Less: Tax on dividend on equity shares	-	-	-	-	(691)	-	-	(691)	-
As at 31 March 2020	12,163	31	340	2,820	75,290	1,895	(60)	92,479	110

See accompanying notes to the Consolidated financial statements

For and on behalf of the Board

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Punit Goenka
Managing Director and CEO

R Gopalan
Director

A. B. Jani
Partner
Place: Mumbai
Date: 24 July 2020

Rohit Kumar Gupta
Chief Financial Officer
Place: Mumbai
Date: 24 July 2020

Ashish Agarwal
Company Secretary



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

"Zee Entertainment Enterprises Limited ('ZEEL' or 'the Company') is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Mumbai 400013, India. The Company along with its subsidiaries (collectively referred as 'the Group') engaged in the business of media and entertainment. The Group is mainly in the following businesses:

- i) Broadcasting of Satellite Television Channels and digital media;
- ii) Space Selling agent for other satellite television channels;
- iii) Sale of Media Content i.e. programs / film rights / feeds / music rights

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (The Act) read with the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

b) Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of ZEEL and entities controlled by ZEEL and its subsidiaries.

Control is achieved when the parent has power over the investees, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

These financial statements are prepared by applying uniform accounting policies in use at the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractual agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet as cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in the associate or the joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

When necessary, the entire amount of the investment is tested for impairment in accordance with Ind AS 36 - Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss is recognised in consolidated statement of profit and loss.

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Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Principal place of business
Direct Subsidiaries		
ATL Media Ltd	100 (100)	Mauritius
Essel Vision Productions Limited	100 (100)	India
Zee Unimedia Limited	100 (100)	India
Zee Digital Convergence Limited	100 (100)	India
Zee Network Distribution Limited (Zee Turner Limited)	100 (74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100 (100)	Mauritius
India Webportal Private Limited	100 (100)	India
Fly-By-Wire International Private Limited \$	100 (100)	India
Margo Networks Private Limited	80(80)	India
Indirect Subsidiaries		
Asia TV Limited	100 (100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100 (100)	Singapore
OOO Zee CIS Holding LLC #	100 (100)	Russia
OOO Zee CIS LLC	100 (100)	Russia
Taj TV Limited	100 (100)	Mauritius
Asia Today Singapore Pte Limited	100 (100)	Singapore
Asia TV USA Limited, Wyoming	100 (100)	United States of America
Asia Today Limited	100 (100)	Mauritius
Zee Technologies (Guangzhou) Limited	100 (100)	China
Zee Entertainment Middle East FZ-LLC	100 (100)	U.A.E.
ATL Media FZ-LLC	100 (100)	U.A.E.
Zee TV South Africa (Proprietary) Limited	100 (100)	South Africa
Zee TV USA Inc.	100 (100)	United States of America
Asia Multimedia Distribution Inc.	100 (100)	Canada
Idea Shop Web and Media Private Limited	51.04 (51.04)	India
Eevee Multimedia Inc. *	100 (100)	United States of America
Asia TV GmbH	100 (100)	Germany
Pantheon Productions Limited	100 (100)	Canada
Z5X Global FZ-LLC	100 (100)	U.A.E.
Zee Studios International Limited	100 (100)	Canada

Zero capital company, * dissolved w.e.f. 31 March 2020, \$ Held for sale

Associate

Name of the Associates	Percentage of holding	Principal place of business
Aplab Limited \$	Nil (9.50%)	India
Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand

\$ ceases to be an associate w.e.f. 16 January 2019

Jointly controlled entities

Name of the jointly controlled entities	Percentage of holding	Principal place of business
Media Pro Enterprise India Private Limited *	50% (37%)	India

* Through subsidiary, Zee Network Distribution Limited (Zee Turner Limited)

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e) Business Combinations

Business combinations have been accounted for using the acquisition method. The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is achieved by the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after assessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in the business combination includes assets and liabilities resulting from the contingent consideration arrangement, the contingent consideration arrangement is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration are recognised in consolidated statement of profit and loss.

When the business combination is achieved in stages, the Group previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit and loss. Amount arising from interest in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit and loss where such treatment would be appropriate if that interest were disposed off.

f) Property, plant and equipment

i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price and related expenses and for qualifying assets, borrowing costs are capitalised based on the Group's accounting policy. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

iii) Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

iv) The estimate of the useful life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. The estimated useful life of items of property, plant and equipment is as mentioned below:

Furniture and Fixtures - 5 years ^

Buildings - 60 years *

Computers - 3 and 6 years *

Equipment - 3 to 5 years ^

Plant and Machinery ^

Gas plant - 20 years

Others - 5 to 10 years

Vehicles - 5 years ^

Aircraft - 15 years ^

* Useful life is as prescribed in Schedule II to the Companies Act, 2013

^ Useful life is lower than as prescribed in Schedule II to the Companies Act, 2013

g) Right-of-use assets

Right-of-use (ROU) assets are stated at cost, less accumulated depreciation and impairment loss, if any. The carrying amount of ROU assets is adjusted for remeasurement of lease liability, if any, in future. Cost of ROU assets comprises the amount of initial measurement of lease liability, lease payments made before the commencement date (net of incentives received), initial direct costs and present value of estimated costs of dismantling and restoration, if any.

ROU assets are depreciated on straight line basis from the commencement date to the end of useful life of asset or lease term whichever is earlier.

h) Investment property

i) Investment property are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured

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at cost less accumulated depreciation and impairment, if any.

- ii) Depreciation on investment property is provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

i) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. Any impairment loss for the goodwill is recognised directly in consolidated statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

j) Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful life and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination:

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

k) Impairment of property, plant and equipment / right of use assets / other intangible assets / investment property

The carrying amounts of the Group's property, plant and equipment, right of use assets, other intangible assets and investment property are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in consolidated statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future

cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in consolidated statement of profit and loss.

l) Derecognition of property, plant and equipment / right of use assets / other intangible assets / investment property

The carrying amount of an item of property, plant and equipment / right of use assets / other intangible assets / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / right of use assets / other intangible assets / investment property is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss.

m) Non-current assets held for sale

"The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- I. The appropriate level of management is committed to a plan to sell the asset,
- II. An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- III. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- IV. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- V. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts, and are recognised in the consolidated statement of profit and loss.

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n) Leases

Effective 1 April 2019, the Group adopted Ind AS 116 on 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Refer note 4 (a) below for detailed accounting policy.

o) Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

p) Inventories

i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) including content in digital form are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed. Programs, film rights, music rights are expensed / amortised as under :

- 1) Programs - reality shows, chat shows, events, game shows, etc. are fully expensed on telecast / upload.
- 2) Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast/upload, as per management estimate of future revenue potential.
- 3) Film rights are amortised on a straight-line basis over the licensed period of sixty months from the commencement of rights, whichever is shorter.
- 4) Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.
- 5) Films produced and/or acquired for distribution/sale of rights :
Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :
 - a) Satellite rights - Allocated cost of right is expensed immediately on sale.
 - b) Theatrical rights - 80% of allocated cost is amortised immediately on theatrical release and balance allocated cost is amortised equally in following six months.
 - c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.
 - d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.
- ii) Raw Stock : Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

q) Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial

liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the consolidated statement of profit and loss.

ii) Financial assets

a) Classification of financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

b) Subsequent measurement

- Debt Instrument - amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

- Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- b) The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

- Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

- Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to consolidated statement of profit and loss. Dividends from such investments are recognised in consolidated statement of profit and loss as other income when the Group's right to receive payment is established.

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- Derivative financial instruments

Derivative financial instruments are classified and measured at fair value through profit and loss.

C) Derecognition of financial assets

A financial asset is derecognised only when:

- i) The Group has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

d) Impairment of financial assets

The Group measures the expected credit loss associated with its financial assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii) Financial liabilities and equity instruments

a) Classification of Debt & Equity

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Subsequent measurement

- Financial liabilities measured at amortised cost

Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit and loss.

Lease liability associated with assets taken on lease (except short-term and low value assets) is measured at the present value of lease payments to be made. Lease payments are discounted using the incremental rate of borrowing as the case may be. Lease payments comprise fixed payments in relation to the lease (less lease incentives receivable), variable lease payments, if any and other amounts (residual value guarantees, penalties, etc.) to be payable in future in relation to the lease arrangement.

- Financial liabilities measured at fair value through profit and loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the consolidated statement of profit and loss.

c) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is

replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

iv) Fair value measurement

The Group measures financial instruments such as debt and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r) Borrowings and Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in consolidated statement of profit and loss in the period in which they are incurred.

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s) Provisions, contingent liabilities and contingent assets

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised in the consolidated financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

t) Revenue recognition

Ind AS 115 "Revenue from Contracts with Customers"

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

- i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.
- ii) Sales of media content - Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.
- iii) Commission revenue - Commission of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.
- iv) Revenue from other services is recognised as and when such services are completed / performed.
- v) Interest income from debt instruments is recognised using the effective interest rate (EIR) method.
- vi) Dividend income is recognised when the Group's right to receive dividend is established.
- vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

u) Retirement and other employee benefits

Payments to defined contribution plans viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity and leave encashment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to consolidated statement of profit and loss. Past service cost is recognised in consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- ii) net interest expense or income; and
- iii) remeasurement

The Group presents the first two components of defined benefit costs in consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

v) Transactions in foreign currencies

The functional currency of the Group is Indian Rupees ('₹').

- i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

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- ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous consolidated financial statements are recognised as income or as expenses in the period in which they arise.
- iii) Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

iv) On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

w) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for the year. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of

its assets and liabilities. Current and deferred tax for the year:

Current and deferred tax are recognised in consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

x) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

y) Share based payments

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to consolidated statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

3) Key accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

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c) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash-generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Group has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Group believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Group and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

d) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the consolidated statement of profit and loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

f) Media Content, including content in digital form

The Group has several types of inventory such as general entertainment, movies and music. Such inventories are expensed/amortised based on certain estimates and assumptions made by Group, which are as follows:

- i) Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.
- ii) The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.
- iii) Cost of movie rights - The Group's expectation is that substantial revenue from such movies is earned during the period of five years from the date of

acquisition of license to broadcast / upload on digital platform. Hence, it is amortised on a straight line basis over the license period or 60 months from the date of acquisition / right start date, whichever is shorter.

iv) Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

v) Films produced and/or acquired for distribution/sale of rights :

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under:

- a) Satellite rights - Allocated cost of right is expensed immediately on sale.
- b) Theatrical rights - 80% of allocated cost is amortised immediately on theatrical release and balance allocated cost is amortised equally in following six months.
- c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.
- d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

Estimation of uncertainties relating to the global health pandemic from Corona virus (COVID-19):

The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities.

The Group has assessed the impact of this pandemic on its business operations. The same has been incorporated in our plans going forward.

Based on its review and current indicators of future economic conditions Group has also taken various steps aimed at augmenting liquidity, conserving cash including various cost saving initiatives, and sale of non-core and other assets.

The Group has also assessed the recoverability of its assets including property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets considering the internal and external information including subsequent collections of receivables, credit risk and industry reports available. The Group made necessary adjustments to the carrying amounts by recognizing provisions/impairment of assets wherever necessary.

As a result of the uncertainties growing with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic condition.

Changes in accounting policies and adoption of new/revision in accounting standard:

a) Adoption of Ind AS 116 Leases

Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two

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recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Group has adopted Ind AS 116 on ‘Leases’ with the date of initial application being 1 April 2019. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings as at 1 April, 2019. As a result, the comparative information has not been restated. The Group has elected to apply the two exemptions proposed by the standard for leases with a term of less than 12 months and/or leases of low-value assets. Since the interest rate implicit in the leases cannot be readily determined, discount rates are based on each lessee’s marginal borrowing rate.

When applying Ind AS 116 for the first time, the Group has used discount rates based on the residual term of the lease at the date of transition. The weighted average rate applied at the first-time application was 9.25%. The lease term used is the non-cancellable period of the lease, plus any extension/early termination options that the Group is reasonably certain to exercise.

The Group is preparing financial statements for the financial year ended 31 March 2020 applying this new standard. The consolidated balance sheet, consolidated statement of profit and loss and consolidated statement of cash flows are amended accordingly as follows:

- In the consolidated balance sheet, an asset related to the right-of-use is recognized and recorded under property, plant and equipments while a corresponding lease liability is recognized under financial liabilities - borrowings.

- in the consolidated statement of profit and loss the right-of-use asset is amortised and recorded as depreciation and amortisation expense and financial expense corresponding to the interest on the lease liability is recorded under Finance costs replacing the lease payments previously charged.

- In the consolidated cash flow statement, cash flows from operating activities are impacted by interest expenses paid and cash flows from financing activities are impacted by the reimbursement of the principal of lease liability. Previously cash flows from operating activities were impacted by the total of lease payments.

For the effects of application of Ind AS 116 on the consolidated financial position as at 1 April 2019 and 31 March 2020 please refer note 33.

b) Appendix C to Ind AS 12 - Uncertainty over income tax treatments
Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. This interpretation is effective from accounting period commencing 1 April 2019.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. In determining the approach that better predicts the resolution of the uncertainty, the Group has considered, for example; (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination. The Group determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities. The adoption of Appendix C to Ind AS 12 did not have any material impact on the consolidated financial statements of the Group.

c) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement
The Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 with effect from 1 April 2019 did not have any material impact on the consolidated financial statements of the Group.



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5. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of Assets	Buildings	Plant and machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Aircraft	Rights to use assets (Refer note 33)	Leasehold improve- ments	Total
I. Cost										
As at 1 April 2018	1,413	4,840	471	250	939	1,105	764	-	842	10,624
Additions	10	711	30	62	67	393	9	-	160	1,442
Transfer to investment property	(37)	-	-	-	-	-	-	-	-	(37)
Disposals	-	77	11	35	22	2	-	-	2	149
Translation	0	34	(4)	3	1	3	-	-	(1)	36
As at 31 March 2019	1,386	5,508	486	280	985	1,499	773	-	999	11,916
Reclassified on account of adoption of Ind AS 116										
-	-	-	-	-	-	-	-	1,123	-	1,123
Additions	588	528	52	10	127	209	-	180	277	1,971
Transfer from investment property	68	-	-	-	-	-	-	-	-	68
Held for sale (Refer Note 41)	198	29	17	-	0	6	773	-	-	1,023
Disposals	-	114	7	18	8	36	-	-	10	193
Translation	0	127	6	3	3	6	-	-	(0)	145
As at 31 March 2020	1,844	6,020	520	275	1,107	1,672	-	1,303	1,266	14,007
II. Accumulated depreciation										
As at 1 April 2018	100	2,447	222	138	446	497	270	-	499	4,619
Depreciation charge for the year	19	633	82	40	150	261	49	-	199	1,433
Transfer to investment property	(20)	-	-	-	-	-	-	-	-	(20)
Disposals	-	53	5	32	22	1	-	-	2	115
Translation	0	26	(1)	3	10	2	-	-	0	40
Upto 31 March 2019	99	3,053	298	149	584	759	319	-	696	5,957
Depreciation charge for the year										
28	664	80	43	166	270	50	294	141	1,736	
Transfer from investment property	3	-	-	-	-	-	-	-	-	3
Held for sale (Refer Note 41)	15	12	10	-	0	3	369	-	-	409
Disposals	-	103	4	13	7	35	-	-	6	168
Translation	0	77	4	3	2	5	-	-	0	91
Upto 31 March 2020	115	3,679	368	182	745	996	-	294	831	7,210
Net book value										
As at 31 March 2020	1,729	2,341	152	93	362	676	-	1,009	435	6,797
As at 31 March 2019	1,287	2,455	188	131	401	740	454	-	303	5,959

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(₹ Millions)

Net book value	Mar-20	Mar-19
Property, plant and equipment	6,797	5,959
Capital work-in-progress	334	1,083

Notes:

- 1 '0' (zero) denotes amounts less than a million.
- 2 Buildings include ₹ 114,100 (₹ 114,100) the value of share in a co-operative society.
- 3 Part of property, plant and equipment have been given on operating lease.
- 4 Property, plant and Equipment written off during the year aggregating ₹ 0 Million (₹ 13 Millions) is charged to the consolidated statement of profit and loss.
- 5 Certain vehicles have been hypothecated against borrowings for vehicles aggregating to ₹ 21 Millions (₹ 32 Millions).

6. Investment property

(₹ Millions)

Description of Assets	Land and Building
I. Cost	
As at 1 April 2018	1,808
Additions	-
Transfer from property, plant and equipment	37
Translation	34
As at 31 March 2019	1,879
Additions	-
Transfer to property, plant and equipment	68
Disposal	364
Held for sale (Refer Note 41)	573
Translation	1
As at 31 March 2020	875
II. Accumulated depreciation	
As at 1 April 2018	253
Depreciation Charge for the year	31
Translation	24
Transfer from property, plant and equipment	20
Upto 31 March 2019	328
Depreciation charge for the year	24
Transfer to property, plant and equipment	3
Disposal	272
Translation	1
Upto 31 March 2020	78
Net book value	
As at 31 March 2020	797
As at 31 March 2019	1,551

The fair value of the Group's investment property ₹ 1,515 Millions (₹ 2,769 Millions) has been arrived at on the basis of a valuation carried out as at Balance Sheet date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value measurement is categorized as Level 3.



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7. Goodwill and other intangible assets

(₹ Millions)

Description of Assets	Goodwill	Trademark	Customer list and websites	Software	Channels	Total
I. Cost						
As at 1 April 2018	5,467	322	1,081	1,346	172	8,388
Additions	-	-	-	517	-	517
Transfer on acquisition	-	-	-	-	-	-
Disposals	-	-	-	22	-	22
Translation	3	-	-	23	-	26
As at 31 March 2019	5,470	322	1,081	1,864	172	8,909
Additions	-	-	-	932	57	989
Disposals	-	-	-	4	-	4
Held for sale (Refer Note 41)	49	-	-	-	-	49
Translation	4	-	-	103	-	107
As at 31 March 2020	5,425	322	1,081	2,895	229	9,952
II. Accumulated amortisation						
As at 1 April 2018	-	205	250	621	111	1,187
Amortisation for the year	-	86	360	411	26	883
Impairment	218	-	-	-	-	218
Disposals	-	-	-	22	-	22
Translation	-	-	-	8	-	8
Upto 31 March 2019	218	291	610	1,018	137	2,274
Amortisation for the year	-	10	360	550	26	946
Impairment	1,137	-	-	-	-	1,137
Disposals	-	-	-	4	-	4
Translation	-	-	-	45	-	45
Upto 31 March 2020	1,355	301	970	1,609	163	4,398
Net book value						
As at 31 March 2020	4,070	21	111	1,286	66	5,554
As at 31 March 2019	5,252	31	471	846	35	6,635

Net book value	Mar-20	Mar-19
Goodwill	4,070	5,252
Other intangible assets	1,484	1,383
Intangibles assets under development	497	478

'0' (zero) denotes amounts less than a million.

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The carrying amount of goodwill which is tested for impairment is allocated to following cash generating units: (CGU)

(₹ Millions)

Cash generating unit	Mar-20	Mar-19
Regional Channel in India	621	621
International business	2,013	2,013
Online media business	1,260	2,397

Regional Channel in India and International business

The recoverable amount of this Cash Generating Unit (CGU) is determined based on a value in use. The estimated value in use of this CGU is based on the future cash flows using a 2% terminal growth rate for periods subsequent to the 5 years and discount rate of 17.15%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long term growth rate), based on a reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Online media business

As at 31 March 2020, the Group assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate CGU, as per the requirement of Ind AS 36 on 'Impairment of assets'. The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severely impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of ₹ 1,137 million which is disclosed as 'Exceptional item' (Refer note 30). Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.

8. NON-CURRENT INVESTMENTS

(₹ Millions)

	Mar-20	Mar-19
a Investments in associates		
Investments accounted using equity method		
Investments in equity instruments		
In Associate - Quoted		
475,000 (475,000) Equity shares of ₹. 10/- each of Aplab Limited (Extent of holding 26.42% upto 15 January 2019) #	-	4
Less: Reclassified as investment at fair value through other comprehensive income#	-	4
	-	4
In Associate - Unquoted		
10,000 (10,000) Equity shares of Baht 100/- each of Asia Today Thailand Limited (Extent of holding 25%)	4	3
	4	3
b In Joint venture - Unquoted		
2,500,000 (2,500,000) Equity shares of ₹.10/- each of Media Pro Enterprise India Private Limited (extent of holding 50% (37%))	193	217
	193	217
c Other investments		
i) Investments in redeemable debentures at amortised cost		
Others - Quoted		
50 (50) 10.20% Unsecured redeemable non-convertible debentures of ₹. 1,000,000 /- each of Yes Bank Limited (Tenure - 10 years)	52	52
Others - Unquoted		
Nil (50,000) 9.35% Secured redeemable non-convertible debentures of ₹. 1,000 /- each of IFCI Limited (Tenure - 5 years)	-	71
Nil (50,000) 9.80% Secured redeemable non-convertible debentures of ₹. 1,000 /- each of IFCI Limited (Tenure - 5 years)	-	51



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		Mar-20	Mar-19
ii)	Investments at fair value through other comprehensive income		
	Investments in equity instruments - Quoted		
	Nil (3,644,000) Equity shares of ₹. 2/- (₹ 2/-) each of Essel Propack Limited*	-	425
	475,000 (475,000) Equity shares of ₹. 10/- each of Aplab Limited#	3	4
	Investments in equity instruments - Unquoted		
	396,715 (396,715) Equity shares of USD 2.521/- each of Sensory Cloud Inc**	9	69
	1 (1) Equity share of ₹ 10/- each of Tagos Design Innovations Private Limited	0	0
	30,000 (30,000) Equity shares of ₹. 10/- each of Last Minute Media Private Limited ₹. 300,000 (₹ 300,000)	0	0
	Less: Impairment in value of investment ₹ 300,000 (₹ 300,000)	0	0
		-	-
iii)	Investments at fair value through profit and loss		
	Others - Unquoted		
	1,069.6 (1,069.6) Units of ₹ 1,000,000 /- each of Morpheus Media Fund	58	165
	100 (100) Units of ₹ 1,000,000 /- each (Partly paid: ₹ 600,000 (₹ 450,000) /- each) of Exfinity Technology Fund-Series II	61	30
	2,905 (2,905) Compulsorily convertible preference shares of ₹ 10/- each of Tagos Design Innovations Private Limited	98	102
		281	969
	Total	478	1,189

(All the above securities are fully paid-up except where specifically mentioned as partly paid)

"O" (zero) denotes amounts less than a million.

Aggregate amount and market value of quoted investments	55	481
Aggregate carrying value of unquoted investments	423	708
Aggregate amount of impairment in value of investments ₹ 300,000 (₹ 300,000)	0	0

During the previous year, the Group sold 846,200 equity shares i.e. 16.92% stake in Aplab Limited and accordingly, the Aplab Limited is no longer an associate. The Group had elected to classify the balance stake at fair value through other comprehensive income.

* During the year, the Group sold its entire stake in Essel Propack Limited. Accordingly, the Group has transferred the gains recorded earlier under available for sale reserves to retained earnings.

** During the previous year, Vapor Communications Inc, merged with Sensory Cloud Inc, as a result of the merger the Group was allotted shares of the new company.

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9. OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-current		Current	
	Mar-20	Mar-19	Mar-20	Mar-19
Deposits (unsecured)				
Considered good				
- to related parties	48	45	359	343
- to others (Refer note 37)	381	478	159	7,884
Considered doubtful	-	-	29	-
	429	523	547	8,227
Less: Allowance for doubtful deposits	-	-	29	-
	429	523	518	8,227
Unbilled revenue	-	-	2,581	830
Interest accrued	-	-	51	72
Other receivables				
Considered good				
- Related parties	-	-	406	775
- Others	-	-	176	151
Considered doubtful	449	417	655	-
	449	417	1,237	926
Less: Provision for doubtful receivables	449	417	655	-
	-	-	582	926
Total	429	523	3,732	10,055

For transactions relating to related party receivables, refer note 47.

10. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-20	Mar-19
Deferred tax assets		
Employee retirement benefits obligation	358	474
Allowances for doubtful debts, loans and advances	1,904	390
Unutilised tax losses	81	118
Disallowances under section 40(a)	98	131
Depreciation and amortisation	144	-
Other disallowances	157	223
Deferred tax assets	2,742	1,336
Deferred tax liabilities		
Depreciation and amortisation	-	142
Dividend distribution tax on preference shares redemption*	-	2,456
	-	2,598
Deferred tax assets / (liabilities) (net)	2,742	(1,262)

*Finance Bill 2020, which was enacted on 23 March 2020 removed the tax on dividend paid by the Company and consequently, deferred tax liability for dividend distribution tax of bonus redeemable preference shares was reversed by the Company through equity.

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****11. OTHER ASSETS**

(₹ Millions)

	Non-current		Current	
	Mar-20	Mar-19	Mar-20	Mar-19
Capital advances (unsecured)	69	384	-	-
Other loans and advances (unsecured)				
Other advances (unsecured)				
- Considered good				
to related parties	8	27	66	45
to others (Refer note 37)	-	-	10,538	12,487
- Considered doubtful	-	-	2,122	276
	8	27	12,726	12,808
Less: Allowance for doubtful advances	-	-	2,122	276
	8	27	10,604	12,532
Prepaid expenses	13	180	235	330
Balance with government authorities	-	-	1,965	714
Total	90	591	12,804	13,576

For transactions relating to related party balances, refer note 47.

12. INVENTORIES**(VALUED AT LOWER OF COST / UNAMORTISED COST OR NET REALISABLE VALUE)**

(₹ Millions)

	Mar-20	Mar-19
Raw stock - tapes	11	10
Media content *	51,177	37,531
Under production- Media content	2,287	964
Total	53,475	38,505

*Includes rights ₹ 7,812 Millions (₹ 4,756 Millions), which will commence at a future date.

Inventories expected to be recovered post 12 months is 62 % (66%)

13. CURRENT INVESTMENTS

(₹ Millions)

	Mar-20	Mar-19
a Investment at amortised cost		
Certificate of Deposit (Non-Transferable) - Unquoted		
6.75% (710%) Housing Development Finance Corporation Limited	-	1,516
6.25% (710%) Housing Development Finance Corporation Limited	-	503
6.15% (7.55%) Housing Development Finance Corporation Limited	525	500
	525	2,519
b Investments carried at fair value through profit and loss		
Mutual Funds - Quoted		
Nil (222,884) units of ₹ 100/- each of ICICI Prudential Savings Fund - Direct Plan - Growth	-	65
Nil (80,401) units of ₹ 10/- each of Franklin India Ultra Short Bond SI - Direct - Growth	-	2
Mutual Funds - unquoted		
29,850 (29,850) units of USD 1,000/- each of Actinium Investments Funds Limited (Refer note 44(c))	875	2,196
39,553 (43,499) units of USD 1,000/- each of Poseidon Opportunities Fund Limited (Refer note 44(c))	1,370	3,794
	2,245	6,057
Total (a+b)	2,770	8,576
(All the above securities are fully paid-up)		
Aggregate amount and market value of quoted investments	-	67
Aggregate carrying value of unquoted investments	2,770	8,509

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14. TRADE RECEIVABLES (UNSECURED)

	(₹ Millions)	
	Mar-20	Mar-19
Considered good	20,847	18,274
Considered doubtful	4,707	1,720
	25,554	19,994
Less: Allowance for doubtful debts (refer note 44(d)(ii))	4,707	1,720
Total	20,847	18,274

For transactions relating to related party receivables, refer note 47

15. CASH AND BANK BALANCES

	(₹ Millions)	
	Mar-20	Mar-19
a Cash and cash equivalents		
Balances with banks		
In Current accounts	2,172	3,039
In Deposit accounts (Refer note 45)	3,071	5,102
Cheques in hand	284	1,532
Cash in hand	2	4
	5,529	9,677
b Other balances with banks		
Balances with banks		
In deposit accounts	1,773	2,505
In unclaimed dividend accounts		
- Preference shares	19	16
- Equity shares	24	20
	1,816	2,541
Total	7,345	12,218

16. EQUITY SHARE CAPITAL

	(₹ Millions)	
	Mar-20	Mar-19
Authorised *		
2,000,000,000 (2,000,000,000) Equity Shares of Re.1/- each	2,000	2,000
	2,000	2,000
Issued, subscribed and paid up		
960,483,235 (960,466,500) Equity Shares of Re. 1/- each fully paid up	960	960
Total	960	960

Authorised capital of 2,100,000,000 (2,100,000,000) Redeemable Preference Shares of ₹ 10/- (₹ 10/-) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. (Refer Note 18).

i) Reconciliation of number of Equity Shares and Share capital

	Mar-20		Mar-19	
	Number of Equity Shares	₹ Millions	Number of Equity Shares	₹ Millions
At the beginning of the year	960,466,500	960	960,453,620	960
Add : Issued during the year	16,735	0	12,880	0
Outstanding at the end of the year	960,483,235	960	960,466,500	960

'0' (zero) denotes amounts less than a million.



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ii) Terms / rights attached to Equity Shares

The Group has only one class of Equity Shares having a par value of Re. 1/- each. Each holder of Equity Shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

iii) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the Shareholders	Mar-20		Mar-19	
	Number of Equity Shares	% Shareholding	Number of Equity Shares	% Shareholding
OFI Global China Fund, LLC	97,350,000	10.14%	-	-
Oppenheimer Developing Markets Fund	74,318,476	7.74%	68,644,603	7.15%
Government of Singapore	59,441,268	6.19%	6,859,160	0.71%
Essel Media Ventures Limited	33,155,180	3.45%	102,888,286	10.71%
Cyquator Media Services Private Limited	8,107,136	0.84%	219,024,694	22.80%

As per the records of the Group, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

iv) Employees Stock Option Scheme (ESOP):

The Group has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Group in 2009 for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Group as at 31 March 2009 i.e. up to 21,700,355 equity shares of Re. 1/- each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Group as well as that of its subsidiaries. The said ESOP 2009 was amended during the previous year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year, the Nomination and Remuneration Committee of the Board granted 24,700 stock options convertible at Re 1/- each to an employee of the Group. The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1,2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the equity shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	Number of Options
Opening at the beginning of the year	28,220
Grant during the year	24,700
Exercised during the year	(16,735)
Outstanding at the end of the year	36,185

During the year, the Group recorded an employee stock compensation expense of ₹ 11 Millions (₹ 12 Millions) in the consolidated statement of profit and loss. The market price at the date of grant was ₹ 404/- (₹ 580/-) per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	Re 1	Re 1	Re 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	22%	20%	16%
Expected dividend yield on the underlying share for the expected term of the option	3.50	3.50	3.50
Risk-free interest rate for the expected term of the award	6.7%	6.7%	6.7%

The share options outstanding at the end of the year has an weighted average remaining contractual life of 301 days.

17. a) OTHER EQUITY

	₹ Millions)	
	Mar-20	Mar-19
Capital Redemption Reserve		
As per last Balance Sheet	8,129	4,056
Add: Transfer from retained earnings	4,034	4,073
	12,163	8,129
Capital reserve		
As per last Balance Sheet	340	340
Share based payment reserve		
As per last balance sheet	20	8
Add: Options granted during the year	11	12
	31	20
General reserve		
As per last Balance Sheet	2,820	2,820
Retained earnings		
As per last Balance Sheet	75,901	68,003
Add : Profit for the year	5,265	15,671
Less: Transfer to capital redemption reserve	(4,034)	(4,073)
Add: Transfer from non-controlling interest on acquisition of additional stake	14	-
Add/(Less): Re-measurement gains / (loss) on defined benefit plans	109	(99)
Add/(Less): Gain/(Loss) on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	489	(278)
Add: Reversal of deferred tax liability on redemption of preference shares	2,474	828
Less: Dividend distribution tax on redemption of preference shares	(829)	(828)
(Less) / Add : Income tax impact thereon	(28)	35
Less: Payment of dividend on equity shares	(3,362)	(2,785)
Less: Tax on dividend on equity shares by subsidiaries	(18)	-
Less: Tax on dividend on equity shares	(691)	(573)
	75,290	75,901
Other comprehensive income		
Foreign currency translation reserve		
As per last balance sheet	641	(808)
Add: Foreign currency translation gain for the year	1,254	1,449
	1,895	641
Equity instruments		
As per last Balance Sheet	428	238
(Less) / Add: (Loss) / Profit on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	(489)	278
Add/(Less) : Gain/ (Loss) on fair value of Equity instruments classified as fair value through other comprehensive income (net)	1	(88)
	(60)	428
Total	92,479	88,279



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b) NON-CONTROLLING INTEREST

	(₹ Millions)	Mar-20	Mar-19
As per last Balance Sheet		143	142
(Less)/Add: (Loss) / Profit for the year		(19)	1
Less: Transfer on acquisition of additional stake		(14)	-
Total		110	143

1) Capital Redemption Reserve is created on redemption of redeemable preference shares issued.

2) Share based payment reserve is reserve related to share options granted by the Group to its employee under its employee share option plan.

3) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

4) Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.

5) Other Comprehensive income includes:

a) Exchange differences relating to translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency are directly recognised in other comprehensive income.

b) Cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

18. LONG-TERM BORROWINGS

	(₹ Millions)	Mar-20	Mar-19
a Redeemable preference shares - unsecured, at fair value through profit and loss			
2,016,942,312 (2,016,942,312) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 4/- (₹ 6/-) each fully paid up - quoted		5,950	11,113
Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)		2,975	3,704
		2,975	7,409
b Vehicle loan from banks, at amortised cost*		21	32
Less : Amount disclosed under the head 'Other financial liabilities' (Refer Note 20)		10	12
		11	20
c Lease liabilities (Refer Note 33)		856	-
Less : Amount disclosed under the head 'Other financial liabilities' (Refer Note 20)		341	-
		515	-
Total (a+b+c)		3,501	7,429

*Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 8.14% p.a. - 10.17% p.a. and are repayable upto October 2023.

Terms / rights attached to Preference Shares

i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Quoted

During year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of Re. 1/- each (consolidated to face value of ₹ 10 each in FY 2017) by way of bonus in the ratio of 21 Bonus Preference Shares of Re. 1/- each fully paid up for every one Equity share of Re.1 each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. During the year ended 31 March 2017, 6% Cumulative Redeemable Non-Convertible Preference Shares of Re 1/- each has been converted to 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each.

The Company redeems at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company has an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

During the year, the Company redeemed 20% (₹ 2/- each) of the Nominal Value of 2,016,942,312 Bonus preference shares of ₹ 10/- each (Par value) consequent to which the face value of these Preference Shares stand revised to ₹ 4/- each.

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19. PROVISIONS

	Non-Current		Current		(₹ Millions)
	Mar-20	Mar-19	Mar-20	Mar-19	
Provision for employee benefits					
- Gratuity	913	876	33	23	
- Compensated absences	492	474	89	78	
Total	1,405	1,350	122	101	

20. OTHER FINANCIAL LIABILITIES - CURRENT

		(₹ Millions)		
		Mar-20	Mar-19	
Current maturities of long-term borrowings - Redeemable non-convertible preference shares (Refer Note 18 a)		2,975	3,704	
Current maturities of long-term borrowings - vehicle loan from banks (Refer Note 18 b)		10	12	
Lease liabilities (Refer Note 18 c, 33)		341	-	
Deposits received*		477	5,480	
Unclaimed preference shares redemption / dividend#		19	16	
Unclaimed equity dividends#		24	20	
Creditors for capital expenditure		140	223	
Employee benefits payable		1,149	1,237	
Dividend payable on redeemable preference shares and tax thereon		585	876	
Temporary overdrawn balances		53	153	
Other payables		10	12	
		2,808	8,029	
Total		5,783	11,733	

For transactions relating to related party payables, refer note 47.

* During the previous year, the Group had received interest free business deposits aggregating ₹ 5,000 millions from customers which were callable after eleven months/adjustable against digital content / subscription. The same has been adjusted/repaid during the year.

#Dividend ₹ 2 Millions (₹ 2 Million) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2020.

21. OTHER CURRENT LIABILITIES

		(₹ Millions)		
		Mar-20	Mar-19	
Advances received from customers		730	575	
Statutory dues payable		938	521	
Total		1,668	1,096	

For transactions relating to related party payables, refer note 47.

22. REVENUE FROM OPERATIONS

		(₹ Millions)		
		Mar-20	Mar-19	
Services - Broadcasting revenue				
Advertisement		46,811	50,367	
Subscription		28,873	23,105	
Commission		292	448	
Sales - Media content		3,720	3,227	
Transmission revenue		151	110	
Other operating revenue		1,452	2,082	
Total		81,299	79,339	



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23. OTHER INCOME

	(₹ Millions)	
	Mar-20	Mar-19
Interest income		
- Bank deposits	188	473
- Other financial assets	144	385
- Others (Including on Income tax refund ₹ 971 million (₹ 7 million))	1,180	175
Dividend income from :		
- Investment classified as fair value through other comprehensive income	5	4
- Investment classified as fair value through profit and loss	0	2
Gain on sale of investments classified as fair value through profit and loss	105	292
Liabilities / excess provision written back	41	111
Profit on sale of property, plant and equipment and investment property	250	-
Rent income	467	497
Miscellaneous income	456	576
Total	2,836	2,515

24. OPERATIONAL COST

	(₹ Millions)	
	Mar-20	Mar-19
a) Media content		
Opening - Inventory	38,495	26,268
Add: Purchase of inventory	46,230	34,993
Less: Closing - Inventory	53,464	38,495
Amortisation of inventory#	31,261	22,766
Add: Production expenses	4,807	5,885
	36,068	28,651
b) Telecast and technical cost		
Total (a+b)	38,285	30,758

Media content of ₹ 1,659 Millions (₹ 1,228 Millions) are written down during the year as the estimated net realisable value was lower than amortised cost.

25. EMPLOYEE BENEFITS EXPENSE

	(₹ Millions)	
	Mar-20	Mar-19
Salaries and allowances	7,270	6,791
Share based payment expense	11	12
Contribution to provident and other funds	369	308
Staff welfare expenses	155	138
Total	7,805	7,249

26. FINANCE COSTS

	(₹ Millions)	
	Mar-20	Mar-19
Interest - vehicle loans	3	2
- others	482	137
Lease interest	91	-
Dividend on redeemable preference shares	855	1,149
Other financial charges	18	16
Total	1,449	1,304

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27. DEPRECIATION AND AMORTISATION EXPENSE

	₹ Millions)	Mar-20	Mar-19
Depreciation on property, plant and equipment		1,736	1,433
Depreciation on investment property		24	31
Amortisation of intangible assets		946	883
Total		2,706	2,347

28. Fair value loss / (Gain) on financial instruments at fair value through profit and loss

	₹ Millions)	Mar-20	Mar-19
Fair value loss on financial assets (net)		3,727	22
Fair value gain on financial liabilities		(1,130)	(58)
Total		2,597	(36)

29. OTHER EXPENSES

	₹ Millions)	Mar-20	Mar-19
Rent		598	889
Repairs and maintenance			
- Buildings		17	38
- Plant and machinery		97	103
- Others		414	272
Insurance		85	43
Rates and taxes		148	125
Electricity and water charges		191	185
Communication charges		177	178
Printing and stationery		105	87
Travelling and conveyance expenses		877	870
Legal and professional charges		652	801
Directors remuneration and sitting fees		37	23
Payment to auditors (Refer Note 40)		37	35
Corporate Social Responsibility expenses		3	228
Hire and service charges		934	1,024
Advertisement and publicity expenses		6,956	6,993
Commission expenses		234	159
Marketing, distribution and promotion expenses		1,422	2,259
Conference expenses		33	179
Allowances for doubtful debts and advances (Refer Note 44 (d)(ii))		5,656	834
Loss on sale of investments classified as fair value through profit and loss		-	3
Loss on sale of investments classified at amortised cost		-	216
Bad debts and advances written off (net)		-	4
Foreign exchange loss (net)		101	66
Loss on sale / write off of property, plant and equipment and investments (net)		-	24
Miscellaneous expenses		89	55
Total		18,863	15,693



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30. EXCEPTIONAL ITEMS

	₹ Millions)	Mar-20	Mar-19
Impairment of goodwill (Refer note 7)	(1,137)	(218)	
Impairment of loan (Refer note 44(d)(ii))	(1,706)	-	
Total	(2,843)	(218)	

31. TAX EXPENSE

The major components of income tax for the year are as under:

	₹ Millions)	Mar-20	Mar-19
Income tax related to items recognised directly in the consolidated statement of profit and loss			
Current tax - current year	5,815	9,686	
- earlier years	29	(1,147)	
Deferred tax (benefit) / charge	(1,527)	134	
Total	4,317	8,673	
Effective tax rate	45.1%	35.6%	

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to income tax expense at the Group's effective income tax rate for the year ended 31 March 2020 and 31 March 2019 is as follows:

	₹ Millions)	Mar-20	Mar-19
Profit before tax		9,563	24,345
Income tax			
Statutory income tax rate of 25.168% (34.944%) on profit	2,407	8,507	
Effect of differential tax rates for components	631	258	
Tax effect on non-deductible expenses	1,453	1,178	
Non creation of deferred tax asset on unused tax losses	(4)	75	
Additional allowances for tax purposes	(387)	(6)	
Effect of exempt income and income taxed at lower rates	(156)	(199)	
Tax effect for earlier years	29	(1,147)	
Changes in tax rates	270	-	
Others	74	7	
Tax expense recognised in the income statement	4,317	8,673	

	₹ Millions)	Mar-20	Mar-19
For the year ended 31 March		Mar-20	Mar-19
Employee retirement benefits obligation	28	(35)	
Foreign currency translation reserve	-	-	
Total	28	(35)	

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.168% (34.944%) for the year ended 31 March 2020. Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so.

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Deferred tax recognized as on 31 March 2020	(₹ Millions)					
Deferred Tax (liabilities)/ assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Held for sale #	Closing balance
Defined benefits obligation	474	(86)	(28)	-	(2)	358
Allowances for doubtful debts and loans and advances	390	1,490	24*	-	-	1,904
Unutilized tax losses	118	(37)	-	-	-	81
Disallowances under section 40(a)	131	(33)	-	-	-	98
Other disallowances	223	7	-	-	(73)	157
Depreciation and amortisation	(142)	186	-	-	100	144
Dividend distribution tax liability on redemption of preference shares	(2,456)	-	-	2,456	-	-
Total	(1,262)	1,527	(4)	2,456	25	2,742

* Represents foreign currency translation reserve.

Represents elimination of Deffered Tax Liability on Non-current Investments classified as held for sale

Deferred tax recognized as on 31 March 2019	(₹ Millions)				
Deferred Tax (liabilities)/ assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefits obligation	309	130	35	-	474
Allowances for doubtful debts and advances	418	(28)	-	-	390
Unutilized tax losses	148	(30)	-	-	118
Disallowances under section 40(a)	449	(318)	-	-	131
Other disallowances	132	91	-	-	223
Depreciation and amortisation	(167)	21	4*	-	(142)
Dividend distribution tax liability on redemption of preference shares	(3,284)	-	-	828	(2,456)
Total	(1,996)	(134)	39	828	(1,262)

* Represents foreign currency translation reserve.

The group has unused tax losses of ₹ 43 Millions (₹ 200 Millions) with no expiry on carry forward whereas ₹ 1,481 Millions (₹ 953 Millions) are available for offsetting over a period of time till FY 2027-28. The losses are mainly in the nature of business losses.

32. EARNINGS PER SHARE (EPS)

	Mar-20	Mar-19
a. Profit after Tax (₹/Millions)	5,265	15,671
b. Weighted average number of equity shares for basic EPS (in numbers)	960,481,710	960,464,265
c. Nominal value of equity shares (Re.)	1	1
d. Basic EPS (₹)	5.48	16.32
e. Weighted average number of equity shares for diluted EPS (in numbers)	960,519,218	960,494,595
f. Nominal value of equity shares (₹)	1	1
g. Diluted EPS (₹)	5.48	16.32



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33. DISCLOSURES UNDER IND AS 116

Operating leases:

The right-of-use asset (ROU assets) is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of ₹ 1,123 million and a corresponding lease liability of ₹ 1,123 million has been recognized.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 9.25% has been applied to lease liabilities recognised in the consolidated balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability. The difference between the future minimum lease rental commitments towards non-cancellable operating leases compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

(a) The group as a lessee:

1) The following is the break-up of current and non current lease liabilities as at 31 March 2020:

Particulars	(₹ Millions)
	Mar-20
Current lease liabilities	341
Non current lease liabilities	515
Total (Refer Note 44)	856

2) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020:

Particulars	(₹ Millions)
	Mar-20
Due in 1st year	341
Due in 2nd to 5th year	470
Due after 5 years	45
Total	856

3) The following is the movement in lease liabilities during the year ended 31 March 2020:

Particulars	(₹ Millions)
	Mar-20
Balance as at 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	1,123
Additions	180
Finance expense	91
Payment of lease liabilities	(538)
Balance as at 31 March 2020	856

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

4) The changes in the carrying amounts of Right-of-use asset (ROU) is as follows:

Right-of-use Land and buildings	(₹ Millions)
	Mar-20
As at 1 April 2019	-
Reclassified on account of adoption of Ind AS 116	1,123
Additions	180
As at 31 March 2020	1,303
Depreciation for ROU assets for the year ended 31 March 2020	294

- 5) For the year ended 31 March 2020, expenses relating to short-term leases and leases of low-value assets is ₹ 598 million. The Group has entered into various lease contracts at various premises used in its operations. Leases of premises generally have lease terms upto 7 years.

- The Group as a lessor:
b) The Group has given part of its buildings / investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 12 months.

Particulars	₹ Millions)	
	Mar-20	Mar-19
Lease rental income for the year	467	497
Future Lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	-	130
Later than one year but not later than five years	-	919
Later than five years	-	167

- c) The Group has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The tenure of the lease is generally upto 12 months.

Particulars	Mar-20	Mar-19
Sub lease rent income	105	117
Future sub lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	-	68

34. (A) CONTINGENT LIABILITIES

Particulars	₹ Millions)	
	Mar-20	Mar-19
a. Corporate Guarantees / Undertaking		
-To related parties ^& \$	1,637	1,137
-To other parties, loans outstanding ₹ 324 million (Nil)	336	-
b. Disputed Indirect Taxes	585	585
c. Disputed Direct Taxes *	676	3,352
d. Claims against the Group not acknowledged as debts #	317	440
e. Legal cases against the Group @	Not ascertainable	Not ascertainable

& Loan outstanding ₹ 2,523 Million (₹ 3,698 Million)

^^ Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.

\$ The Group had provided Letter of Undertaking to secure 650 units of rated, unlisted, secured redeemable non-convertible debentures (NCDs) issued by a related party to a Mutual Fund. The said related party had made partial redemption of the NCDs prior to the due date of redemption i.e. 8 July, 2020. But, due to COVID-19 pandemic, its business was severely impacted and therefore it was unable to redeem the balance portion of the NCDs on the redemption date. Subsequent to the year end, the Company has purchased these NCDs from the Mutual Fund for an amount aggregating to ₹ 445 million. These NCDs are secured by first pari- passu charge over the current assets, movable fixed assets including all rights, title, interest, benefits and claims / demands of the related party i.e. the Issuer Company. The tenure of NCDs have been extended by 1.5 years.

* Income Tax demands mainly include appeals filed by the Group before various appellate authorities (including Dispute Resolution panel) against disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases are likely to be decided in its favour and hence no provision is considered necessary.

The amount represents the best possible estimate arrived at on the basis of available information. The Group has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.



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(B) The Group has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of Media Rights contract for telecast of cricket matches between India and other countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ 1,236 Millions (plus interest) in favour of the Group. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Group has also filed an execution petition in April 2018. Accordingly, pending final outcome, effect has not been given in these financial statements. During the previous year, Group has received ₹ 300 Millions which is accounted as deposits received in other financial liabilities.

35. CAPITAL AND OTHER COMMITMENTS

- (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 608 Millions (₹ 586 Millions).
- (ii) Other Commitments as regards media content and others (net off advances) ₹ 16,719 Millions (₹ 8,551 Millions).
- (iii) Uncalled Liability / contractual obligation on investments committed is ₹ 40 Millions (₹ 55 Millions).

36. (A) ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at \$52.50 million (₹ 3,927 million) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

The Group does not consider that any liability will devolve on it and hence has not recognized any liability against the put option agreement (total value of the put option \$52.50 million (₹ 3,927 million)) and any consequential impact on the consolidated statement of profit and loss. Further, the management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the put option in respect of those financial year ends.

(B) In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the put option, take or pay agreements and guarantees. During the year, the Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub-judice. Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company. Further, the Group has concluded that the matter of LOC will not impact the consolidated financial statements since this is an intra-group arrangement and will in any case be eliminated during the preparation of the consolidated financial statements.

37. During the previous year, considering the increasing competition and content cost inflation, the Company adopted an aggressive differentiated movie library expansion strategy and entered into strategic content partnerships with major production houses, movie studios and creative partners for movies monetization on Zee5, domestic and international broadcast businesses. Accordingly, the Company had provided advances to content aggregators and their agencies (sub-agents) for movie library acquisition and advances aggregating ₹ 2,450 million (net of inventories acquired) were outstanding as on 31 March 2019. During the year, the Company has received inventories of the value of ₹ 1,950 million and refund aggregating to ₹ 500 million from the parties, along with interest of ₹ 19 million which is accounted under the head 'Other Income'.

Further, during the previous year, as part of the aforesaid business strategy, the Company had entered into certain output deals for future rights and given unsecured interest-free deposits aggregating ₹ 6,930 million for a period of eleven months to the aggregators. During the year, the Company has received rights aggregating ₹ 2,205 million and has received refund of ₹ 525 million. The balance amount has been renewed as an advance.

38. Operational cost, Employee benefits expense and other expenses are net off recoveries ₹ 295 Millions (₹ 335 Millions).

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39. SEGMENT INFORMATION

(a) Business Segment

The Group operates only in one Segment namely 'Content and Broadcasting' and hence business segment disclosure as per Ind AS-108 - Segment Reporting is not applicable.

(b) Geographical Segment

The geographical segments considered for disclosure are India and Rest of the World.

	(₹ Millions)	
	Segment revenue *	
	Mar-20	Mar-19
India	71,861	69,051
Rest of the world	9,438	10,288
Total	81,299	79,339

There are no transactions with single external customers which amounts to 10% or more of the Group's revenue.

	(₹ Millions)	
	Carrying cost of segment non-current assets ** @	
	Mar-20	Mar-19
India	12,970	18,226
Rest of the world	4,295	3,973
Total	17,265	22,199

* The revenues are attributable to countries based on location of customers.

** Based on location of assets.

@ Excluding financial assets and deferred tax assets.

Considering the nature of business of the Group in which it operates, the Group deals with various customers including multiple geographies. Consequently, none of the customers contribute materially to the revenue of the Group.

40. PAYMENT TO AUDITORS

	(₹ Millions)	
For standalone	Mar-20	Mar-19
Audit fees	9	9
Certification	3	2
Other Services (₹ Nil PY ₹ (500,000))	-	1
Reimbursement of Expenses(₹ 241,248 PY ₹ (435,976))	0	0
Total	12	12

	(₹ Millions)	
For subsidiaries	Mar-20	Mar-19
Audit Fees	23	21
Tax Audit Fees	1	1
Certification and Tax Representation	1	1
Other Services (₹ Nil PY ₹ (265,529))	-	0
Reimbursement of Expenses (₹ 116,263 PY ₹ (121,781))	0	0
Total	25	23

'0' (zero) denotes amounts less than a million.



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41. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	₹ Millions)	Mar-20	Mar-19
Subsidiary assets held for sale (Refer Note (a) below)			
Assets	525		
Less: Liabilities	(349)	176	-
Freehold land and building (Refer Note (b) below)		742	-
Others		27	-
Total		945	-

Notes:

- a) The Group intends to sell its entire investment in its wholly owned subsidiary, Fly-By-Wire International Private Limited and accordingly has entered into share purchase agreement post 31 March 2020, subject to fulfilment of certain conditions. Transaction is expected to be completed in the next 12 months. Pending fulfilment of such conditions, all of its assets has been classified as held for sale.
- b) The Group intends to dispose off building (mainly residential flats) and freehold land in the next 12 months which it no longer intends to use. The residential flats were previously used for guest house purpose. The buyers of these assets have been identified and the sale transactions are in progress. Impairment loss of ₹ 16 million is recognised in the consolidated statement of profit and loss under miscellaneous expenses.

42. EMPLOYEE BENEFITS

Disclosures as per Ind AS 19 - Employee Benefits are as follows:

(a) Defined contribution plans:

'Contribution to provident and other funds' is recognised as an expense in Note 25 'Employee benefits expense' of the Consolidated Statement of Profit and Loss.

(b) Defined benefit plans:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

	₹ Millions)	Mar-20	Mar-19
Gratuity (Non Funded)			
i) Expenses recognised during the year			
1) Current Service Cost	125	72	
2) Interest Cost	51	35	
3) Actuarial Losses / (Gains)	-	-	
4) Past Service cost	-	231	
Total Expenses	176	338	
ii) Amount recognised in other comprehensive income (OCI)			
1) Opening amount recognized in OCI	74	(26)	
2) Remeasurement during the period due to			
Experience adjustments			
- Changes in financial assumptions	(168)	16	
- Changes in experience charges	58	84	
Closing amount recognised in OCI	(36)	74	

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	(₹ Millions)	
	Mar-20	Mar-19
iii) Net Liability recognised in the Balance Sheet as at 31 March		
1) Present value of defined benefit obligation (DBO)	824	802
2) Net Liability	824	802
iv) Reconciliation of Net Liability recognised in the Balance Sheet as at 31 March		
1) Net Liability at the beginning of year	802	410
2) Expense as per I above	176	338
3) Other comprehensive (income)/loss as per II above	(110)	100
4) Liabilities transferred on divestiture	-	(8)
5) Benefits paid	(41)	(38)
6) Others #	(3)	-
Net Liability at the end of the year	824	802
v) The following payments are expected to defined benefit plan in future years :		
1) Expected benefits for year 1	34	22
2) Expected benefits for year 2 to year 5	150	129
3) Expected benefits beyond year 5	2,313	2,895

Represents elimination of provision for Gratuity of Non-current Investments classified as held for sale

	Mar-20	Mar-19
vi) Actuarial Assumptions		
1) Discount rate	6.73%	7.71%
2) Expected rate of salary increase	7.00%	9.50%
3) Mortality	IAL (2012-14)	IAL (2012-14)

vii) The defined benefit plans expose the Group to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

viii) Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

	Mar-20	Mar-19
Impact of increase in 50 bps on DBO - discount rate	783	748
Impact of decrease in 50 bps on DBO - discount rate	878	861
Impact of increase in 50 bps on DBO - salary escalation rate	878	847
Impact of decrease in 50 bps on DBO - salary escalation rate	782	761

Notes

(a) The current service cost recognised as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(c) Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.

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(a) The summarised financial information of the Group's associates and joint ventures are set out below.

(b) The principal place of business for all associates and joint ventures is in India, except for Asia Today Thailand Limited which operates in Thailand.

1. Aplab Limited - Associate Company (till 15 January 2019)

Particulars	Mar-20	Mar-19
Carrying amount of investment		
Unrecognized share of profit for the year	-	4
Particulars	Mar-20	Mar-19
Total revenue	-	388
Profit for the year	-	15
Other comprehensive income	-	7
Total comprehensive income	-	22

2. Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited) - Associate Company

Particulars	Mar-20	Mar-19
Current assets	46	26
Non-current assets	2	2
Current liabilities	(33)	(15)
Equity	15	13
Proportion of Group ownership	25%	25%
Carrying amount of the investment	4	3
Particulars	Mar-20	Mar-19
Total revenue	84	100
Profit for the year	1	2
Total comprehensive income	1	2
Group's Share of profit	0	0

3. Media Pro Enterprise India Private Limited - Joint Venture

Particulars	Mar-20	Mar-19
Current assets	521	534
Non-current assets	4	37
Current liabilities	(2)	(2)
Equity	523	569
Proportion of Group ownership (increase is with effect from 9 August 19 proportionate)	50%	37%
Proportion of Group share	(A)	210
Adjustment for proportionate share of investment	(B)	7
Carrying amount of investment	(A+B)	217
Cash and cash equivalents	450	236
Particulars	Mar-20	Mar-19
Total revenue	33	88
Income tax expense	-	12
(Loss) / Profit for the year	(46)	64
Total comprehensive (loss) / income	(46)	64
Group's Share of (loss) / profit	(25)	24

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44. FINANCIAL INSTRUMENTS

(a) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through optimisation of debt and equity balance. The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group.

(b) Categories of financial instruments and fair value thereof

(₹ Millions)

Particulars	Mar-20		Mar-19	
	Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets				
i) Measured at amortised cost				
Trade receivables	20,847	20,847	18,274	18,274
Cash and cash equivalents	5,529	5,529	9,677	9,677
Other bank balances	1,816	1,816	2,541	2,541
Loans	-	-	2,135	2,135
Other financial assets	4,161	4,161	10,578	10,578
Redeemable non-convertible debentures	52	52	174	174
Certificate of deposits	525	525	2,519	2,519
	32,929	32,929	45,898	45,898
ii) Measured at fair value through profit and loss account				
Investments				
Tagos Design Innovations Private Limited	98	98	102	102
Morpheus Media Fund	58	58	165	165
Exfinity Technology Fund-Series II	61	61	30	30
Mutual fund	2,245	2,245	6,057	6,057
	2,462	2,462	6,354	6,354
iii) Measured at fair value through other comprehensive income				
Equity shares	12	12	498	498
B Financial liabilities				
i) Measured at amortised cost				
Trade payables	16,803	16,803	14,897	14,897
Other financial liabilities	2,457	2,457	8,017	8,017
Lease liabilities*	856	856	-	-
Vehicle loans *	21	21	32	32
	20,137	20,137	22,946	22,946
ii) Measured at fair value through Profit and Loss				
6% Cumulative redeemable non-convertible preference shares *	5,950	5,950	11,113	11,113

*Includes current maturities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

c Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2020.



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					(₹ Millions)
	Mar-20	Mar-19	Fair Value Hierarchy		Valuation Technique(s) & key inputs used
Financial assets at fair value through other comprehensive income					
Investment in Equity shares	3	429	Level 1		Quoted in an active market
Investment in equity shares	9	69	Level 3		Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method.
Financial assets at fair value through profit and loss					
Investment in Mutual funds	-	67	Level 1		Quoted in an active market
Investment in Mutual funds	2,245	5,990	Level 3		Refer note below \$
Tagos Design Innovations Private Limited	98	102	Level 3		Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.
Morpheus Media Fund	58	165	Level 3		
Exfinity Technology Fund-Series II	61	30	Level 3		
Financial liabilities at fair value through profit and loss					
Quoted 6% Cumulative redeemable non-convertible preference shares	5,950	11,113	Level 1		Quoted in an active market

The fair values of the financial assets under level 3 category have been determined based on market approach techniques, such as, discounted cash flow basis and executed definitive documents for sale of investments.

Reconciliation of Level 3 category of financial assets:

	Mar-20	Mar-19
Opening balance	6,356	5,992
Additions	15	10
Redeemed	(345)	-
Loss recognised	(3,727)	(25)
Effect of foreign currency translation	172	379
Closing balance	2,471	6,356

\$ The Group has investments in overseas mutual funds which were measured at fair value through profit or loss. During the quarter ended 31 March 2020, the COVID-19 pandemic caused severe market disruptions and uncertainty resulting in significant decline in the value of similar funds globally. The Group decided to sell these investments and appointed a consultant to identify a buyer for these investments. While the investments were deployed in high yield assets, due to the impact of the pandemic, the value of the underlying assets declined significantly and potentially delayed the disposal and realisation of these investments. Considering all relevant factors including avoidance of any additional losses on account of such market disruptions and uncertainties, subsequent to the year end, the management has entered into an agreement to sell these investments at a consideration of ₹ 2,245 million (USD 30 million). In accordance with Ind AS 113 on 'Fair Value Measurement', the exit price reflects fair value as at 31 March 2020 and consequently a loss aggregating ₹ 3,835 million (USD 54 million) is recognised in the consolidated statement of profit and loss.

(d) Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings (majorly comprises redeemable preference shares issued by the Company), trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, unsecured interest free deposits, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk.

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- Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk.

The carrying amounts of financial assets and financial liabilities the Group denominated in currencies other than its functional currency are as follows:

Currency	Assets as at		Liabilities as at	
	Mar-20	Mar-19	Mar-20	Mar-19
Indian Rupees (INR)	114	270	29	5
United States Dollar (USD)	530	182	177	243
Euro (EUR)	0	0	4	43
Great Britain Pound (GBP)	0	0	2	3
Mauritian Rupee	5	1	-	-
Australian Dollar (AUD)	51	30	-	-
UAE Dirhams (AED)	5	16	12	25
Singapore Dollar (SGD)	27	22	50	139
Pakistani Rupee (PKR)	-	38	4	4
Egypt Pound (EGP)	86	45	-	-
Japanese Yen (JPY)	1	-	-	-

'0' (zero) denotes amounts less than a million.

- Foreign Currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used while reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

Currency	Sensitivity analysis			
	Mar-20		Mar-19	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Indian Rupees (INR)	(8)	8	(27)	27
United States Dollar (USD)	(35)	35	6	(6)
Euro (EUR)	0	(0)	4	(4)
Great Britain Pound (GBP)	0	(0)	0	(0)
Mauritian Rupee	(0)	0	(0)	0
Australian Dollar (AUD)	(5)	5	(3)	3
UAE Dirhams (AED)	1	(1)	1	(1)
Singapore Dollar (SGD)	2	(2)	12	(12)
Pakistani Rupee (PKR)	0	(0)	(3)	3
Egypt Pound (EGP)	(9)	9	(5)	5
Japanese Yen (JPY)	(0)	0	-	-

'0' (zero) denotes amounts less than a million.



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The Group is mainly exposed to USD currency fluctuation risk.

The Group's sensitivity to foreign currency assets has increased during the current year in line with increase in foreign currency trade receivables.

The Group's sensitivity to foreign currency liabilities has decreased during the current year mainly on account of decrease in Foreign Currency Trade Payables.

- Interest rate risk

The borrowing of the Group includes redeemable preference shares and vehicle loan which carries fixed coupon rate and consequently the Group is not exposed to interest rate risk.

The Group's investment in debt instruments and loans given by the Group are at fixed interest rates, consequently the Group is not exposed to interest rate risk.

- Other price risk

The Group is exposed to equity price risks arising from equity investments. The Group's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 10% lower / higher :

Currency	Sensitivity analysis				(₹ Millions)
	Mar-20		Mar-19		
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%	
Other comprehensive income for the year ended would (decrease) / increase by	(0)	0	(43)	43	

(ii) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations and arises principally from the Group's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Group does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 45 days. The Group's exposure to customers is diversified and except for two customer, no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ Millions)

	Mar-20	Mar-19
Trade Receivables (unsecured)		
Over six months	8,459	3,447
Less than six months	17,095	16,547
Total	25,554	19,994

(₹ Millions)

	Mar-20	Mar-19
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	1,720	1,759
Add: Provided during the year	2,912	471
Less: Reversal during the year	(3)	(554)
Impact of Foreign Translation	78	44
Balance as at the end of the year	4,707	1,720
Net Trade receivable	20,847	18,274

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Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

The Company has trade receivables aggregating ₹ 8,155 million from two key strategic customers as at 31 March 2020, which include amounts which are long overdue. For one of the customer, the Management, based on detailed assessment of recoverability, has agreed on revised individual plans with this customer, which involve recovering the amounts over a period of 12 to 24 months. Subsequently, the customer has been paying as per the agreed plan. Accordingly, the Management has considered the aforesaid amounts as good of recovery and, in line with Ind AS 109 on 'Financial Instruments' recorded expected credit loss aggregating ₹ 376 million towards time value of money on account of the delayed collections from this customer. Further, in respect of the other key customer (a related party), based on the assessment of its credit risk as well as the potential impact of the COVID 19 pandemic on this customer, the Company has recorded an expected credit loss aggregating ₹ 1,179 million.

Further, provision of ₹ 413 million has been recorded with respect to advertising and subscription customers as a matter of abundant caution, on account of potential credit risk due to COVID-19 pandemic.

The Company in earlier years, had invested in Inter-corporate Deposits (ICDs) / Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating ₹ 1,500 millions. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of ₹ 1,706 million (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during the year and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.

The Group has made provision for loans aggregating ₹ 278 Millions (including interest) as the same was overdue as at 31 March 2020.

During the year, the group has made provision for slow moving financial assets aggregating to ₹ 655 million (Nil).

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The credit risk on mutual funds, non convertible debentures, certificates of deposit and other debt instruments is limited because the counterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group consistently generated cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short term as well as in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020:

	(₹ Millions)				
	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	19,259	-	-	19,259	19,259
Lease liabilities	341	470	45	856	856
Borrowings	4,044	4,045	-	8,089	5,971
Total	23,644	4,515	45	28,204	26,086

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019.

	(₹ Millions)				
	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	22,914	-	-	22,914	22,914
Borrowings	4,046	8,088	-	12,134	11,146
Total	26,960	8,088	-	35,048	34,060

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

45. The Company had a fixed deposit with a bank of ₹ 2,000 million. During the month of July 2019, the bank had prematurely and unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain non-group related parties (promoter group entities). Subsequently, these related parties have paid the said amount to the Company along with the interest thereon amounting to ₹ 25 million. The Audit Committee had advised the management to investigate the matter fully and take appropriate action. The report of the findings was presented to the Audit Committee and taken on record that there were no exceptions.

Based on legal advice, and the fact that the related parties have paid the said amount, along with interest, the Audit Committee and the Board of Directors of the Company had approved the setting-off of the amounts received from the related parties with the aforesaid fixed deposit based on communication received from related parties. Subsequent to the year end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.

46. The Group is of the knowledge that Dr. Subhash Chandra in his individual capacity has given Personal Letters of Comfort (LOC) to a Bank. Based on the legal opinion obtained, the Group is of the view that the aforesaid LOCs are given in his personal capacity and hence will have no financial implication for such LOCs on the Group.

47. RELATED PARTY DISCLOSURES

(i) Associates

Name of the Associate	Extent of holding	Country of Incorporation
Aplab Limited*	9.50% (9.50%)	India
Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand

* Associate upto 15 January 2019

(ii) Joint Ventures

Name of the Jointly Controlled Entity	Extent of holding	Country of Incorporation
Media Pro Enterprise India Private Limited (held through Zee Network Distribution Limited formerly known as Zee Turner Limited)	50% (50%)	India

(iii) Other Related parties consists of companies controlled by key management personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Asian Satellite Broadcast Private Limited; Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Creatum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited*; Dish TV India Limited*; Edisons Infrapower & Multiventures Private Limited; Essel Finance VKC Forex Limited; Essel Corporate LLP; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Essel Finance Wealth Zone Private Limited; Essel Green Mobility Limited; Essel Realty Private Limited; Essel Utilities Distribution Company Limited; Evenness Business Excellence Services Limited (Formerly known as Essel Business Excellence Services Limited); EZ Buy Private Limited; EZ Mall Online Limited; Indian Cable Net Company Limited; Konti Infrapower & Multiventures Private Limited; Liberium Global Resources Private Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Omnitrade Marketing Services Private Limited; Pan India Infraprojects Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Procall Infra & Utilities Private Limited; Real Media FZ-LLC; Shirpur Gold Refinery Limited; Siti Broadband Services Private Limited; Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communication Private Limited; Siti Karnal Digital Media Network Private Limited; Siti Networks Limited; Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Saistar Digital Media Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Subhash Chandra Foundation; Today Merchandise Private Limited; Veria International Limited; Widescreen Holdings Private Limited; Zee Akaash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited; Zen Cruises Private Limited

*Related party till 31 March 2019

(iv) Directors/Key Management Personnel

Dr. Subhash Chandra (Non-Executive Director); Punit Goenka (Managing Director & CEO); Ashok Kurien (Non-Executive Director); Subodh Kumar (Non-Executive Director) Upto 22 November 2019; Prof. Sunil Sharma (Independent Director) Upto 24 November 2019; Prof. Neharika Vohra (Independent Director) Upto 22 November 2019; Manish Chokhani (Independent Director); Adesh Kumar Gupta (Independent Director); R Gopalan (Independent Director) w.e.f. 25 November 2019; Surender Singh (Independent Director) w.e.f. 25 November 2019 upto 20 March 2020; Aparajita Jain (Independent Director) w.e.f. 25 November 2019 upto 20 March 2020; Piyush Pandey (Independent Director) w.e.f. 24 March 2020;

(v) Relatives of key Management Personnel

Amit Goenka, CEO international business

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(vi) Disclosure in respect of related party transactions and balances as at and during the year

(₹ Millions)

Sl. No.	Particulars	Mar-20	Mar-19
Transactions during the year			
A)	Fixed assets		
I)	Assets purchased		
	Other related parties	-	8
B)	Non-Current investments		
I)	Investments sold		
	Associate	-	2
C)	Revenue from operations		
I)	Advertisement income		
	Other related parties	27	129
II)	Subscription income		
	Other related parties	1,955	6,227
III)	Share of subscription income payable		
	Other related parties	611	683
IV)	Commission - Space selling		
	Other related parties	267	389
V)	Sales - Media content		
	Other related parties	5	35
VI)	Other operating revenue		
	Other related parties	159	112
D)	Other income		
I)	Rent/ Miscellaneous income		
	Other related parties	267	349
II)	Interest income		
	Other related parties	25	172



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sl. No.	Particulars	Mar-20	Mar-19
III)	Liabilities / Excess provision written back		
	Other related parties	-	68
E)	Purchase of services		
	Other related parties	3,065	3,034
F)	Recoveries / (Reimbursement) (net)		
	Other related parties	189	335
G)	Loans, advances and deposits given		
	Other related parties	12	-
H)	Loans, advances and deposits repayment received		
	Other related parties	54	24
I)	Loans, advances and deposits repayment given		
	Other related parties#	45	1,752
J)	Provision for Loans, Advance and Deposit Given / Other Receivables (Refer Note 44 (d)(ii))		
	Other related parties	3,615	-
K)	Amount paid by other related parties (Refer note 45)		
	Other Related Parties	2,025	-
L)	Corporate Social Responsibility		
	Other related parties	-	222
M)	Remuneration to Managing Director & CEO and CEO international business		
	Short term employee benefits*	141	137
N)	Commission and sitting fees		
	Non-executive directors	37	23
O)	Dividend paid		
	Director (2020: ₹ 11,099; 2019: ₹ 1,140)	0	0

Particulars	Mar-20	Mar-19
Balance as at 31 March		
A) Investment		
Associates	3	3
Joint venture	217	217
B) Trade receivables		
Associates (2020: ₹ 49,001; 2019: ₹ 45,490)	0	0
Other related parties	1,222	5,335
C) Loans, advances and deposits given		
Other related parties	408	2,233
D) Other receivables		
Other related parties	509	773

NOTES**FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Mar-20	Mar-19
E) Trade advances and deposit received		
Joint venture	-	2
Other related parties	33	83
F) Trade/Other payables		
Other related parties	760	816
G) Corporate guarantees given		
Other related parties	1,637	1,137

Includes assignment of loan given worth ₹ 1,706 million.

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

(vii) Disclosure in respect of material related party which account for 10% or more of the transactions and balances as at and during the year

Sr No.	Particulars	Mar-20	Mar-19
Transactions during the year			
A) Fixed assets			
I) Assets purchased			
Zee Media Corporation Limited	-	8	
B) Non-Current investments			
I) Investments sold			
Aplab Limited	-	2	
C) Revenue from operations			
I) Advertisement income			
Dish TV India Limited	-	112	
Living Entertainment Enterprises Private Limited	4	2	
Zee Media Corporation Limited	15	13	
Real Media FZ LLC	5	-	
Others	3	2	
II) Subscription income			
Dish TV India Limited	-	4,839	
Siti Networks Limited	1,233	1,012	
Indian Cable Net Company Limited	722	376	
III) Share of subscription income payable			
Living Entertainment Enterprises Private Limited	229	210	
Zee Media Corporation Limited	382	473	
IV) Commission - Space selling			
Zee Akaash News Private Limited	35	23	
Zee Media Corporation Limited	224	345	
Others	8	21	

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(₹ Millions)

Sr No.	Particulars	Mar-20	Mar-19
V)	Sales - Media content		
	Living Entertainment Enterprises Private Limited	-	30
	Zee Media Corporation Limited	4	2
	EZ Mall online Limited	-	3
	Veria International Limited	1	-
VI)	Other operating revenue		
	Living Entertainment Enterprises Private Limited	47	33
	Zee Media Corporation Limited	112	79
D)	Other income		
I)	Rent/ Miscellaneous income		
	Siti Networks Limited	32	29
	Zee Media Corporation Limited	149	133
	Evenness Business Excellence Services Limited	38	44
	Essel Infra Projects Limited	27	49
	Others	21	94
II)	Interest income		
	Widescreen Holdings Private Limited	-	47
	Konti Infrapower & Multiventures Private Limited	-	57
	Edison Infrapower & Multiventures Private Limited	-	57
	Asian Satellite Broadcast Private Limited	-	11
	Pan India Infraprojects Private Limited	6	-
	Essel Corporate Resources Private Limited	3	-
	Pan India Network Infravest Limited	6	-
	Evenness Business Excellence Services Limited	3	-
	Others	7	-
III)	Liabilities / Excess provision written back		
	Dish TV India Limited	-	68
E)	Purchase of services		
	Broadcast Audience Research Council	368	383
	Zee Media Corporation Limited	321	289
	Digital Subscriber Management and Consultancy Services Private Limited	581	582
	Siti Networks Limited	380	249
	Evenness Business Excellence Services Limited	622	743
	Others	793	788
F)	Recoveries / (Reimbursement) (net)		
	Evenness Business Excellence Services Limited	41	34
	Dish TV India Limited	-	44
	Living Entertainment Enterprises Private Limited	(38)	(15)
	Zee Media Corporation Limited	141	152
	Others	45	120

NOTES**FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(₹ Millions)

Sr No.	Particulars	Mar-20	Mar-19
G)	Loans, Advances and Deposits given		
	Indian Cable Net Company Limited	12	-
H)	Loans, advances and deposits repayment received		
	Essel Corporate LLP	-	12
	Cyquator Media Services Pvt. Ltd	-	3
	Broadcast Audience Research Council	9	9
	Evenness Business Excellence Services Limited	40	-
	Others	5	-
I)	Loans, advances and deposits repayment given #		
	Widescreen Holdings Private Limited	-	460
	Konti Infrapower & Multiventures Private Limited	-	560
	Edison Infrapower & Multiventures Private Limited	-	570
	Zee Media Corporation Limited	37	-
	Diligent Media Corporation Limited	6	-
	Others	2	162
J)	Provision for Loans, Advance and Deposit Given / Other Receivables (Refer Note 44 (d)(ii))		
	Widescreen Holdings Private Limited	460	-
	Konti Infrapower & Multiventures Private Limited	560	-
	Edisons Infrapower & Multiventures Private Limited	570	-
	Siti Networks Limited	1,179	-
	Essel Infra Projects Limited	149	-
	Living Entertainment Enterprises Private Limited	364	-
	Others	333	-
K)	Amount paid by other related parties (Refer note 45)		
	Pan India Infraprojects Private Limited	523	-
	Essel Green Mobility Limited	173	-
	Essel Corporate Resources Private Limited	226	-
	Essel Utilities Distribution Company Limited	194	-
	Pan India Network Infravest Limited	499	-
	Living Entertainment Enterprises Private Limited	176	-
	Evenness Business Excellence Services Limited	233	-
L)	Corporate Social Responsibility		
	Subhash Chandra Foundation	-	222
M)	Remuneration to Managing Director & CEO and CEO international business		
	Punit Goenka, Managing Director and CEO	90	83
	Amit Goenka, CEO international business	51	54

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(₹ Millions)

Sr No.	Particulars	Mar-20	Mar-19
N)	Commission and sitting fees		
	Non-executive directors	37	23
O)	Dividend paid		
	Director (2020: ₹ 11,099; 2019: ₹ 1,140)	0	0

	Particulars	Mar-20	Mar-19
	Balance as at 31 March		
A)	Investment		
	Equity shares of Media Pro Enterprises India Private Limited	217	217
	Others	3	3
B)	Trade receivable		
	Dish TV India Limited	-	3,289
	Siti Networks Limited (net of provision)	812	1,278
	Indian Cable Net Company Limited	328	413
	Others	82	355
C)	Loans, advances and deposits given		
	Digital Subscriber Management and Consultancy Services Private Limited	340	340
	Widescreen Holdings Private Limited	-	481
	Konti Infrapower & Multiventures Private Limited	-	586
	Edison Infrapower & Multiventures Private Limited	-	595
	Others	68	231
D)	Other receivables		
	Zee Media Corporation Limited	137	106
	Essel Infra Projects Limited (net of provision)	12	120
	Living Entertainment Enterprises Private Limited (net of provision)	-	147
	Evenness Business Excellence Services Limited	137	92
	Siti Networks Limited	162	105
	Others (net of provision)	61	203
E)	Trade advances and deposit received		
	Essel Corporate LLP	10	10
	Essel Infra Projects Limited	12	12
	Zee Media Corporation Limited	9	46
	Others	2	17

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Particulars		Mar-20	Mar-19
F) Trade/Other payables			
Evenness Business Excellence Services Limited		104	187
Zee Media Corporation Limited		281	130
Siti Networks Limited		179	52
Indian Cable Net Company Limited		159	159
Others		37	286
G) Corporate Guarantees given			
Broadcast Audience Research Council		34	170
Siti Networks Limited **		1,166	967
Zee Learn Limited		437	-

Includes assignment of loan given worth ₹ 1,706 million.

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

** Loan outstanding ₹ 2,523 million(₹ 3,698 million)

**NOTES****FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

48. Additional information, as required to consolidated financial statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended 31 March 2020.

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Zee Entertainment Enterprises Limited	82%	76,544	143%	7,480	11%	147	116%	7,627
SUBSIDIARIES								
Indian								
1 Zee Network Distribution Limited (Formerly known as Zee Turner Limited)	0%	83	1%	31	-	-	0%	31
2 Essel Vision Productions Limited	2%	1,502	30%	1,553	0%	(1)	24%	1,552
3 Zee Digital Convergence Limited	0%	(20)	0%	(1)	0%	(0)	0%	(1)
4 Zee Unimedia Limited	0%	24	0%	(3)	-	-	0%	(3)
5 Margo Networks Pvt. Ltd.	1%	613	-1%	(77)	0%	(0)	-1%	(77)
6 Fly by Wire International Private Limited	0%	127	1%	70	0%	(0)	1%	70
7 India Webportal Private Limited	0%	(0)	0%	(1)	-	-	0%	(1)
8 Idea Shopweb and Media Private Limited	0%	(14)	0%	(7)	-	-	0%	(7)
Foreign								
1 ATL Media Limited (Formerly Asia Today Limited)	13%	11,998	-78%	(4,103)	-	-	-62%	(4,103)
2 Zee Multimedia Worldwide (Mauritius) Limited	7%	6,302	2%	124	-	-	2%	124
3 Asia TV Limited (UK)	1%	1,226	2%	84	-	-	1%	84
4 Expand Fast Holdings (Singapore) Pte Limited	0%	157	0%	0	-	-	0%	0
5 OOO Zee CIS Holding LLC	-	-	-	-	-	-	-	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
6 OOO Zee CIS LLC	0%	14	0%	(3)	-	-	0%	(3)
7 Taj TV Limited	1%	1,400	1%	34	-	-	1%	34
8 Zee Technologies (Guangzhou) Limited	0%	(80)	0%	(1)	-	-	0%	(1)
9 Zee Entertainment Middle East FZ-LLC	2%	2,307	3%	160	-	-	2%	160
10 ATL Media FZ-LLC	0%	(112)	1%	64	-	-	1%	64
11 Zee TV South Africa (Proprietary) Limited	0%	(142)	1%	46	-	-	1%	46
12 Zee TV USA Inc.	-	-	-	-	-	-	-	-
13 Asia Multimedia Distribution Inc.	0%	52	0%	17	-	-	0%	17
14 Eevee Multimedia Inc. (dissolved w.e.f. 31 March 2020)	-	-	1%	68	-	-	1%	68
15 Asia Today Singapore Pte Limited	0%	78	1%	28	-	-	0%	28
16 Asia TV (USA) Limited, Wyoming	-1%	(1,128)	-24%	(1,280)	-	-	-19%	(1,280)
17 Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	-1%	(989)	-25%	(1,289)	0%	0	-20%	(1,289)
18 Zee Studio International Limited	0%	(85)	0%	(17)	-	-	0%	(17)
19 Z5X Global FZ - LLC	-2%	(2,224)	-18%	(939)	-5%	(63)	-15%	(1,002)
20 Asia TV GmbH	0%	17	0%	6	-	-	0%	6
21 Pantheon Productions Limited	0%	(1)	0%	(0)	-	-	0%	(0)
Non Controlling Interests in all subsidiaries	0%	110	0%	(19)	0%	0	0%	(19)



NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
ASSOCIATES (INVESTMENT AS PER THE EQUITY METHOD)								
Foreign								
1 Asia Today Thailand Limited	0%	4	0%	0	-	-	0%	0
JOINT VENTURES (INVESTMENT AS PER THE EQUITY METHOD)								
Indian								
1 Media Pro Enterprise India Private Limited	0%	193	0%	(25)	-	-	0%	(25)
TOTAL	105%	97,956	38%	2,000	6%	83	32%	2,083
(Less)/Add: Effect of Elimination		(4,407)		3,246		1,253		4,499
TOTAL		93,549		5,246		1,336		6,582

0' (zero) denotes amounts less than a million.

Note: The figures have been computed based on the respective audited financial statements of the Companies vis-à-vis consolidated figures. Impact of consolidation adjustments have not been considered.

49.DIVIDEND

Dividend on equity shares is approved by the Board of Directors in their meeting held on 24 July, 2020 and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend distribution tax thereon). Appropriation of dividend is done in the financial statements subsequent to approval by the shareholders.

Final dividend on equity shares for the current year is Re 0.30 per share (₹ 3.5 per share) which aggregates to ₹ 288 Millions (₹ 3,362 Millions).

- 50.** The consolidated financial statements of the Group for the year ended 31 March 2020, were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 24 July 2020.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani

Partner

Place: Mumbai

Date: 24 July 2020

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

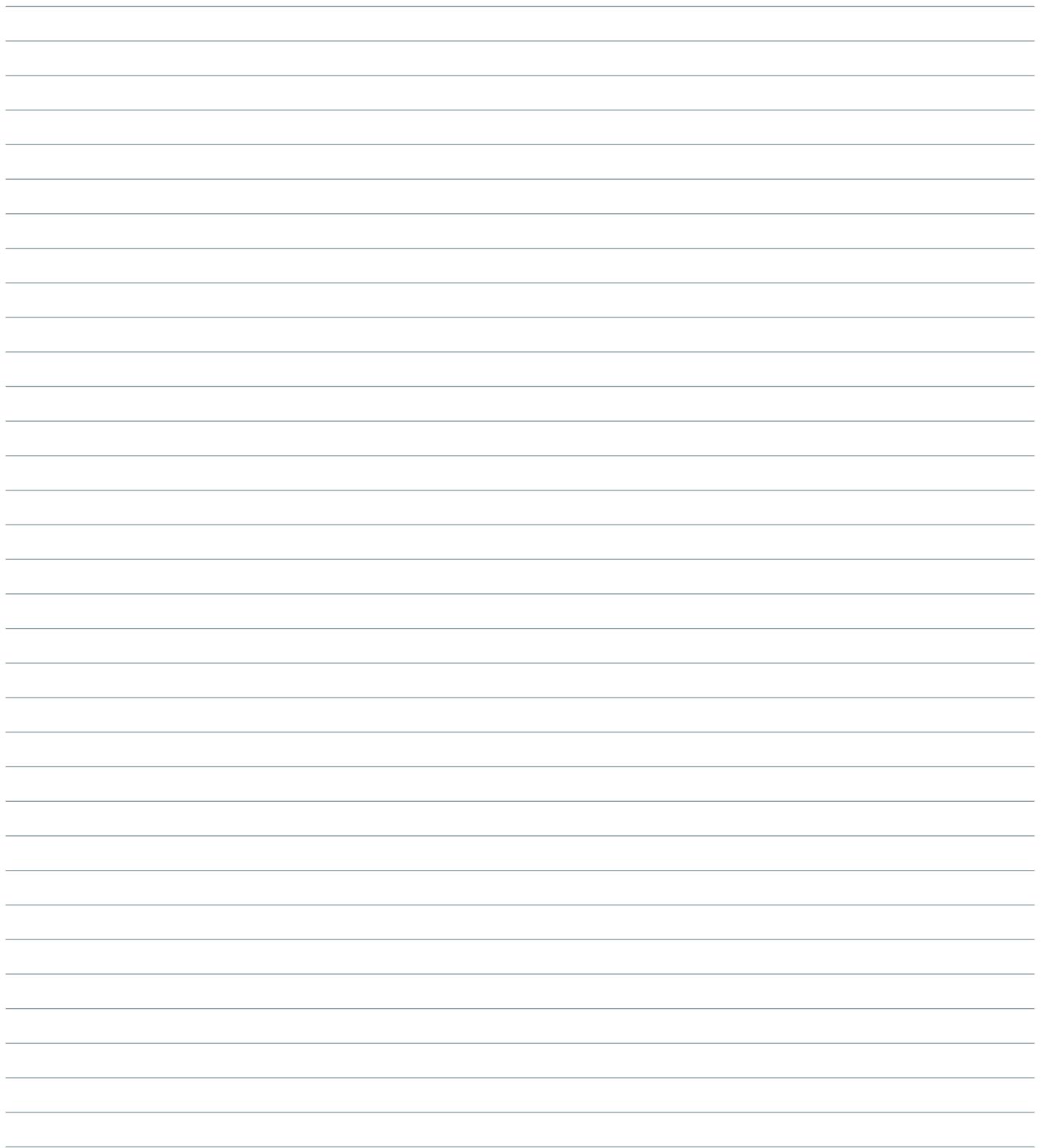
Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai

Date: 24 July 2020

R Gopalan
Director

Ashish Agarwal
Company Secretary





OUR PRESENCE

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Zee Entertainment Enterprises Ltd, SL
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Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results - (Consolidated)

**Statement on Impact of Audit Qualifications for the Financial Year ended
March 31, 2020**

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr No	Particulars	Audited Figures (Rs in lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs in lakhs) (as reported after adjusting for qualification)*
	1	Turnover / Total income	841,350	841,350
	2	Total Expenditure (<i>Includes Exceptional items</i>)	745,481	745,481
	3	Net Profit/(Loss) after tax	52,459	52,459
	4	Earnings Per Share	5.48	5.48
	5	Total Assets	1,237,374	1,237,374
	6	Total Liabilities	242,382	242,382
	7	Net Worth (<i>Includes 6% Cumulative Redeemable Non-convertible preference share capital</i>)	993,892	993,892
	8	Any other financial item(s) (as felt appropriate by the management	NIL	NIL
		* Since the modification pertains to a matter where the auditors have been unable to quantify the impact, if any, no adjustment has been made in the table above for such modification.		
II		<p>Audit Qualifications</p> <p>(a) Details of Audit Qualification</p> <p>We draw attention to note 10 (a) to the Statement, where the Group has explained the reasons for not recognizing the liability against the put option agreement (total value of the put option \$52.50 million (Rs. 39,275 lakhs)) as at 31 March 2020 entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent with Living Entertainment Limited (LEL), a related party, to acquire the equity shares of Veria International Limited (VIL), another related party, held by LEL. In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of the Bank. As explained in the note, the put option matter is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the put option in the financial statements of ATL that have been provided for inclusion in the consolidated financial statements of the Parent. Further, the auditors of ATL have been unable to comment on the management's statement in the said note that based on valuation reports provided by LEL</p>		

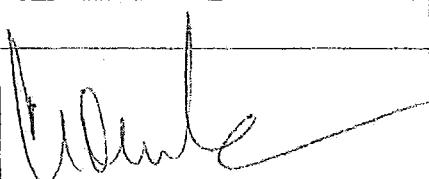
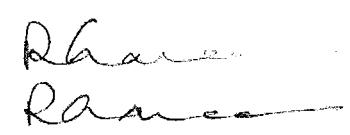
annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), they had concluded that the value of the underlying shares in VIL was higher than the exercise price, since they have not been able to obtain appropriate evidence to audit the cash flow projections of VIL included in such valuation reports. In the absence of appropriate audit evidences to support the valuation of the put option in the prior periods, the auditors of ATL have been unable to comment if any adjustments are required in the financial statements of ATL provided for inclusion in the consolidated financial statements of the Parent for the prior periods when the put option was in existence. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results in respect of the said put option, including in respect of the comparative / corresponding amounts for the prior periods presented in these consolidated financial statements and to the opening balances considered in respect of the previous year ended 31 March 2019.

In continuation to the modification described above, we draw attention to Note 10 (b) of the Statement regarding the Letter of Comfort (LOC) issued, in an earlier year, by the Parent to the aforesaid Bank in connection with the said borrowing by LEL, from the Bank, confirming among other matters, to support ATL, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring a the aforesaid put option entered into by ATL with LEL.

In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the put option, subsequent to the year-end, the Bank filed a plaint against the Parent in the Hon'ble High Court of Bombay on the grounds, among other matters, seeking an-interim application with a main prayer that the aforesaid LOC is a guarantee given the Parent. The Hon'ble High Court has declined the ad-interim relief sought by the Bank. Consequently, the Parent has not considered the LOC as a financial guarantee. The Bank has preferred an appeal against the Order and the Parent is contesting the bank's claim in the Hon'ble High Court. Since the matters are currently sub-judice, we are unable to determine whether any further adjustment, in addition to any adjustments on the put option by ATL referred above, is required to be made in respect of such LOC given by the Parent, in the books of account and on compliance with the requirements of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

	(b) Type of Audit Qualification (Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion)	Qualified
	(c) Frequency of qualification	First
	(d) For Audit qualification(s) where impact is quantified by the auditor, Management Views : Not Applicable	
	(e) For Audit qualifications(s) where impact is not quantified by the auditor, Management Views : The impact is not quantifiable since the matter is sub-judice. Refer (e) (ii) below.	
	(i) Management's estimation on the impact of audit qualification : The impact is not quantifiable since the matter is sub-judice. Refer (e) (ii) below.	
	(ii) If Management is unable to estimate the impact, reasons for the same ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice. The Group does not consider that any liability will devolve on it and hence has not recognized any liability against the put option agreement (total value of the put option \$52.5 million (Rs. 39,275 lakhs)) and any consequential impact on the statement of profit and loss. Further, the management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the put option in respect of those financial year ends.	

	<p>In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the put option, take or pay agreements and guarantees. During the year, the Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.</p> <p>The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order.</p> <p>The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub – judice.. Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company. Further, the Group has concluded that the matter of LOC will not impact the consolidated financial statements since this is an intra-group arrangement and will in any case be eliminated during the preparation of the consolidated financial statements</p>
	<p>(iii) Auditors Comments on (i) or (ii) above:</p> <p>Refer our qualification in point II (a) above.</p>

III	Signatories	
	Punit Goenka Managing Director & CEO Mumbai, July 24, 2020	
	Rohit Kumar Gupta Chief Financial Officer Mumbai , July 24, 2020	
	R Gopalan Chairman of Audit Committee New Delhi, July 24, 2020	
	Statutory Auditors For Deloitte Haskins & Sells LLP Chartered Accountants Firm Registration No. (117366W/W-100018)  A. B. Jani Partner Membership Number 46488 UDIN: 20046488AAAABU8668 Mumbai July 24, 2020	