

June 24, 2016

BSE Limited  
National Stock Exchange Limited

**BSE Scrip Code: - 505537**  
**NSE Symbol: - ZEEL**

**Kind Attn: - Manager- Corporate Relationship Department**

Dear Sir,

**Sub: - Notice of Annual General Meeting and Annual Report of the Company  
for the year ended March 31, 2016.**

This is to inform you that the 34<sup>th</sup> Annual General Meeting of the Members of the Company has been convened to be held on Tuesday, July 26, 2016 at 11.00 a.m. at 'Nehru Auditorium', Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018.

The Company has initiated the process of despatching the said Annual Report for FY 2015-16 to its shareholders as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We send herewith a copy of the Annual Report for 2015-16 along with the Notice of 34<sup>th</sup> Annual General Meeting.

The Annual Report of the Company can also be accessed on the website of the Company [www.zeetelevision.com](http://www.zeetelevision.com).

**For Zee Entertainment Enterprises Limited**



**M Lakshminarayanan**  
**Chief Compliance Officer & Company Secretary**



Encl: - As above



|| VASUDHAIVA KUTUMBAKAM ||  
THE WORLD IS MY FAMILY

**ZEE ENTERTAINMENT ENTERPRISES LIMITED**

Regd. Office : 18th Floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Lower Parel, Mumbai - 400 013. India.

☎ + 91 22 7106 1234 ☎ + 91 22 2490 0302

[www.zeetelevision.com](http://www.zeetelevision.com) | CIN : L92132MH1982PLC028767

# CONSISTENCY & CHANGE

ANNUAL REPORT 2015-16

Zee Entertainment Enterprises Limited



॥ वाचस्पति कथयन्ति ॥  
THE WORLD IS MY HOUSE



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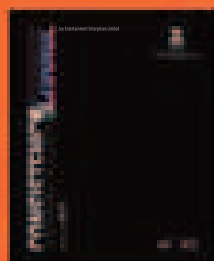
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### ROUTE MAP TO AGM VENUE ATTENDANCE SLIP & PROXY FORM



#### ON THE COVER CONSISTENCY & CHANGE:


This year's Annual Report Cover depicts the juxtaposition of Consistency and Change as concepts that are distinct, yet inextricably linked. Change emerges from an ability to be consistent.



View online at [zeetelevision.com/investor-relations/financials-annual.html](http://zeetelevision.com/investor-relations/financials-annual.html)

View Quarterly Results at [zeetelevision.com/investor-relations/report-earning-release.html](http://zeetelevision.com/investor-relations/report-earning-release.html)

**FORWARD LOOKING STATEMENTS:** In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our future prospects and capabilities and take investment decisions. This report and other statements - written and oral - that we periodically make contain announcements and communication 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 assertions will be realised, although we believe we have been prudent in our communication. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, 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 observation, whether as a result of new information, future events or otherwise.



# OUR WORLD IS WITNESSING A FRENETIC PACE OF CHANGE.

MANY FACETS OF LIFE WHICH ARE COMMONPLACE TODAY WERE UNTHINKABLE AS RECENTLY AS A FEW YEARS AGO.

THERE'S CHANGE SWEEPING ACROSS CONSUMER ASPIRATIONS AND BEHAVIOUR, WHICH IN TURN, IS DISRUPTING THE DYNAMICS OF MANY TRADITIONAL INDUSTRIES. TECHNOLOGY IS ENABLING HYPER-PERSONALISATION AND HYPER-LOCALISATION. YET, RELATIVELY 'OLD-WORLD' VALUES SUCH AS TRUST, DELIVERY AND QUALITY REMAIN RELEVANT.

MUTUALLY EXCLUSIVE OR TWO SIDES OF THE SAME COIN?

THE WORLD IS IN THE THROES OF REMARKABLE CHANGE. IT IS SWEEPING ACROSS EVERY FACET OF LIFE.

FY 2015-16 WAS A REMARKABLE YEAR ON MANY FRONTS. INDIA ACHIEVED A RECORD GROWTH, AND CAME TO BE ACKNOWLEDGED AS THE WORLD'S BRIGHT SPOT.

AS ONE OF THE WORLD'S MOST PROMINENT GLOBAL CONTENT BRAND, ZEEL HAS LED THE INDUSTRY THROUGH ITS TRANSFORMATIONAL CYCLE WITH A ROBUST BLEND OF CONSISTENT PERFORMANCE AND AN EARLY ADOPTION OF CHANGE.

IN 2015-16, ZEEL MAINTAINED ITS TRACK RECORD OF DELIVERING AN INDUSTRY-LEADING PERFORMANCE ACROSS KEY METRICS. WE CONTINUED TO REMAIN FOCUSED ON DELIVERING HIGH-IMPACT CONTENT THAT OUR VIEWERS LOVE. WE DO THIS BY BEING TRUE TO OUR VALUES AND OUR STRATEGIC PRIORITIES.

YET, THERE IS VISIBLE CHANGE. WE ARE STRUCTURING OUR BUSINESS AND OPERATING FRAMEWORK WITH A CLEAR FOCUS ON DIVERSE REVENUE STREAMS. WE ARE REALIGNING OUR CONTENT STRATEGY TO CONVERGE SEAMLESSLY WITH THE DIGITAL ECOSYSTEM. WE ARE OFFERING MORE HOLISTIC SOLUTIONS TO OUR ADVERTISERS TO LEVERAGE THE POWER OF OUR NETWORK BETTER.

FOR US AT ZEEL, OUR BUSINESS IS ALL ABOUT CELEBRATING EMOTIONS AND DELIVERING POSITIVE OUTCOMES TO ALL STAKEHOLDERS. BEING TRUE TO OUR ETHOS, CONTINUING TO LEAD BY INNOVATION, AND AN ABILITY TO ANTICIPATE AND EMBRACE THE NEW, ARE ENABLERS OF OUR SUCCESS.

HERE'S TO  
**CONSISTENCY.**  
HERE'S TO  
**CHANGE.**

## ZEEL AT A GLANCE

THE WORLD  
IS MY FAMILY

ZEEL IS A WORLDWIDE  
MEDIA BRAND OFFERING  
CONTENT IN MULTIPLE  
LANGUAGES, WITH A  
STRONG PRESENCE IN  
171 COUNTRIES AND A TOTAL  
VIEWERSHIP OF OVER  
1 BILLION PEOPLE AROUND  
THE GLOBE.

## HIGHLIGHTS FY 2015-16

17.9%

NETWORK SHARE

₹ 58,515  
MILLION

TOTAL REVENUE



ZEEL is proud to be a part of the Essel Group which has completed 90 glorious years. Essel Group's journey has been exciting and challenging. Today, the Group is a multi-billion dollar business conglomerate, present across diverse businesses such as media, entertainment, packaging, infrastructure, education, technology and so on. The Group caters to various customer segments in 171 countries globally. From a humble beginning in 1926, in Mandi Adampur, the Essel Group has today transformed into a vibrant conglomerate, efficiently managed by the 5th generation of its founders.

#### MISSION

**TO BECOME THE WORLD'S LEADING GLOBAL MEDIA COMPANY FROM THE EMERGING MARKETS.**  
**AS A CORPORATION, WE ARE DRIVEN BY INNOVATION AND CREATIVITY THAT FOCUSES ON GROWTH, WHILE DELIVERING EXCEPTIONAL VALUE TO OUR CUSTOMERS, OUR VIEWERS AND ALL OUR STAKEHOLDERS.**

₹ **10,267**  
MILLION

**PROFIT AFTER TAX**

₹ **15,095**  
MILLION

**EBITDA**

With a strong presence in over 171 countries and a total viewership of 1 Billion plus people around the globe, Zee Entertainment Enterprises Ltd. (ZEEL) is a worldwide media brand offering content in multiple languages. ZEEL is preponderate in its homeland, India and is the largest global content company across genres and platforms, with more than 2,22,703 hours of television content. It comprises of 38 international and 33 popular domestic channels, making ZEEL an all-encompassing, globally appealing brand. With rights to more than 3,818 movie titles from premiere studios featuring iconic film stars, ZEEL houses the world's largest Hindi film library.

Brand ZEEL has added value to the lives of its internal and external stakeholders which include shareholders, bankers, investors, employees and business partners; since the day of its launch in 1992. ZEEL considers each one of these stakeholders as integral members and aims at making the entire world a part of this large, proliferating family. Inspired by this thought, ZEEL embraces the concept of 'Vasudhaiva Kutumbakam – The World is My Family', as its underlying ethic and brand positioning.

ZEEL has bagged many distinguished awards since its inception. Notable amongst them have been the Dun & Bradstreet Corporate Award and the IMC Award for Excellence in Media.

It has also been ranked as the number one brand in the media category, in prestigious rankings like the ET 500 and Fortune 500.

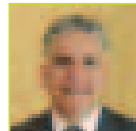
## ZEEL - GLOBALLY ACCLAIMED

VIEW

WORLD

## ZEEL AS A GLOBAL CASE STUDY

INSEAD, one of the world's leading and largest graduate business schools published a comprehensive case study about ZEEL. It was titled 'Act Globally, Think Globally: ZEE Entertainment's Worldwide Growth' and was written by Stephen Mezas, Professor of Entrepreneurship and Family Enterprise at INSEAD and Colin J. Killick. This case study is being used as a study material for class discussion at the Institute. It gives an account of ZEEL's international strategy with valuable insights from ZEEL MD & CEO, Mr. Punit Goenka as well as other senior management team. The case also discusses ZEE's Global flexibility and adaptability as well as the benefits of going global.



**"ZEEL IS A PIONEER IN PRIVATE SATELLITE TV SPACE AND HAS ACHIEVED NOTEWORTHY SUCCESS IN A SHORT TIME SPAN.**

**THE REMARKABLE SUCCESS OF ZEE IN THE GLOBAL ARENA INSPIRED US TO RESEARCH AND DEEP DIVE INTO ITS ENTREPRENEURIAL JOURNEY.**

**IT IS AMONGST THE FEW BRANDS FROM THE EMERGING MARKETS TO HAVE GAINED WORLDWIDE TRACTION."**

— STEPHEN MEZAS,  
PROFESSOR OF ENTREPRENEURSHIP AND FAMILY ENTERPRISE AT INSEAD

## WHAT MAKES ZEEL GLOBAL?

&gt;1 BILLION

VIEWERSHIP

171

COUNTRIES

33

DOMESTIC CHANNELS

38

INTERNATIONAL CHANNELS

## INTERBRAND'S BEST INDIAN BRANDS

ZEEL is the only media brand to enter into Interbrand's recently released '30 Best Indian Brands Report 2015'. This reinforces ZEEL's objective of being ranked amongst the Top Global Media Brands by the year 2020.

We firmly believe and espouse the fact that Brand is our most treasured Intangible Asset. Interbrand's comprehensive brand valuation methodology covers the key areas of financial analysis, Role of Brand index, and Brand Strength scores. Beyond resulting in a numeric value, Interbrand's assessment includes an appreciation of where and how brand and business value can be cultivated. The Best Indian Brands ranking employs the same rigorous methodology that is used for Interbrand's annual Best Global Brands report.

**Interbrand**

Creating and managing  
brand value™

**#1**

**INDIAN MEDIA BRAND**

## RANKED ACROSS PRESTIGIOUS RANKINGS

**ET 500**

**FORTUNE 500**

**BT 500**

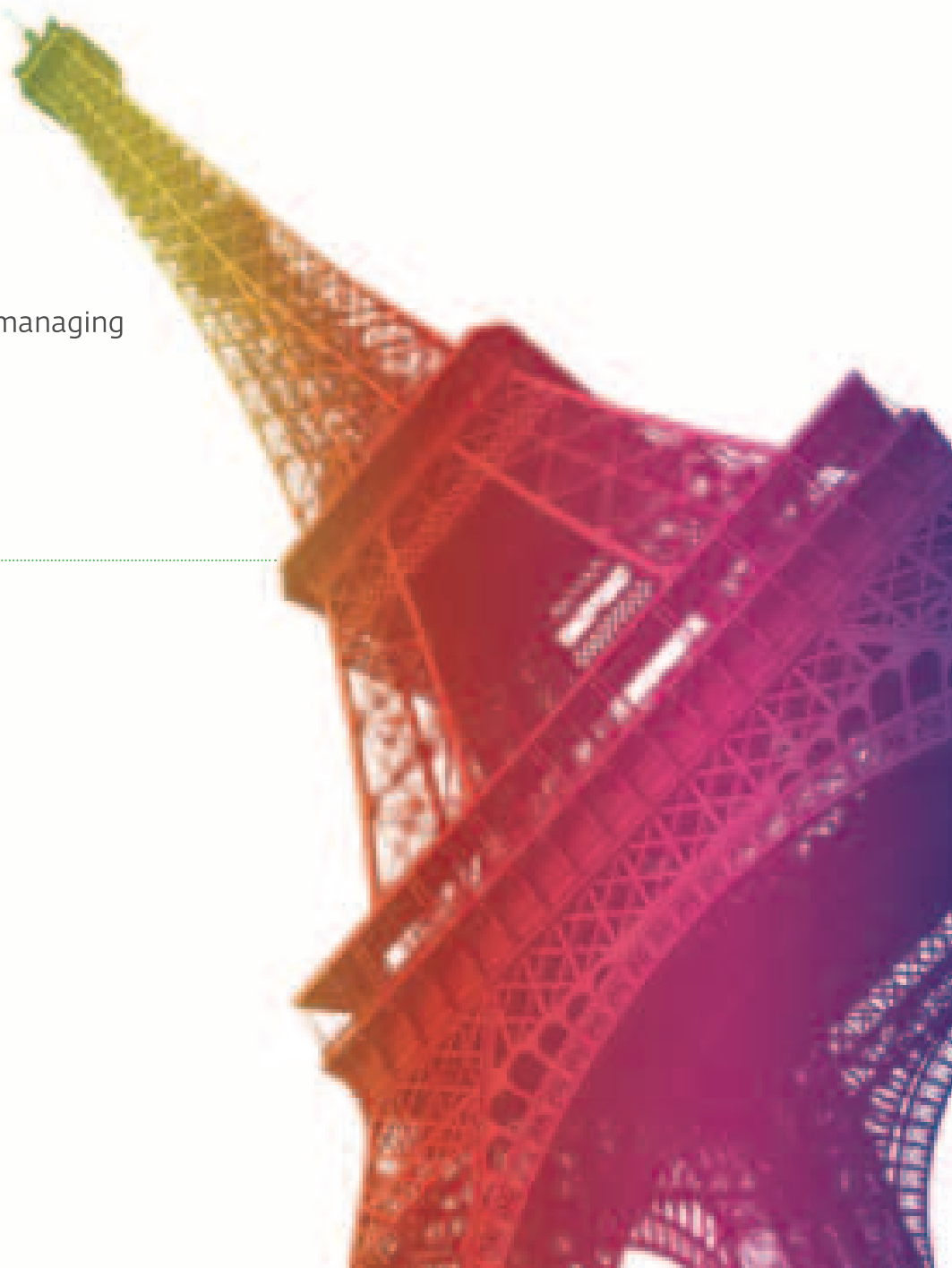
**INTERBRAND'S BEST INDIAN BRANDS**

**2,22,703**

**HOURS OF CONTENT**

**3,818**

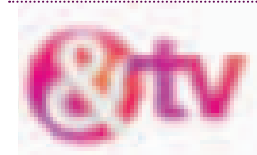
**MOVIE TITLES**



## PORTFOLIO OF BRANDS

## DIVERSE &amp; DISTINCT

## HINDI GEC



## REGIONAL ENTERTAINMENT



## HINDI CINEMA



## ENGLISH ENTERTAINMENT



## SPORTS



## HD CHANNELS



## MUSIC, LIFESTYLE & NICHE



## SELECT INTERNATIONAL CHANNELS



## DIGITAL



## OTHER VERTICALS



## KEY PERFORMANCE INDICATORS

# GROWING CONSISTENTLY

## INCOME FROM OPERATIONS ₹ Millions

58,515

FY 2016	
FY 2015	48,837
FY 2014	44,217

↑ 19.82%

## EBITDA ₹ Millions

15,095

FY 2016	
FY 2015	12,538
FY 2014	12,043

↑ 20.39%

## PROFIT BEFORE TAX ₹ Millions

15,817

FY 2016	
FY 2015	14,040
FY 2014	13,191

↑ 12.66%

## PROFIT AFTER TAX ₹ Millions

10,267

FY 2016	
FY 2015	9,775
FY 2014	8,921

↑ 5.03%



↑13.07%

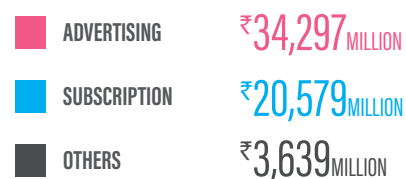
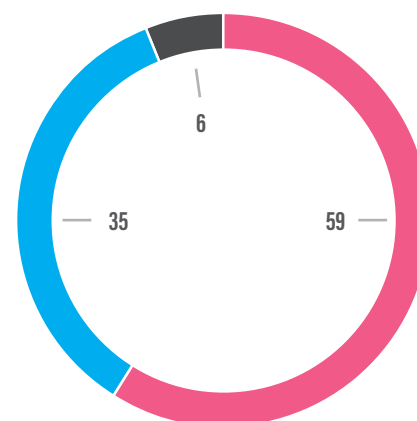


↑12.28%

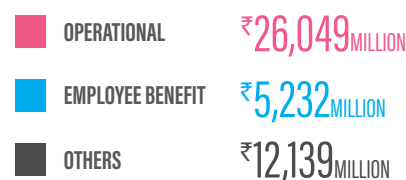
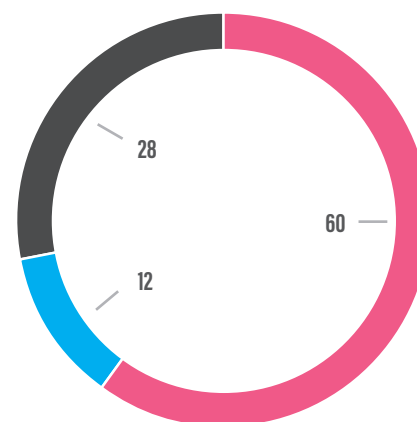


\* as of 31st March

**REVENUE FROM OPERATIONS** %



**DISTRIBUTION OF EXPENSES** %



## 2015-16 - A YEAR OF LANDMARKS

## MOVEMENTS &amp; MILESTONES

## BUSINESS HIGHLIGHTS

19.8%

REVENUE GROWTH

20.4%

OPERATING PROFIT (EBITDA)  
GROWTH

LAUNCH OF A NEW DIGITAL PLATFORM - ZEE

LAUNCH OF A UNIQUE INITIATIVE - ZEE THEATRE

ZEAL FOR UNITY - A PLATFORM TO BRING FILMMAKERS FROM  
INDIA & PAKISTAN TOGETHER TO COLLABORATE AND MAKE  
FILMS, UNIFYING THE CITIZENS OF BOTH COUNTRIES.ZEE UNIMEDIA CREATED TO CONSOLIDATE ALL CHANNEL  
PROPERTIES AND DELIVER BETTER ROI & VALUE TO ADVERTISERSLAUNCHED &TV IN EUROPE REGION AND ZEE SINE IN THE  
PHILIPPINES (APRIL 2016)LAUNCH OF  
DR. SUBHASH CHANDRA'S AUTOBIOGRAPHY

Hon'ble Prime Minister of India, Shri Narendra Modi launched ZEE and Essel Group Chairman, Dr. Subhash Chandra's autobiography, *The Z Factor*, at a ceremony in Delhi. This unusually candid memoir charts the journey of a dreamer from the time he came to Delhi as a young boy with seventeen rupees to building a multi-billion dollar business conglomerate, the Essel Group.

## AWARDS



**DR. SUBHASH CHANDRA RECEIVED THE PRESTIGIOUS GLOBAL INDIAN AWARD INSTITUTED BY CANADA INDIA FOUNDATION FOR HIS LEADERSHIP AND OUTSTANDING CONTRIBUTIONS IN MEDIA AND ENTERTAINMENT INDUSTRY.**



**MR. AMIT GOENKA AND MR. PUNIT GOENKA BECAME THE FIRST INDIAN CORPORATE LEADERS TO RECEIVE THE PRESTIGIOUS MIPTV MÉDAILLE D'HONNEUR AWARD.**

## MUSIC FOR THE ENVIRONMENT



**PRIME MINISTER SHRI NARENDRA MODI PRESENTED A MUSIC ALBUM 'SHANTI SAMSARA' - PRODUCED BY ZEE MUSIC COMPANY TO MR. FRANÇOIS HOLLANDE, PRESIDENT OF FRENCH REPUBLIC.**

## ZEEL ON SOCIAL MEDIA

ZEEL is one of the most socially active media brands in the world. We engage with our audiences and stakeholders across multiple platforms, and maintain a close connect with their views and opinions. Being responsive and communicative on social media allows us to create conversations and disseminate information, creating a bond between us and our stakeholders. We have a strong presence on Twitter, Facebook, LinkedIn and Instagram, with relevant content on Brand ZEEL being published on a daily

basis. As per the latest report of Fortune India 500, @ZEECorporate is the leading corporate media brand on Twitter.

FY 2015-16 saw an exponential growth in the size of ZEEL's 'family', i.e., its fan base across the 4 platforms. Some of our key engagement activities on social media during the year revolved around the hashtags #ZEETurns23, #TheWorldIsMyFamily, #TheZFactor, #ZLS2016 & #DiwaliwithZEE which garnered immense popularity and traction.

### ZEEL'S FACEBOOK FAN BASE

5,10,000+

### ZEEL'S TWITTER FAMILY

1,98,000+



**AS PER THE LATEST REPORT OF FORTUNE INDIA 500, @ZEECORPORATE IS THE LEADING CORPORATE MEDIA BRAND ON TWITTER.**

## MESSAGE FROM THE CHAIRMAN

## VISION &amp; EXECUTION

DEAR  
SHAREHOLDERS,

The financial year 2015-16 saw ZEEL take definite steps towards emerging as a global content company, with a strongly growing digital footprint. These steps will be instrumental in achieving our long-term goals and objectives.

I am delighted to write to you at the end of what has been a very satisfying financial year for ZEEL.

Let me begin by expressing my gratitude for your consistent support and encouragement through our journey. That said, we do recognise that stakeholder aspirations are dynamic, and we must be aligned to evolving expectations. This is what motivates us to consistently deliver in an ever changing environment and proactively transform our strategies to meet the emerging trends and aspirations.

We began over 2 decades ago with a simple objective - to provide a contemporary entertainment experience to Indian audiences in their homes. In our journey we have helped create an industry, strengthened the nation's economy and created a new paradigm in the media and entertainment space.

**\$ 2.3**  
TRILLION

**SIZE OF THE GLOBAL  
MEDIA & ENTERTAINMENT  
INDUSTRY BY 2018**

Today's media environment has evolved dramatically - with the proliferation of multiple channels on one side and increasing number of viewing platforms on the other. Yet our objective remains providing viewers with high-impact entertaining content that enables happier lives. We have now evolved into a global content company entertaining 1 billion+ viewers globally and at the same time, have been consistent in our approach to growth and profitability. This consistency was evident in FY 2015-16, an otherwise challenging year for businesses around the world.

Just as consistency has been a hallmark of our journey, so has change!

ZEEL has led the industry in its evolution and transformation. Along the way we have entered newer geographies both domestically and globally, launched multiple channels, strengthened distribution, expanded the genres we cater to and widened our audience profile. At ZEEL we have been nimble-footed in adapting and responding to the structural and disruptive change around us.

In the year gone by we took significant steps to strengthen our businesses and are committed to continue investing in them for the future.

The global media and entertainment industry is expected to grow at a CAGR of 4% during 2015-18 to reach around US\$ 2.3 Trillion\*. This may seem modest in relative terms but its absolute impact is significant. Not just that, the share

# THE FINANCIAL YEAR 2015-16 SAW ZEEL TAKE DEFINITE STEPS TOWARDS EMERGING AS A GLOBAL CONTENT COMPANY, WITH A STRONGLY GROWING DIGITAL FOOTPRINT. THESE STEPS WILL BE INSTRUMENTAL IN ACHIEVING OUR LONG-TERM GOALS AND OBJECTIVES.

of various media is constantly getting recalibrated with digital growing at the fastest rate.

In the digital space it is no longer about just viewing content on multiple devices. On-demand viewing patterns have resulted in newer content formats, crisper

episodes and differentiated content packaging tailor-made to audience preferences. This is where our expertise of rightly gauging the audience pulse is being leveraged ensuring that rich, engaging and relevant content is offered to our viewers across the globe.

India will be at the cusp of the transformation in the entertainment industry. We have an attractive GDP growth rate and rapidly growing disposable incomes. However, the share of wallet that entertainment commands today is lower than the global average presenting a great opportunity for growth. Increasing urbanisation coupled with the Phase III and IV digitisation by the government is ensuring better entertainment infrastructure and a more addressable and understandable TV audience across the country.

The introduction of BARC has been a welcome addition to the Indian Media Industry. Rural audiences who represent a significant chunk of the population are included for the first time in the viewership ratings. This is an important reset for all players as strategies are being revisited or drawn afresh. For ZEEL this is a welcome step given the depth and breadth of our content offerings and the reach of our channels. As a result of this many of our offerings, e.g. Zee TV and Zee Anmol have emerged stronger and their leadership has been underscored.

ZEEL is proactively reorganising its operations focusing on newer delivery formats and ramping up its digital business in line with the changing dynamics of the operating environment.

Multiple initiatives are being undertaken under the digital part of our business. We were among the first to launch an 'Over-the-top' (OTT) platform - Ditto TV to enable linear and on-demand content viewing. The launch of OZEE our native content app is another step in the direction of making all our

network content available on an anytime, anywhere basis. We are also focusing on creating a best-in-class user experience to ensure viewer loyalty and delight.

With the launch of ZEE Unimedia we are bringing the advertising sales functions within ZEEL under one roof to enable us to offer a more robust solution to our advertisers and at the same time leverage the collective strength of our businesses and channel portfolio.

As we continue to focus on profitability and efficiency we are also increasingly conscious of our responsibility towards the environment and our planet. 'ZEE is Green' is an important initiative through which we seek to limit and mitigate the carbon-footprint of our production processes and operations.

At the core of ZEEL's consistent performance and ability to capitalise on the rapidly changing ecosystem is our talented and driven team who are leading the march towards achieving our long-term goals. We are also upgrading the skills of our existing employees and bringing on board fresh talent from diverse backgrounds to be ready for the future.

Once again I am grateful for the constant support of all our stakeholders in our journey and hope that we will be able to bank on it in the years to come.

Together let us embrace change and create a wonderful future led by the digital wave.

Sincerely,  
**DR. SUBHASH CHANDRA (DSC)**

## MESSAGE FROM THE MD &amp; CEO

DELIVERING  
INNOVATIONDEAR  
SHAREHOLDERS,

Financial Year 2015-16 represents a significant milestone in our Company's journey. The year gone by saw ZEEL take several steps taken in the direction of becoming an organisation that performs consistently and at the same time leads change. Therefore, we have chosen 'Consistency and Change' as the theme for this Annual Report as it aptly reflects the performance of the financial year gone by.

ZEEL has grown steadily since inception establishing itself as a dependable brand and organisation that is efficiently managed, well-governed and forward-thinking. Our performance in FY 2015-16 is a further testimony to these practices. Our growth has been ahead of the market growth trajectory, duly reflected in the growing viewership share of our network (17.9%). We continue to see strong growth in both existing and new products.

We reported consolidated revenues at ₹ 58,515 million representing a growth of 19.8% over the previous year. Our consolidated operating profit (EBITDA) for the year stood at ₹ 15,095 million registering a 20.4% growth and resulting in a margin of 25.8%. The net profit for the year stood at ₹ 10,267 million representing a margin of 17.5%. Our performance was led by a robust growth in advertising revenues (28.9%) and

subscription revenues across domestic and international markets (14.7%).

In the financial year gone by, we further strengthened our viewership share in the domestic market through a right-fit content strategy. Our new Hindi GEC, &tv, built onto its successful launch and increased its popularity with the urban audience. Our regional bouquet continued its stellar performance and gained further momentum. Zee Telugu and Zee Marathi are examples of how we are using our strength in content to attain leadership in specific markets. The acquisition of Sarthak TV, the Oriya GEC, signals our confidence in identifying and acquiring successful businesses complimentary to our existing operations.

In the international market, we have successfully taken our popular domestic content in the original as well as repurposed form to focus not just on the South Asian diaspora but on a wider cross section of global audiences. I am happy to report that this strategy is working for

us as we are able to take our storytelling beyond boundaries and being true to our philosophy of The World is My Family. Our popular channels in this context viz. Zee World, Zee Aflam and Zee Magic have witnessed substantial viewership growth in their respective markets.

Our consistent performance is testimony to our ability to manage our operations efficiently while being aligned to constantly evolving consumption trends. Keeping abreast with emerging trends in the environment ZEEL is reinventing itself into a global content company with presence across various consumption platforms. We have taken multiple new initiatives that signal our focus on content creation across formats and businesses. We intend to concentrate on the entire entertainment value chain of content creation from television to films to live events.

In line with this strategy, FY 2015-16 saw us make significant strides in the regional movie space. ZEE Studios, emerged as a clear market leader in the Marathi movies genre with a slew of blockbuster movies. We also made inroads in the Hindi movie production with renewed vigour. In less than 2 years since its launch, our music label, ZEE Music Company, has emerged as a formidable player in the music publishing space with significant market share.

Furthermore, this year saw the launch of Zee Theatre, an initiative that will allow us to create unique theatre content and distribute it across multiple platforms besides live shows. Another notable initiative during the year was 'Zeal for Unity', a unique concept where the finest filmmakers from India and Pakistan came together to make films that would help bring the two nations closer. This is a classic demonstration of our thought leadership and probably the first ever initiative taken by any broadcaster in the world.

We are also creating dedicated teams for content development to ensure a more

## WE INTEND TO CONCENTRATE ON THE ENTIRE ENTERTAINMENT VALUE CHAIN OF CONTENT CREATION FROM TELEVISION TO FILMS TO LIVE EVENTS.

robust show pipeline. Our focus is on creating new IPs in non-fiction genres through newer formats such as game shows and cookery shows among others.

World over the entertainment industry is in a state of rapid transformation. This is visible in India as well. We are witnessing a robust growth together with the increasing importance of digital and multiple screen experiences. In fact, digital is now emerging as a mainstream medium for the millennial audiences.

Gearing up for this major change in the media and entertainment industry we established a new entity Zee Digital Convergence Limited in FY 2015-16 to consolidate our digital efforts. This year witnessed the launch of OZEE our AVOD platform which is being very well received by audiences who want to watch our content at a time and place of their choice. Other initiatives in this space include digital-first content and digital-only content.

Some of the other key initiatives during the year included the formation of ZEE Unimedia Limited. This entity will aggregate properties across our portfolio

to leverage the network strength and ensure a right-price approach together with effective bundling of our various offerings. We believe that this will lead to significant value creation for us as well as our advertisers.

Lastly, none of this would have been possible without our hard-working and talented team which is evolving by the day. During the year we took several talent related initiatives that seek to create specialised teams within ZEEL and leverage cross-functional synergies. We will continue to invest in people in creating not just one of the world's foremost entertainment companies but also a great place to work.

I thank you for your generous support in our journey so far and I am sure that we will continue to receive it going forward.

Sincerely,  
**PUNIT GOENKA**

**20.4%**

**OPERATING PROFIT (EBITDA) GROWTH**

**28.9%**

**INCREASE IN ADVERTISING REVENUES IN FY 2015-16**

## OPERATIONAL HIGHLIGHTS

## HINDI GEC



## ZEE TV

Zee TV ranked third amongst the Hindi General Entertainment Channels (HGEC) in the FY 2015-16. The channel delivered a weekly average of 10 shows among top 50 shows, led by the top rated shows like Kumkum Bhagya, Jamai Raja, Tashan E Ishq and Ek Tha Raja Ek Thi Rani.

## ZEE ANMOL

ZEEL's FTA Channel Zee Anmol continued to maintain its number 1 position in the FTA GEC category much ahead of its competitive contenders. Shows like Jodha Akbar, Choti Bahu and Bandini were the top performing shows on the channel.

## &amp;TV

&TV completed a year of operations in March 2016. It continues to grow in popularity with urban audiences. It achieved 50% viewership growth since its launch month and 64% viewership growth in week day prime time – higher than competition. The popular fiction show, Bhabhi Ji Ghar Par Hai!, strengthened its position and became the second best performing show in its slot.

## ZINDAGI

Zindagi continued to offer Indian viewers a unique mix of varied nature of content, clearly differentiated from any other Hindi general entertainment channel today. In the FY 2015-16, the channel introduced original productions starting with the first non fiction show Shukriya. The channel also introduced Turkish content with the show Feriha, aimed at attracting younger audience.



ACROSS THE BOARD

## REGIONAL CHANNELS



### ZEE TELUGU

Zee Telugu increased its market share to become the number 2 channel in the Telugu GEC genre and number 1 channel in the urban Telugu market with 27.5% relative share in Urban Markets. The channel dominates the fiction genre with 35.4% relative share and the Non-Film Viewership with 32.2% relative share in Urban Market. The top rated fiction shows on the channel during the period were Muddha Mandaram, Varudhini Parinayam and Rama Seetha.

### ZEE KANNADA

Zee Kannada maintained the number 2 ranking in the Urban Kannada GEC genre during FY 2015-16. Top rated shows on the channel were Naagini, Gangaa and Weekend with Ramesh Season 2.

### ZEE TAMIL

Zee Tamil is growing steadily in Urban Market with 6% relative share among Tamil GECs.



### ZEE MARATHI

Zee Marathi maintains dominant leadership in Marathi general entertainment space with 50% market share. The channel was once again the slot leader in all the 9 prime time slots led by top rated fiction shows like Jai Malhar, Nanda Saukyabhare, Ratris Khel Chale and non-fiction shows such as Chala Hawa Yeun Dya and Home Minister.

### ZEE BANGLA

Zee Bangla grew to a stronger number 2 player with a 40% share in Urban Market. The channel maintains its strong leadership in the non-fiction genre. The channel brought in a new wave of fiction offerings that were differential, inspirational and innovative with shows Deep Jwele Jai, Goyenda Ginni and Bhutu.

### SARTHAK TV

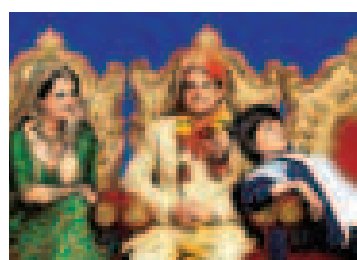
Sarthak TV, the latest addition to the bouquet of ZEEL's regional offerings maintained its number 1 position in the Oriya market with over 50% market share. The channel has a strong leadership in both fiction as well as non-fiction genre.



## HINDI MOVIE CLUSTER



ZEEL's Hindi Movies Cluster was the market leader in its genre where it increased its viewership share to 34% despite the competitive environment with a significant increase in share of Zee Action and Zee Classic. These channels have carved out a set of differentiated viewers ensuring the cluster caters to a wide spectrum of audiences with each channel maintaining its individuality. The cluster has grown in viewership, consumer perception and has won several awards.



## OPERATIONAL HIGHLIGHTS

## MUSIC



## ZEE ETC

ZEE ETC gained a 14% increase in urban and rural viewership since the inclusion of rural markets. Relative share of ZEE ETC has increased to 6% in the Music genre.

## ZING

Zing witnessed a 28% increase in Urban and Rural viewership since the inclusion of rural markets. Relative share of Zing increased to 36% in the Youth GEC genre.

## ENGLISH GEC



## ZEE CAFE

Zee Café maintained its position as the most watched English GEC with a 24% market share. It was in the leading position for over 35 weeks-Zee Café has an extensive library of the top U.S. shows like House of Cards, Gotham, The Big Bang Theory, Grey's Anatomy, Scandal, Two and A Half Men, The Vampire Diaries, Pretty Little Liars and more.

## ZEE STUDIO

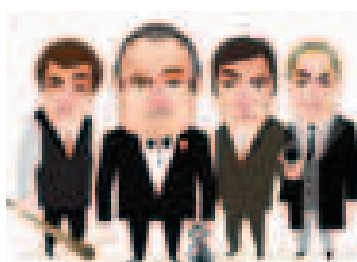
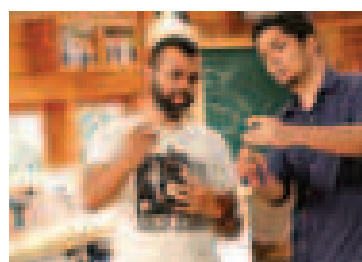
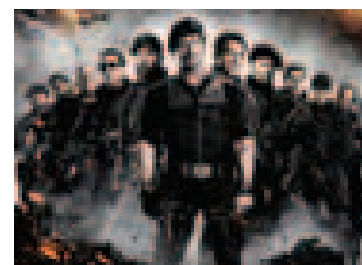
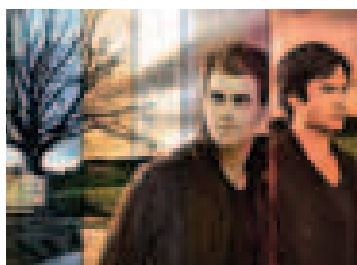
Zee Studio had a year packed of Indian Television premieres to woo its audience. The Channel has grown from a 9% share to a 13% share in FY 2015-16. The Channel has grown steadily to reach the No.2 position in November 2015. Zee Studio's monthly premiere special hosted under Studio Xclusive Last Knights which brought the brand stellar ratings surpassing all competition premieres in the month.

## NICHE &amp; SPECIAL INTEREST



## ZEE Q

Zee Q achieved a stable, consistent rating during a volatile period of market fluctuations. It is the default destination for all things 'DIY'.



ACROSS THE BOARD

## DIGITAL



### DITTO TV

ditto TV, India's 1st OTT service launched by ZEE, offers its subscribers a complete on-the-go entertainment experience with a choice of over 120 premium live channels and over 40,000 hours of on-demand content across TV Shows, Movies and Videos. While all the ZEE channels form part of the ditto TV bouquet, it also aggregates both live and on-demand content from other broadcasters to cater to viewer preferences across genres and languages.

ditto TV stands apart from other players for its 'Before TV' feature through which viewers can watch top shows, hours before their telecast along with digital premieres of movies like 'Singh is Bling', 'Killa' etc. ditto TV entered the Limca Book of Records for being the only OTT service with the largest bouquet of channels across 13 languages.

With both internet penetration and usage growing at a phenomenal rate, ditto TV is at the forefront of this digital revolution in the world of entertainment!

### INDIA.COM

India.com has gained significant market position, in several content categories, which include entertainment, news and sports. India.com network is the 3rd highest ranking content publisher in India. Its websites including TheHealthSite.com, Bollywoodlife.com & BGR.in rank no. 1 in their respective categories. India.com also ranks the highest in new age content in its category. Cricketcountry.com, the sports website under India.com, ranks number 3 in its category. India.com network achieved its highest ever visits & unique users & second highest page views towards the end of FY 2015-16.

### OZEE

OZEE, a video on demand platform, launched to provide the vast library of entertainment across the ZEE channel network, free of cost and on an anytime – anywhere basis, across devices. The platform showcases the latest and full episodes of TV shows from popular ZEE channels like Zee TV, & TV. Zee Marathi, Zee Telugu, Zee Tamil and more. The platform also hosts a vast library of popular music hits from Zee Music Company, and full length movies in Hindi and regional languages. OZEE as a platform offers entertainment to over 11.6 Mn users, generating 114.4 Mn page views and 75.4 Mn video views as of March'16.

## SPORTS



### TEN SPORTS

Ten Sports in FY 2015-16 focused on increasing revenue streams and expanding the existing ones with concentrated and consistent effort. Content acquisition being the key, Ten Sports Concentrated on acquiring/creating content which creates long term strategic value, creating a strong programming backbone and also strengthening production as a function. Ten Sports was able to keep a tight control on cost by establishing processes and Project Management office (PMO) to get the cost to minimum and spendings in an efficient and effective manner.

## INTERNATIONAL



**APAC:** ZEEL expanded its reach to the Asia Pacific region through channels like Zee Bioskop and Zee Nung. Zee Bioskop reaches 2 million homes in Indonesia and Zee Nung caters to 2.5 million homes in Thailand. Launched in April, 2015 as a General Entertainment Pay Channel for the local Indonesian audience, Zee Hiburan is completely dubbed in Bahasa Indonesia and is also available in Hindi. Zee Sine, a 24/7 Bollywood movie channel customised and packaged for local audiences, was launched in the Philippines in April 2016.



**AFRICA:** Zee Magic the French general entertainment channel was launched on 1st October 2015 non exclusively in 26 Francophone countries in Africa and Indian Ocean Islands reaching 2.3 million households. Zee World the English GEC, caters to 7.7 million households in Anglophone Sub Saharan Africa reaching 44 countries.

**EUROPE:** In the FY 2015-16, ZEEL's Europe territory, launched yet another GEC channel in the UK market. &TV was also launched successfully in Europe as a FTA channel. It became one of the top Indian channels in the UK owing to aggressive marketing and refreshing content.



**MIDDLE EAST:** In the FY 2015-16, ZEEL's Middle East territory signed deals with Geo and Cartoon Network Arabic and new DTH platforms in the region. GCC and North Africa audiences spent 4.3 billion minutes to consume ZEEL content on their digital devices. Over 800 million views on the Youtube page of Zee Alwan, were achieved paving the way for a robust digital strategy for the years ahead.



**USA:** ZEEL's international Over-the-Top (OTT) service, Zee Family reached a milestone of 75,000 registered users in eight months. It has streaming of 34 live channels, 2,000+ movies on demand and 25,000+ hours of library content. The service is available on all handheld internet enabled big screen and small screen devices.

Zee Americas started the event business in FY 2015-16. Three channels were launched on Digicel, which is one of the biggest FTH (Fibre to home) platforms in the Caribbean. Moreover, Zee TV consolidated its position of being the number one distributed channel in Canada through its launch on Jadoo TV, Canada.



**CHANGE IS THE PRECURSOR OF  
PROGRESS. AT ZEEL,  
OUR PROFICIENCY IN CREATING,  
LEADING AND ADAPTING TO CHANGE  
IS EVIDENT IN OUR EVOLUTION.**

# MAINTAINING GROWTH

ZEEL has been at the forefront of facilitating change in the industry. Post digitisation, there is a perceptible shift in viewer preferences. The audience segmentation is also sharper, leading to demand for differentiated content. ZEEL has consistently adapted to audience aspirations and fine-tuned its offerings to cater to the evolving needs of viewers. This has helped us retain and grow our leadership.

**17.9%**

**NETWORK SHARE**



# CHANGE NAVIGATING

In FY 2015-16, ZEEL delivered an industry leading performance with nearly 20% topline growth, despite a challenging market environment. Our business strategy ensured that we delivered a well-rounded growth - across all revenue streams, genres and markets. Our understanding of audiences, broad-based offerings and investments in content helped us achieve the same.

At the same time ZEEL has braced itself for change. The introduction of BARC, the new audience measurement system signalled a virtual reset for the television broadcasting viewership measurement with rural audiences entering the consideration set for the first time. ZEEL quickly adapted to this change by moulding its content strategy to claim a higher viewership share.

The advent of digital has also meant a strategic shift from a broadcasting focus to a cross-platform strategy, with tailor-made content to specific audiences, operating in an 'on-demand' scenario.

ZEEL is on course to achieve its long-term strategy. We are confident of sustaining our growth and leading change.

**>1 BILLION**

**TOTAL VIEWERSHIP**

THE WORLD OVER, AUDIENCES ARE SEEKING ENGAGING CONTENT. THE DEMAND FOR 'WHAT'S TRENDING ACROSS THE WORLD' COEXISTS WITH AUDIENCE PREFERENCES FOR CONTENT IN THEIR LANGUAGE AND GENRE OF CHOICE.

STAYING

LOCAL  
LOCAL

38

INTERNATIONAL CHANNELS

The lines between global and local are getting increasingly blurred. ZEEL is focused on enhancing reach and emerging as a truly world-scale player in the M&E segment. At the same time, we are focused on ensuring that we meet local tastes and preferences, wherever we operate.

Our experience as a pan-India player is instrumental in our understanding multiple aspirations. India being many countries in one, and catering to diverse sensibilities has enabled us to adapt to global preferences faster.

ZEEL's regional language offerings within India are performing extremely well. We are able to leverage content strengths across the network by replicating successful formats. Our understanding of audiences is reflected in our leadership and improving network performance.

Globally, we are now creating content for local geographies and countries of our presence. This is different from just serving our existing programming for the diaspora. We are a local player in the markets we enter, identifying content

gaps to serve in those markets. We are investing in creating original content, and monetising it through multiple revenue streams.

Thus, being local and global are complementary aspects in our operations.

BEING

GLOBAL

**171**  
COUNTRIES

**GLOBAL FOOTPRINT**



# MASS

**FOR ZEE, BUILDING SCALE IS A MUST. AT THE SAME TIME, WE STRIVE TO REMAIN RELEVANT TO EVOLVING PREFERENCES AND AUDIENCES WITH SPECIFIC EXPECTATIONS.**

# #1

**ZEE'S FTA CHANNEL ZEE ANMOL CONTINUED TO REMAIN THE LEADER IN THE FTA GEC**



# NICHE

Mass appeal has been a consistent hallmark of ZEEL's content offerings. We have pioneered some of the most memorable television content and formats in Indian television history. We continue to innovate and build content franchises that cater to a large number of people case in point being Dance India Dance, SaReGaMaPa. Some of our most successful fiction shows such as Kumkum Bhagya, Jamai Raja, Tashan-e-Ishq are examples of our audience insight. Bhabhi ji Ghar Par Hai, a light-hearted entertainment show on &tv, has been a runaway success and has achieved immense popularity. It is an example of how we use our insight to deliver engaging content.

Along with this ZEEL is today providing niche content across a plethora of channels, to cater to a variety of

tastes and preferences. From sports to spirituality to information, there are many channels in our domestic and international bouquet that have achieved leadership in their respective genres.

Our ability to provide niche content transcends boundaries. Zee Theatre and Zindagi are testimony to our ability of innovating across the content spectrum.

**24%**

**MARKET SHARE OF  
ZEE CAFÉ, ZEEL'S PREMIER  
ENGLISH GEC.**

**TODAY, WE ARE KNOWN AS A GLOBAL CONTENT COMPANY. TOMORROW, WE WILL HAVE TRANSFORMED INTO AN ORGANISATION WITH DIVERSE REVENUE STREAMS AND MULTIPLE VERTICALS EACH OWNING AN ATTRACTIVE P&L.**

# TODAY

## 7

FILMS RELEASED BY  
ZEE STUDIOS IN  
FY 2015-16



## SAIRAT

HIGHEST GROSSING MARATHI  
FILM OF ALL TIME

## >50%

SHARE OF NEW MUSIC  
ACQUIRED IN FY 2015-16  
BY ZEE MUSIC COMPANY



**MUSIC COMPANY**

At ZEEL, our leadership does not make us complacent. Instead, it eggs us on to a higher goal.

Today, we are present across the world and are establishing ourselves as a global content company. We are now focusing on the next level of our growth.

To achieve this, we are strengthening our business model and nurturing a high-performance team. We are exploring organic and inorganic routes of growth. We are also aiming to consolidate our presence in select regional and local markets. We are focusing on de-risking our business and revamping our monetisation strategy to deliver better value.

ZEEL is thinking beyond its traditional offerings to ensure a more wholesome audience experience. Zee Theatre (to support India's theatre industry), ZEE Studios (to produce and distribute high quality films), ZEE Music Company (to publish and distribute premium Indian music) and our digital initiatives will be the key pillars of our content expansion, going forward.

Going forward ZEEL will focus on diverse content offerings in order to cater to fragmented audience preferences. We will continue to focus on our core strengths, while building value in new businesses.

**ZEEL HAS CONSOLIDATED ALL ITS DIGITAL BUSINESSES FOR EFFECTIVE CONTROL, CONTENT CREATION AND REVENUE FOCUS UNDER A NEW ENTITY ZDCL.**

**ZEEL LAUNCHED ZEE UNIMEDIA TO CONSOLIDATE ITS AD-SALES FUNCTIONS, LEADING UP TO MORE EFFECTIVE MONETISATION AND FINE-TUNING IN LINE WITH MARKET DYNAMICS. ZEE UNIMEDIA WILL ENABLE ZEEL TO LEVERAGE ITS NETWORK STRENGTH, AND DELIVER A BETTER EXPERIENCE AND VALUE FOR ADVERTISERS.**

# TOMORROW



## STRATEGIC PRIORITIES

# LONG-TERM THINKING

## STRATEGIC OBJECTIVES

1

ESTABLISH ZEE AS A MULTIMEDIA  
ENTERTAINMENT CONGLOMERATE

2

ATTAIN GLOBAL  
CONSUMPTION LEADERSHIP

3

CONSISTENTLY ENHANCE  
SHAREHOLDER VALUE



Focus on home grown content formats and take them across the network.  
Continue to build on the prudent-cost model for optimised cost of production and profitable growth.

## STRATEGIC PRIORITIES

# GROWING THROUGH

## P1 FOCUS

## ATTAIN LEADERSHIP POSITION IN KEY GENRES

**ZEEL IS CONSISTENTLY WORKING ON SIGNIFICANTLY EXPANDING OVERALL VIEWERSHIP AND NETWORK SHARE IN LINE WITH ITS LONG TERM VISION. A STRONG LEADERSHIP IN KEY MARKETS IS A CRITICAL COMPONENT OF THIS OBJECTIVE.**

ZEEL has developed an approach to steadily increase its content consumption in national as well as local languages by leveraging its strength of identifying cultural familiarity in different regions. We plan to fortify our leadership position in various genres through innovation and serving new segments of the target audience.

During FY 2015-16, our key channels performed extremely well, given our focus, investments and ability to drive viewership and share with excellent programming and foresight. From GECs to movie channels, there was growth across the board.



## LEADERSHIP ACROSS SEGMENTS

### ZEE TELUGU

A distinct No. 1 GEC with 27.5% relative share in the Urban Market and a high margin of leadership. Zee Telugu is a consistent No. 1 in Fiction Genre with 35.4% relative share in Urban Market and also dominates the Non-Film Viewership with 32.2% relative share in Urban Market.

### CINEMA CLUSTER

ZEEL's Hindi Movies Cluster was the market leader in its genre where it increased its viewership share to 34% despite the competitive environment with a significant increase in share of Zee Action and Zee Classic. These channels have carved out a set of differentiated viewers ensuring the cluster caters to a wide spectrum of audiences with each channel maintaining its individuality. The cluster has grown in viewership, consumer perception and has won several awards.



**ZEE TELUGU  
ENJOYS 27.5%  
RELATIVE SHARE  
IN URBAN  
MARKET, 35.4%  
IN FICTION  
GENRE AND  
32.2% IN THE  
NON-FILM  
VIEWERSHIP**

### ZEE KANNADA

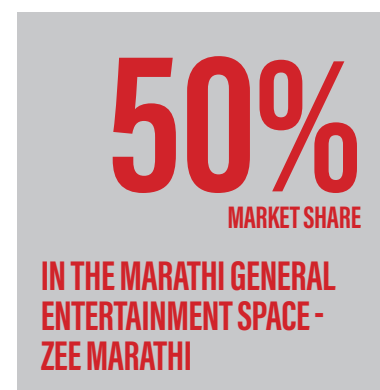
Zee Kannada has emerged as the clear No.2 channel in urban Karnataka with a market share of 23%. The channel has emerged as a leader in the Non Fiction space on the back of shows like Sa Re Ga Ma Pa and Weekend With Ramesh. The channel has been riding high on the success of its recent fiction launches. Naagini opened as slot leader, while Gangaa was the second best performing in its slot. Mahadevi and Gruhalakshmi have been the other top rated shows on the channel.

### ZEE MARATHI

Zee Marathi continues to maintain a dominating leadership in Marathi General Entertainment Space with 50% market share. The channel was once again the slot leader in all the 9 prime time slots led by top rated fiction shows like Jai Malhar, Nanda Saukyabhare, Ratris Khel Chale and non-fiction shows such as Chala Hava Yeun Dya and Home Minister.

### ZEE TALKIES

Zee Talkies is the number one reach channel of Maharashtra amongst all the Marathi Entertainment Channels. Innovative initiatives on the channel like audience engagement contests and differential film offerings have created a lot of affinity amongst the audiences thus driving additional viewers to the channel.



### ZEE BANGLA

Zee Bangla increased its viewership share in the urban market to 40%. The channel maintains its strong leadership in the non-fiction genre. The channel brought in a new wave of fiction offerings that were differential, inspirational and innovative with shows Deep Jwele Jai, Goyenda Ginni and Bhutu.

### SARTHAK TV

Sarthak TV, the latest addition to the bouquet of ZEEL's regional offerings maintained its number 1 position in the Oriya market with over 50% market share. The channel has a strong leadership in both fiction as well as non-fiction genre.

## STRATEGIC PRIORITIES

# CONTENT FORMATS

## NEWER

P2

## ENTER NEW ENTERTAINMENT GENRES/ MARKETS WHICH HAVE A STRATEGIC FIT WITH THE COMPANY'S LONG TERM GOALS

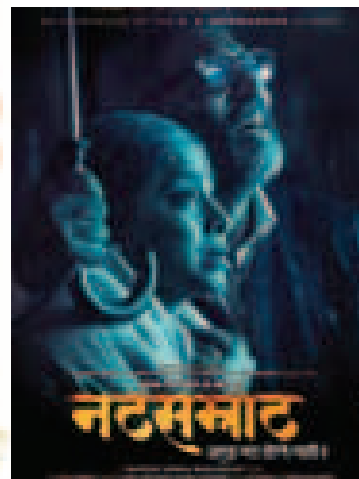
BEING A GLOBAL CONTENT COMPANY, OUR FOCUS HAS ALWAYS BEEN TO PROVIDE RELEVANT AND ENGAGING CONTENT TO OUR VIEWERS; HENCE INNOVATION IN CONTENT HAS ALWAYS BEEN A PRIORITY. ZEEL HAS LED THE EMERGENCE OF MANY NEW CONTENT FORMATS, AND HAS INNOVATED IN ANTICIPATION OF CONTENT TRENDS AND VIEWER PREFERENCES.

ZEEL has many industry firsts to its credit. It is the only Company that has innovated on content formats that have subsequently been adapted for international audiences (e.g. Dance India Dance). Many popular genres have been introduced first by ZEEL before being emulated across the larger industry.

During FY 2015-16, we continued on the path of innovating content formats and upgrading quality. We are working on new content formats like live-events and film production.



## MARATHI MOVIES PRODUCED BY ZEE STUDIOS BROKE RECORDS AND EMERGED AS TRENDSETTERS



## SOME KEY HIGHLIGHTS ARE:

### ZEE THEATRE

In FY 2015-16, we created a new entertainment vertical - Zee Theatre. We are the only Content Company and one of the few media and entertainment brands in the world to make unique theatre content across platforms. This gives ZEEL first-mover advantage in this domain.

Zee Theatre has created over 30 unique theatre productions this year which are ready for showcasing. Of this, nearly 12 will be available as live performances while the entire catalogue will be available for screenings and broadcast.

This initiative will introduce theatre to a larger audience, making it accessible to viewers at their convenience and position theatre as a viable career opportunity for talent.

**WE ARE THE ONLY INDIAN BROADCASTER AND ONE OF THE FEW MEDIA AND ENTERTAINMENT BRANDS IN THE WORLD TO MAKE UNIQUE THEATRE CONTENT.**

**30+**

**UNIQUE THEATRE PRODUCTIONS READY FOR MONETISATION IN FY 2015-16.**

### INTERNATIONAL

ZEEL has innovated consistently across its international offerings as well. We have addressed the content aspirations of the South Asian diaspora as well as the native audiences through our programming. In doing so, we have established our position as a global content provider. This also allows us to generate higher programming effectiveness and tap newer monetisation sources. We have a presence across 5 continents through 38 different channels.

We have leveraged our IP creation abilities, which enable us to effectively monetise content investments. We have created content keeping in mind viewer preferences. Our leadership on providing globally relevant content across the world is unparalleled with our reach and distribution strength. Together with this, we are now addressing the non-South Asian diaspora as well.

Over the course of FY 2015-16, we have also invested in new distribution deals across the Caribbean, African and APAC markets.

### ZEE STUDIOS

Zee Studios continues to focus on producing high quality movies that appeal to a wide spectrum of audiences. Multiple movies were released across Hindi and Marathi during the year, which met with encouraging response. Our Marathi movies such as Natsamrat, Katyar Kaljat Ghusli, Double Seat, Timepass 2 and Killa broke records and emerged as trendsetters. Sairat became the highest-grossing Marathi film ever with a collection of over ₹ 80 crores in the first 5 weeks of its release.

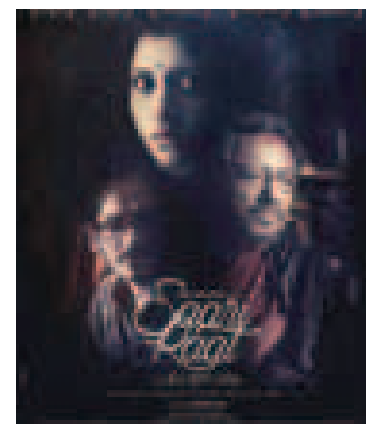
## ZEEL IS THE ONLY COMPANY THAT HAS INNOVATED ON CONTENT FORMATS THAT HAVE SUBSEQUENTLY BEEN ADAPTED FOR INTERNATIONAL AUDIENCES

### ZEAL FOR UNITY

Zeal for Unity is our unique endeavour that aims to bring people of India and Pakistan together, by creating a cultural bridge on which progress can travel. Representative of ZEE's thought leadership, it is probably the first-ever such initiative taken by any content company across the world. Launched at the historic Wagah-Atari border, Zeal for Unity brought together 12 accomplished filmmakers from India and Pakistan. Their task: to collaborate and make films that change the way citizens of the two countries think about each other.

The films will participate in global film festivals and will be screened in pairs (1 Indian and 1 Pakistani) across platforms under the theme 'It Takes 2'.

ZEEL also collaborated with several NGOs for diverse activities including the launch of an annual Unity Calendar, featuring art by students from both countries. A Unity Music Concert to bring together artistes from both countries was held in support of this initiative.



**REPRESENTATIVE OF ZEEL'S THOUGHT LEADERSHIP, ZEAL FOR UNITY IS PROBABLY THE FIRST-EVER INITIATIVE OF ITS KIND TAKEN BY ANY CONTENT COMPANY ACROSS THE WORLD.**

## STRATEGIC PRIORITIES

P3

IDENTIFY CONSUMER CONSUMPTION  
PATTERNS TO OFFER RELEVANT CONTENT

AT ZEEL, WE HAVE ALWAYS TAKEN PROACTIVE STEPS TO ALIGN OURSELVES TO EMERGING CONSUMER PREFERENCES AND HAVE OFFERED RELEVANT CONTENT ACROSS PLATFORMS.

At ZEEL, we are cognizant of the evolving patterns of content consumption, and have taken concrete steps to leverage our expertise for the digital-first era. Digital content is increasingly becoming mainstream, and in view of that, we have adopted a twofold strategy.

CREATING MULTIPLE DIGITAL OFFERINGS LIKE OZEE AND DITTO TV

CREATING CONTENT THAT IS CUSTOMISED FOR AUDIENCES ON DIGITAL MEDIUMS

Our focus is to drive larger market share of consumer eyeballs, push for inorganic growth through improved content services and leverage constant innovation to engage and ensure consumer stickiness on our media platforms. We will monetise this through a mix of strategies including tie-ups with advertisers, targeted SEO and brand solutions.

To grow the subscription side of the digital business, we will focus on:

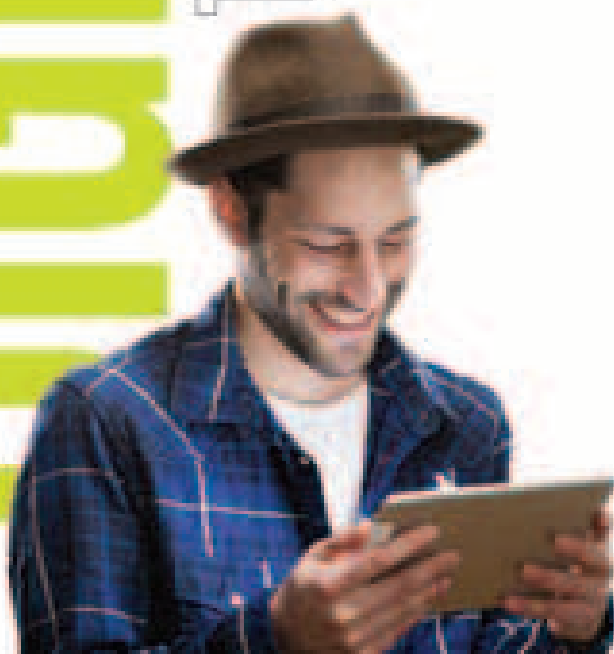
MULTIPLE TECHNOLOGICAL INNOVATIONS THAT EMPOWER THE CONSUMER TO GET MORE BY PAYING LESS

ALLOWING BETTER USER EXPERIENCE AND SEAMLESS CONTENT CONSUMPTION

75.4  
MILLION

VIDEO VIEWS ON OZEE IN  
MARCH 2016

DIGITAL TRANSFORMATION





## KEY DIGITAL INITIATIVES

### ditto TV

dittoTV is an entertainment revolution that delivers Live TV, Video-on-Demand, Music, News and much more across multiple devices. dittoTV's revolutionary technology ensures quality viewing that is adapted to suit a range of internet speeds to deliver an optimised video viewing experience.

dittoTV achieved a few significant milestones during FY 2015-16, including:

- Published original content such as Strugglers, Chords of Change, and Life is Music
- Won the Silver Award for Excellence in Brand Management for 'TV Buddy Concept' at Asian Awards for Excellence in Branding Marketing & CSR 2014-2015
- Featured in the Limca Book of Records for most number of registered TV channels on an OTT platform, live broadcast from 13 temples in India and most number of movies in various languages.

dittoTV was popularised through various breakthrough campaigns which included:

**TV BUDDY:** Launched by dittoTV to highlight the bond shared by people over television viewing. The concept of 'TV Buddy' revolves around the idea of social engagement and interaction over TV viewing, despite physical distances.

**PEHLE AAP:** The Pehle Aap marketing initiative saw the creation of a feature that allows viewers to view their favourite content from the Zee Group channels hours before it is telecast on the main channel.

### OZEE

OZEE was launched to provide the vast library of entertainment content across the ZEE channel network, free of cost, on an anytime, anywhere basis across devices. The platform showcases the latest and full episodes of TV shows from popular ZEE Channels. Movies in Hindi and regional languages are available along with a vast library of popular music from Zee Music Company and videos across special interest categories like Food, Lifestyle, Gossip and Entertainment.

OZEE was created with a Brand Voice 'Not Now', an idea that acknowledges that viewers today want to access content on their terms and reject anything that is not built around their convenience.

### ZEE FAMILY TV

ZEE's international OTT service, Zee Family TV streams over 30 live channels and has 2,000+ movies on demand besides 25,000+ hours of library content. It has over 86,000 users and is available across 152 countries. Zee Family TV is available across devices, and has considerably helped in curbing piracy.

### INDIA.COM

India.com is ZEEL's portal in partnership with PMC and United Internet. Since its launch five years ago, India.com has gained significant market position in several content categories that include entertainment, news and sports. India.com also has transactional brands in the automotive and educational spaces that have the potential to drive significant revenue streams. India.com helps ZEEL leverage and promote its powerful media assets. The platform attracted more than 70 million unique visitors in March'16 and is amongst the most popular internet brands in India, suited to the needs of the new Indian. India.com is today the No. 2 and fastest growing content publisher in India. It is the number 1 new-age content site in India.

#### THE INDIA.COM NETWORK INCLUDES:

**ZEENEWS.COM**

**DNAINDIA.COM**

**BOLLYWOODLIFE.COM**

**CRICKETCOUNTRY.COM**

**ONCARS.IN**

**BGR.IN**

**PREPSURE.COM**

**CAREERFUNDAS.COM**

**THEHEALTHSITE.COM**

**TRAVEL.INDIA.COM**

**VIDEO.INDIA.COM**

### JOINT VENTURE WITH MASHABLE

Mashable, the leading media company for the digital generation, and India.com together launched Mashable India. This new online destination will bring together Mashable's mission of inspiring and informing its global community about how digital and technology are changing the world with India.com's strength in generating original content for Indian audiences and widespread reach in the Indian digital space.

### #LIFEISMUSIC

ZEEL designed and introduced a unique instrumental musical show *#LifeIsMusic* that celebrates world music and highlights the true value of musicians who are experts in the instrumental genre. This initiative is a clutter-breaking original concept with an objective to inspire passion, unleash creativity and realise dreams in today's era of free downloads. This exclusive series aims to engage, educate and entertain the youth about the variety and possibilities that exist with instrumental music. It will reach out to around 50 million viewers, making it a truly global multi-screen phenomenon. The platform also encourages aspiring musicians to showcase their talent to global audiences, demonstrating their skill and creativity transparently to global music talent scouts.

## STRATEGIC PRIORITIES

P4

ATTAIN SUSTAINABLE  
PROFITABLE GROWTH

ZEEL HAS DEMONSTRATED A CONSISTENT COMMITMENT TOWARDS VALUE-CREATION. WE ARE FOCUSED ON ACHIEVING SUSTAINABLE GROWTH WITHOUT COMPROMISING ON PROFITABILITY, IN TURN DELIVERING SUPERIOR RETURNS TO OUR SHAREHOLDERS.

Over the years ZEEL has built a superior business model with prudent cost structures while maximising revenues.

Our commitment towards creating long-term shareholder value is evidenced through our market leading financial metrics in the form of high EBITDA Margins, high Return on Capital Employed and a consistent dividend payout since 1994.

EFFICIENCY &  
ENTERPRISE



## ZEEL HAS BUILT ITS BUSINESS AROUND A PRUDENT COST MODEL AND EFFICIENT CASH FLOW MANAGEMENT ENSURING OPTIMAL CAPITAL ALLOCATION WITHOUT COMPROMISING ON PROFITABILITY.

One of the crucial criteria for us while evaluating potential investments is the Return on Investment. We are not driven by short-term gains. Instead, we focus on long term-value creation. Our recent initiatives like launch of &tv, expansion of the Production and Music business are all steps in this direction. Despite these investments we have maintained healthy growth rates and profitability. ZEEL has delivered an EBITDA CAGR of 19.5% since FY 2011-12.

Another key example of our focus on value creation is investment in developing home grown non-fiction formats like Dance India Dance, SaReGaMaPa and their remarkable success. These formats have been replicated across channels and geographies to leverage their popularity, thus obviating the need to invest in newer, riskier high-cost formats. Investment in home-grown formats also reiterates ZEEL's belief in the power of good story-telling.

At ZEE, we have always followed the philosophy, of sharing our gains with our stakeholders who have stood by us all these years. On the 20th anniversary of its incorporation ZEEL announced a one-time ₹ 2,000 crore redeemable Preference Share issue for our shareholders in addition to the regular dividend that they receive year-on-year.

# 19.5%

EBITDA CAGR SINCE  
FY 2011-12



THESE FORMATS HAVE BEEN REPLICATED ACROSS CHANNELS AND GEOGRAPHIES TO LEVERAGE THEIR POPULARITY, THUS OBTAINING THE NEED TO INVEST IN NEWER, RISKIER HIGH-COST FORMATS.

## BOARD OF DIRECTORS

**DR. SUBHASH CHANDRA**

Non-Executive Chairman

Non-Executive Chairman of the Board and Promoter of Essel Group of Companies, Dr. Subhash Chandra is a self-made man who has consistently demonstrated his ability to identify new businesses and lead them on the path of success.

His industry leading businesses include television networks and film entertainment, cable systems, theme parks, flexible packaging, family entertainment centres and infrastructure.

For his contributions to the industry, Dr. Chandra has been awarded the International Emmy Directorate Award at the 39th International Emmy Awards night in New York and has also been Honored with the Doctorate of Business Administration by the University of East London. Dr. Chandra's immense contribution to the socio-economic wellbeing, was recognised by Canada India Foundation by honoring him with the Global Indian Award.

**SUBODH KUMAR**

Non-Executive Vice-Chairman

Mr. Subodh Kumar holds an M.Sc in Physics and several diplomas and management certificates from IIM-A, IIM-B, IIM-C, Harvard Business School, IDS Sussex, IMF amongst other Ivy League institutions.

Mr. Kumar had one of the most illustrious careers in the Indian Administrative Service, spanning 35 years, heading various key government agencies with stellar integrity and transparency.

He has made many noticeable contributions to the areas of his work and most notably made modifications to the Development Control Regulations thereby drastically reducing the manipulation in the building industry.

C4 C5 C2

**ASHOK KURIEN**

Non-Executive Director

One of the Founder Promoters, he is associated with ZEE since its inception. One of the Founder partners of Hanmer & Partners, among India's top 3 public relations agencies; Flora2000, one of the leading global online flower distribution services, and Remindo, an Intranet 2.0 Office Communication Network. He also works as a special advisor to the US\$ 7 billion Publicis Group.

C3 C6 C1

**PROF. SUNIL SHARMA**

Independent Director

Prof. Sunil Sharma has earned a fellowship (Ph.D) in Business Policy from the Indian Institute of Management, Ahmedabad, and a Bachelor's degree in Mechanical Engineering from UP Technical University. Prof. Sharma's specialisation is in strategy formulation under uncertainty, innovation management, and organisational capabilities. He teaches courses on strategy, consulting, and innovation. His most recent consulting assignment was to formulate the vision and mission, review the organisational set-up and suggest a new organisation structure, and develop a business model for the Competition Commission of India.

C1 C5

## BOARD COMMITTEES

## COMMITTEE CHAIRMANSHIP

## COMMITTEE MEMBERSHIP

C1 AUDIT

C2 NOMINATION &amp; REMUNERATION

C3 STAKEHOLDERS RELATIONSHIP

C4 RISK MANAGEMENT

C5 CORPORATE SOCIAL RESPONSIBILITY

C6 FINANCE SUB-COMMITTEE



**PROF. (MRS.) NEHARIKA VOHRA**

Independent Director

Prof. Neharika Vohra, Professor of Organisational Behaviour at the Indian Institute of Management, Ahmedabad, holds two post-graduate degrees. A first ranker in graduation and a post-graduate in psychology, she also holds a Ph.D in social psychology from the University of Manitoba, Canada.

She has been the recipient of various awards and recognition in her professional field including the 'Best Teacher Award' by the University of Manitoba, the 'Young Psychologist Award' by the International Union of Psychologists, the 'Learning Luminary Award' by OD Roundtable and the 'Woman Achievers Award' by FICCI Ladies Organisation.

**C2**



**MANISH CHOKHANI**

Independent Director

A Chartered Accountant and MBA from London Business School, and one of India's most respected investors and financial experts. He was MD & CEO of Enam Securities and led Enam's \$400 Million merger in 2011 with Axis Bank to create Axis Capital Ltd. (ACL) wherein he held the position of MD & CEO until November 2013. He is also associated with TPG Growth India as its Chairman and is on the board of Westlife Development, Shoppers Stop and Laxmi Organic as an Independent Director. Mr. Manish Chokhani is an active member of the World Presidents Organization, a Fellow of the All India Management Association, and has served three terms as Co-Chairman of the Capital Markets Committee. He is also a member of SEBI's Alternative Investment Promotion Committee. He has been a visiting faculty member at IIM-Kozhikode. He has also served on the International Alumni Board and scholarship panels of London Business School.

**C1**



**ADESH KUMAR GUPTA**

Independent Director

Mr. Adesh Kumar Gupta, Chartered Accountant, Company Secretary and AMP from Harvard is a professional with rich experience of over 35 years in Corporate Strategy, M&A, Business restructuring, Fund raising, Taxation among others. During his distinguished career of over 3 decades in Aditya Birla Group, Mr. 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 and CFO of Grasim Industries Ltd., Mr. Gupta ventured into Business Finance and Corporate Service space as Designated Partner of Progressive Consulting & Business Advisory LLP.

**C1**

**C2**

**C4**



**PUNIT GOENKA**

Managing Director & CEO

Mr. Punit Goenka's futuristic vision and sharp acumen in the new media domain, has led the Company to a global stature today. Mr. Goenka is also responsible for expanding the Company's international presence across 171 countries, and its reach to over more than 1 billion viewers.

Mr. Goenka is the only Indian Corporate Leader to receive the prestigious Médaille d'Honneur. He is also listed amongst the top 100 CEOs of India, in a study published by Business Today. He has also received the prestigious Economic Times '40 Under Forty' India's Hottest Business Leaders Award 2014 and has bagged the prestigious IAA Leadership Award under the category of "Media Person of the Year Award". Mr. Goenka has been recognised as the "Entrepreneur of the Year" during the recently held Asia Pacific Entrepreneurship Awards.

**C3**

**C4**

**C5**

## EXECUTIVE LEADERSHIP TEAM

**PUNIT GOENKA**

Managing Director &amp; CEO

**AMIT GOENKA**

CEO, International Business

**ANURAG BEDI**

Music Business

**ASHISH SEHGAL**

Network Sales

**HARISH GOYAL**

International Business - Africa

**M LAKSHMINARAYANAN**

Secretarial

**MIHIR MODI**

Finance & Strategy

**MONOJIT INDRA**

Commercial

**MUKUND CAIRAE**

International Business – MENAPT & APAC

**NEERAJ DHINGRA**

International Business - Europe

**NITTIN KENI**

Movie Busines

**RAJEEV KHEROR**

Digital & Linear Content Strategy

**RAJENDRA MEHTA**

Human Resources

**RAJNEESH MITTAL**

Information Technology

**RAJESH SETHI**

Sports & Affiliate Revenue

**SAMEER TARGE**

International Business – USA

**SHARADA SUNDER**

Regional Business

**SUNIL BUCH**

Network Business, Operations, Research, Marketing & PR

**SUNITA UCHIL**

International Advt. Sales and Global Syndication

## HUMAN CAPITAL

ZEEL  
POTENTIAL

**AS ONE OF THE WORLD'S FOREMOST CONTENT COMPANIES, ZEEL HAS INSTITUTIONALISED A HIGH PERFORMANCE CREATIVE CULTURE ACROSS ITS ORGANISATION. NOT ONLY ARE WE NURTURING OUR EXISTING TEAMS AND PROVIDING THEM PLATFORMS FOR FURTHER GROWTH AND CAREER ADVANCEMENT, WE ARE ALSO BUILDING DEDICATED TEAMS FOR THE NEWER BUSINESSES AND VERTICALS WE ARE OPERATING IN. ZEEL TODAY IS AN INTERESTING AMALGAM OF DIVERSITY, CROSS-FUNCTIONAL TALENTS AND BOUNDLESS ENERGY.**

In keeping with the consistency and change theme, our teams are focused on remaining true to excellence but adapting to emerging realities and getting ready to lead ZEEL into the future.

During FY 2015-16, there were many steps taken to strengthen the people culture and build a more cohesive, unified and energised workforce.

**SAMWAD CONVERSATIONS**

Our people philosophy ('SAMWAD') focuses on two aspects i.e. to foster effective conversation between managers and their teams; and to discover the innate potential of each individual to find the right fit to leverage talent and accelerate our growth trajectory.

SAMWAD Monthly Conversation ensures interaction between the managers and those reporting to them to discuss about performance roadmaps, challenges and achievements for the month, which is evaluated during the annual appraisal.

**CELEBRATING EXCELLENCE**

At ZEEL, we believe that growth can be sustained only if our people are geared to take challenges and perform with pride. Our employee recognition programme (ZEELOMPICS) encourages the spirit of excellence in a unique way by recognizing positive approach, which impacts business performance.

Outstanding performance is recognised every month as 'Hero of the Month', every quarter as 'Hero of the Quarter' and every year as 'Hero of the Year' awards by our MD & CEO. These awards go a long way in acknowledging performance and motivating colleagues.

Awards are classified under five different categories, commonly known as Zeelompics Rings, which together comprise of our long term goals.



190

**HIRES FOR NEW  
BUSINESSES**

1,442

**TRAINING  
MAN DAYS**

### BUILDING CAPABILITIES

We have steadily enhanced our investments in sharpening the capabilities of our people across verticals. This is achieved through structured interventions across hierarchies and functions. ACE, our high potential development programme, has been reinvented to identify top-notch talent from performers in the organisation. Each ACE employee has an individual development plan, which is designed to expedite the overarching organisational objectives.

Our flagship programme (People before Numbers) is an organisation-wide initiative to inculcate the culture of leading by focusing on the strength of members. This intervention was designed for top and middle-level management.

### DIGITAL CONNECT WITH EMPLOYEES

ZEEL is a global organisation, and therefore we have colleagues and teams operating in multiple countries. To ensure that everyone is aligned to our progress, and that all are involved, we have started a quarterly communication of results and performance updates. This is conducted by our MD & CEO in a live webcast where besides an update, he also shares the roadmap and challenges ahead. Following the business updates team members can ask questions, offer suggestions and seek clarity directly from the top leadership. This helps us re-energise and create goal congruence across the organisation.

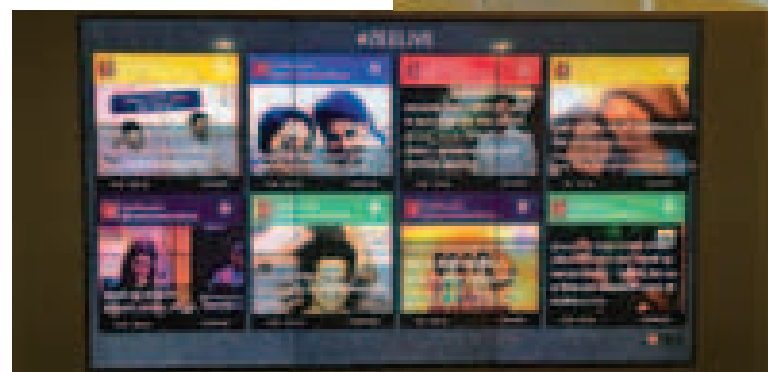


### GREAT PLACE TO WORK

We at ZEEL aspire to be among the 'Top 100 Best Places to Work For' and we are happy to report that we have significantly improved our overall scores in the Great Place to Work Survey in FY 2015-16. By participating in this assessment we have been able to standardise the employee perceptions of our workplace environment with selected benchmarks from our industry and elsewhere. We rank among top companies in the media industry to work for, because of our entrepreneurial culture. ZEEL's Great Place to Work trust index score rose by 6% which is an indication of employees being highly engaged.



**OUR TEAMS ARE FOCUSED ON  
REMAINING TRUE TO EXCELLENCE  
BUT ADAPTING TO EMERGING  
REALITIES AND GETTING READY TO  
LEAD ZEEL INTO THE FUTURE**



## THOUGHT LEADERSHIP

## IDEAS &amp;

## ENGAGEMENT

OVER THE YEARS, ZEEL HAS BUILT MULTIPLE THOUGHT LEADERSHIP PLATFORMS, WHERE GLOBAL THINKERS AND INDUSTRY PROFESSIONALS JOINTLY DISCUSS, DELIBERATE AND TRY TO FIND ANSWERS TO SOME OF THE COMPLEX CHALLENGES THAT WE ARE FACED WITH.

Through these platforms, ZEEL has been able to reinforce its reputation as an organisation that is leading conversation, and dialogue, and creating space for a cross-pollination of excellent ideas and thoughts. During FY 2015-16, too we continued to invest in our signature properties, and received a very encouraging response.





## DURING FY 2015-16, ZEEL CONTINUED TO INVEST IN ITS SIGNATURE PROPERTIES AND RECEIVED A VERY ENCOURAGING RESPONSE

**THOMAS FREY (FOUNDER OF DAVINCI INSTITUTE) SPOKE ON THE 'FUTURE OF CONTENT,' AT ZLS 2016**

**DR. SUBHASH CHANDRA & EMMY AWARD WINNING PRODUCER JASON BLUM AT ZLS 2016**

**Leadership Series**



### ZEEL MELT

A festival of creativity and innovation at the convergence of advertising, digital, media, marketing and emerging technology - Zee Melt was a unique event. The festival was an eclectic mix of conferences, seminars, exhibitions, showcases, workshops and networking sessions for varied audiences across marketing, advertising, digital, media and PR. It featured some of the most relevant voices in the industry from across the industry.

**TED<sup>x</sup> Gateway**  
x = independently organized TED event

### ZEEL @ TEDXGATEWAY

ZEEL was the knowledge partner for the TedxGateway event in Mumbai in December, 2015. It featured speakers such as Lujendra Ojha ( who discovered evidence for water on Mars) and Meliza Rani & Eric Kim (designer of the first Braille Watch). ZEEL live-streamed the pre-event discussions and carried exclusive interviews on its digital platforms.

### ZEEL LEADERSHIP SERIES

The ZEEL Leadership Series (ZLS) is a platform to gain insights into the world of business, trends and future technologies from eminent, globally acclaimed visionaries. The interactive forum is attended by a cross section of industrialists, professionals, new economy entrepreneurs and media veterans. Over the last two editions ZLS has hosted some of the finest speakers such as Alan Krueger, Divya Narendra, Captain Richard Philip and Fedrick Haren.

This year, the ZEEL Leadership Series 2016, brought together two exceptional speakers-Jason Blum (Academy Award-nominated and Emmy Award-winning producer) and Thomas Frey (Founder of DaVinci Institute). Thomas Frey spoke on the 'Future of Content,' and Jason Blum spoke on 'Return on Investment' in the entertainment industry.

### ZEEL JAIPUR LIT FEST

The ZEEL Jaipur Literature Festival is an important brand association for us, as it is one of the most sought after event in India's cultural calendar. A uniquely curated knowledge and opinion event, the ZEEL Jaipur Lit Fest hosts some of the finest minds in the world from the world of literature, art and culture.

Margaret Atwood held the audience spellbound with the opening keynote address 'Writing is the means whereby light is shed on darkness'.

The Festival also celebrated Ruskin Bond's first appearance in a session which was funny, poignant, and heart-warming. Apart from this, the Festival also saw a candid interaction with Dr. Subhash Chandra about his autobiography, and it provided an insight into his perseverance, ambition and belief.

## SOCIAL RESPONSIBILITY

## IMPACT WITH EMPATHY

**AT ZEEL, WE ARE COMMITTED TO BEING A RESPONSIBLE CORPORATE CITIZEN. OUR CORE BUSINESS STRATEGY IS ALIGNED WITH THE ASPIRATIONS AND INTERESTS OF OUR AUDIENCES AND COMMUNITIES.**

As a creator of content, we are consciously highlighting socially-relevant issues and create responsible programming. We are equally committed to building a sustainable enterprise, and also using our platforms to propagate awareness about pressing global challenges such as climate change and social injustice. Through all we do, our endeavour is to foster positive change at all levels and participatory growth.

ZEEL has a well-articulated CSR policy that is founded on its belief that 'a business cannot succeed in a society that fails'. Under this, ZEEL has extended assistance and participation in many areas, which are closely related to our value system and the philosophy of Vasudhaiva Kutumbakam.

## THE ZEEL CSR ETHOS

**GOVERNANCE AND ETHICS:**

ZEEL is committed to strong ethical practices at every step of its business with due respect and diligence to culture and values.

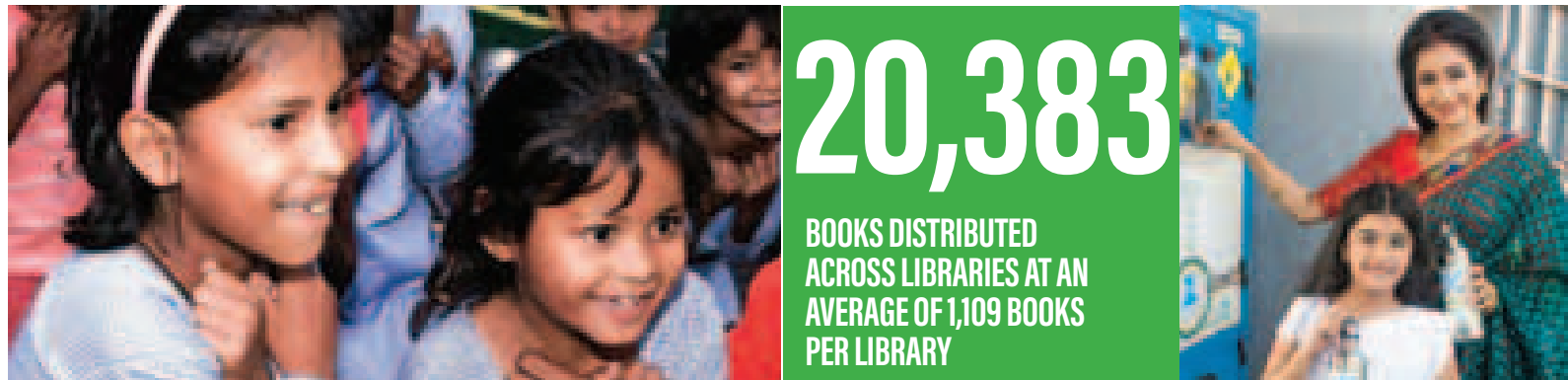
**PEOPLE:**

ZEEL upholds a safe workplace with policies, environment and a culture that help its employees to succeed.

**OUR COMMUNITIES:**

ZEEL empowers community aspirations and acts as a facilitator for a better world.

**ZEEL HAS A WELL-ARTICULATED CSR POLICY THAT IS FOUNDED ON ITS BELIEF THAT 'A BUSINESS CANNOT SUCCEED IN A SOCIETY THAT FAILS.'**



## ROOM TO READ

ZEEL has partnered with Room to Read (a non-profit organisation for improving literacy and gender equality in education in the developing world) to promote reading and literacy across Rajasthan and Uttarakhand. This project has established over 20 primary school libraries, benefiting over 2,500 students, communities and teachers.

Through this step, ZEEL is promoting literacy and educational access in communities that have conventionally struggled to maintain a child-friendly, print-rich school environment. So far, the total number of books distributed across libraries is 20,383—an average of 1,109 books per library.

ZEEL in partnership with Room to Read, has decided to support the education along with teaching life skills, to 100 girls from higher secondary school in the district of Jodhpur. The aim of this program is to provide a holistic education which would help them take important decisions in life to succeed.

Another key component of the Literacy Programme is the provision of on-going training and support provided to the educators. Twenty seven workshops have been organised till date, which has been attended by librarians, teachers, principals and school directors.



## GREEN INITIATIVE

The Zee is Green initiative is developing the next generation industry practices that put people and profits in sync with the planet. Zee is Green is an overarching platform to make our productions more energy efficient and optimal in terms of resource consumption.

We have already executed green operations across six productions in Naigaon region that have resulted in significant impact. Going forward, our objective is to establish a central framework for all our productions globally in order to follow verified guidelines. In addition, we are sensitising all our employees towards this cause, and ensuring across-the-board participation in resource conservation.

**ZEE IS GREEN IS AN OVERARCHING PLATFORM TO MAKE OUR PRODUCTIONS MORE ENERGY EFFICIENT AND OPTIMAL IN TERMS OF RESOURCE CONSUMPTION.**

## GREEN TRANSFORMATION ON GANGAA

Zee is Green is being piloted on the sets of 'Gangaa' and will be replicated across other productions.

**1000**  
**BATTERIES PER MONTH**  
**SAVED FROM GOING TO THE**  
**LANDFILL**

**50%**  
**WASTE DIVERTED FROM**  
**GOING TO THE LANDFILL**

**35%**  
**INK SAVED FROM USAGE OF**  
**ECO-FONTS**

**50%**  
**OF BOTTLED WATER**  
**CONSUMPTION REDUCED**

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

**DR. SUBHASH CHANDRA**

Non - Executive Chairman

**SUBODH KUMAR**

Non - Executive Vice Chairman

**ASHOK KURIEN**

Non - Executive Director

**PROF. SUNIL SHARMA**

Independent Director

**PROF. (MRS.) NEHARIKA VOHRA**

Independent Director

**MANISH CHOKHANI**

Independent Director

**ADESH KUMAR GUPTA**

Independent Director

**PUNIT GOENKA**

Managing Director &amp; CEO

## SENIOR MANAGEMENT

**AMIT GOENKA**

CEO - International Business

**ANURAG BEDI**

Music Business

**HARISH GOYAL**

International Business - Africa

**MIHIR MODI**

Finance &amp; Strategy

**MONOJIT INDRA**

Commercial

**MUKUND CAIRAE**

International Business – MENAPT &amp; APAC

**NEERAJ DHINGRA**

International Business - Europe

**MITTIN KENI**

Movie Business

**RAJEEV KHEROR**

Digital &amp; Linear Content Strategy

**RAJENDRA MEHTA**

Human Resources

**RAJNEESH MITTAL**

Information Technology

**RAJESH SETHI**

Sports &amp; Affiliate Revenue

**SAMEER TARGE**

International Business – USA

**SHARADA SUNDER**

Regional Business

**SUNIL BUCH**Network Business, Operations, Research,  
Marketing & PR**SUNITA UCHIL**International Advt. Sales and Global  
Syndication

## AUDITORS

**M/S MGB & CO. LLP**

## COMPANY SECRETARY

**M LAKSHMINARAYANAN**

## BANKERS

**BNP PARIBAS  
DEUTSCHE BANK  
KOTAK MAHINDRA BANK LTD.  
STANDARD CHARTERED BANK  
YES BANK LTD.**

## REGISTERED OFFICE

18th Floor, A-Wing,  
Marathon Futurex,  
N.M. Joshi Marg,  
Lower Parel,  
Mumbai – 400013.

# STATUTORY REPORTS

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## NOTICE

**Notice** is hereby given that the Thirty Fourth Annual General Meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited will be held at 'Nehru Auditorium', Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Tuesday, the 26th day of July 2016, at 11.00 a.m., to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company on a standalone and consolidated basis, for the financial year ended March 31, 2016 including the Balance Sheet as at March 31, 2016, 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 the Dividend paid on the Preference Shares of the Company for the financial year/period ended March 31, 2016.
3. To declare Dividend of ₹ 2.25 per Equity share for the financial year ended March 31, 2016.
4. To appoint a Director in place of Dr Subhash Chandra (DIN 00031458), who retires by rotation, and being eligible, offers himself for reappointment.
5. To re-appoint M/s MGB & Co. LLP, Chartered Accountants, Mumbai, having Firm Registration No. 101169W/W-100035, as the Statutory Auditors of the Company to carry out the Statutory Audit for the Financial Year 2016-17, at a remuneration to be determined by the Board of Directors of the Company.

### SPECIAL BUSINESS:

#### 6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"Resolved that pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr Adesh Kumar Gupta (DIN 00020403) who was appointed as an Additional Director of the Company by the Board of Directors with effect from December 30, 2015 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 Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period up to December 29, 2018."

#### 7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"Resolved that pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Prof (Mr) Sunil Sharma (DIN 06781655), who holds the office of Independent Director of the Company until January 21, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from January 22, 2017 until January 21, 2020."

#### 8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"Resolved that pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Prof (Mrs) Neharika Vohra (DIN 06808439) who holds the office of Independent Director of the Company until March 11, 2017 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from March 12, 2017 until March 11, 2020."

#### 9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

"Resolved that in supersession of the Special Resolution passed by the Members on August 18, 2009 and pursuant to Section 94 of the Companies Act, 2013 ('Act') read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including Register of Members / Debenture-holders / Other Security-holders, etc., and copies of Annual Returns prepared under Section 92 of the Act together with copies of certificates and documents be kept and maintained at the office of the Company's Registrar and Share Transfer Agents M/s Link Intime India Private Ltd., at C -13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400078, instead of the Registered Office of the Company."

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid on or after August 1, 2016, to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before the Record Date i.e. July 22, 2016 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business day on July 22, 2016.

By Order of the Board

**M Lakshminarayanan**

Chief Compliance Officer & Company Secretary

Place: Mumbai

Date: May 27, 2016

#### 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. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

In connection with the proposed appointment of Mr Adesh Kumar Gupta and the re-appointment of Prof (Mr) Sunil Sharma & Prof (Mrs) Neharika Vohra as Independent Directors not liable to retire by rotation, the Board of Directors have reviewed the declarations made by them confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that they fulfill the conditions specified in the Act and the rules made there under and are independent of the management of the Company.

5. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2016, may send their queries at least seven days before the Annual General Meeting to the Chief Compliance Officer & Company Secretary at the registered office of the Company or at email id [shareservice@zee.esselgroup.com](mailto:shareservice@zee.esselgroup.com)
6. Equity Dividend for the financial year ended March 31, 2009, declared by the Company & erstwhile ETC Networks Ltd (now merged with the Company) which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') in October 2016.

Members, who have not encashed their dividend warrants, issued by the Company and/or ETC Networks Ltd, for the financial year ended March 31, 2009 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agent. Members are advised that in terms of provisions of Section 125 of the Companies Act, 2013, any person whose unclaimed dividend is transferred to IEPF, shall be entitled to get refund out of the fund in accordance with rules made under Section 125 of Companies Act, 2013.

7. Electronic Copy of the Annual Report for 2015-16 is being sent to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication. For Members who have not registered their email address, physical

copies of the Annual Report for 2015-16 is being sent. The Annual Report may also be accessed on the Company's Corporate Website [www.zeetelevision.com](http://www.zeetelevision.com).

8. The Company has appointed M/s Link Intime India Private Limited, Mumbai as the Registrar and Share Transfer Agents with effect from June 16, 2016. Members are requested to notify immediately about any change in their address/e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's new Registrar and Share Transfer Agent, M/s Link Intime India Private Ltd at C -13 Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400078. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

**9. E-voting**

In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide equity shareholders facility to exercise their right to vote at the 34th Annual General Meeting (AGM) by electronic means. The facility of casting votes by a member using an electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the business as detailed in this notice.

The remote e-voting period for all items of business contained in this Notice shall commence from Friday the 22nd day of July 2016 at 9.00 a.m. and will end on Monday, the 25th day of July 2016 at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of July 20, 2016, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

10. The facility for voting by way of Ballot / Poll paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.
11. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. The voting rights of Members either by way of remote e-voting prior to the meeting or by way of Ballot / Poll Paper at the meeting shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on the Cut-off date of July 20, 2016.
13. At the Annual General Meeting the Chairman of the meeting shall after discussion on all the resolutions on which voting is to be held, allow voting by use of Ballot/ Poll Paper by all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.
14. The Company has appointed Mrs Vinita Nair, Partner, M/s Vinod Kothari & Co., Practicing Company Secretaries as Scrutinizer to conduct remote e-voting process as well as Ballot/ Poll Paper voting process at the Annual General Meeting in a fair and transparent manner.

## NOTICE (CONTD.)

15. The Scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast to the Non-Executive Chairman or Non-Executive Vice-Chairman, who shall countersign the same and declare the results of the voting forthwith.
16. The Results declared along with the Scrutiniser's report shall be placed on the website of the Company [www.zeetelevision.com](http://www.zeetelevision.com) and shall also be communicated to the Stock Exchanges. The Resolutions, if approved, shall be deemed to be passed, on the date of Annual General Meeting.
17. The instructions and process for e-voting are as under:
- A. Members whose shareholding is in dematerialised form and whose email addresses are registered with the Company / Depository Participant(s) will receive an email from NSDL informing their User ID and Password:
    - (i) Open email and open PDF file viz; "ZEEL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select "EVEN" of "Zee Entertainment Enterprises Limited".
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
    - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company and Scrutinizer through e-mail to [shareservice@zee.esselgroup.com](mailto:shareservice@zee.esselgroup.com) and [vinita@vinodkothari.com](mailto:vinita@vinodkothari.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - B. For Members holding shares in dematerialised form whose email IDs are not registered with the Company/Depository Participants and Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
    - (i) Initial password is being provided separately as a part of this Annual Report
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
  - C. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 20, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [shareservice@zee.esselgroup.com](mailto:shareservice@zee.esselgroup.com)

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
  - D. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - E. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013****Item no. 6**

Based on the recommendation of Nomination & Remuneration Committee of the Board and after reviewing confirmation of independence received, the Board of Directors of the Company had appointed Mr Adesh Kumar Gupta as an Additional Director of the Company, in the category of Independent Directors with effect from December 30, 2015. Pursuant to Section 161(1) of the Companies Act 2013, Mr Adesh Kumar Gupta holds office till the date of this Annual General Meeting. Appropriate notice has been received from a member proposing appointment of Mr Adesh Kumar Gupta as Director of the Company and requisite consent has been received from Mr Adesh Kumar Gupta pursuant to provisions of Section 152 of the Companies Act 2013. In the opinion of the Board, Mr Adesh Kumar Gupta who is proposed to be appointed as an Independent Director of the Company for the period of 3 years up to December 29, 2018 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management.

Brief Profile and other details of Mr Adesh Kumar Gupta forms part of the Corporate Governance Report.

Your Board recommends the Ordinary resolution as set out in Item No 6 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr Adesh Kumar Gupta (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

#### Item no. 7 & 8

At the 32nd Annual General Meeting held on July 18, 2014, Members of the Company had approved appointment of Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra, as Independent Directors of the Company not liable to retire by rotation. The current term of the said appointment of Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra as Independent Directors of the Company shall expire on January 21, 2017 and March 11, 2017 respectively. As per Section 149(10) of the Act an Independent Director shall be eligible for re-appointment for a second term of up to 5 years on passing a Special resolution by the Shareholders of the Company.

Since the current term of appointment of Independent Directors will expire before the next Annual General Meeting scheduled in 2017, your Board, based on the performance evaluation and after reviewing confirmation of independence received from these Directors, recommends the re-appointment of Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra for a second term of 3 years commencing from the respective date(s) of expiry of their current term of appointment as Independent Director i.e. from January 22, 2017 and March 12, 2017 respectively. Appropriate notice has been received from member(s) proposing appointment of Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra as Independent Directors of the Company and requisite consent has been received from the said Directors pursuant to provisions of Section 152 of the Companies Act 2013.

In the opinion of the Board, Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra who are proposed to be appointed for the second term as Independent Directors of the Company for a period of 3 years up to January 21, 2020 and March 11, 2020 respectively, fulfil the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and are Independent of the management.

Brief Profile and other details of Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra forms part of the Corporate Governance Report.

Your Board recommends the Special resolution(s) as set out in Item No 7 & 8 for your approval.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra (whose appointments are proposed in these resolutions) are in any way concerned or interested in the resolution.

#### Item no. 9

Your company has appointed M/s Link Intime India Private Limited as the Registrar & Share Transfer Agents ('R&T agent') effective from June 16, 2016 for providing services relating to transfer, transmission etc of Equity Shares and Preference Shares of the Company replacing the earlier R&T Agent M/s Sharepro Services (India) Pvt Ltd. Since the R&T agent has been charged with the duty *inter alia* of maintaining and updating the Register & Index of Members / Preference Shareholders and Share Transfer Register and other particulars, including Annual Returns and annexure thereto, it will be convenient for them to maintain if these are located at their office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered office of the Company.

Section 94 of the Companies Act, 2013, permits the Company to maintain its Registers and Annual Returns at any place other than its Registered Office subject to Members approval by way of a Special Resolution. A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94 (1) of the Companies Act, 2013.

Your Board recommends the Special resolution as set out in Item no. 9 for your approval.

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

By Order of the Board

**M Lakshminarayanan**

Chief Compliance Officer & Company Secretary

Place: Mumbai

Date: May 27, 2016

#### Registered Office:

18th floor, A Wing, Marathon Futorex

N M Joshi Marg, Lower Parel

Mumbai 400 013

CIN: L92132MH1982PLC028767

Email: shareservice@zee.esselgroup.com

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Board of Directors are pleased to present the Thirty Fourth Annual Report covering the business and operations of the Company and the Audited Financial Statements of the Company for the financial year ended March 31, 2016.

### RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Annual Financial Statements for the Financial Year 2015-2016, your Directors state and confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- Accounting policies selected were applied consistently and the judgments and estimates related to these financial statements 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, 2016, and, of the profits of the Company for the year ended on that date;

- 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 fraud and other irregularities.
- Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

### FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2016 is summarized below:

Particulars	Standalone - Year Ended		Consolidated - Year Ended	
	31.03.16	31.03.15	31.03.16	31.03.15
Revenue from Operations	42,065	34,262	58,515	48,837
Other Income	2,227	2,273	2,016	2,278
<b>Total Income</b>	<b>44,292</b>	<b>36,535</b>	<b>60,531</b>	<b>51,115</b>
<b>Total Expenses</b>	<b>31,011</b>	<b>24,413</b>	<b>44,383</b>	<b>37,075</b>
<b>Profit Before Tax</b>	<b>13,281</b>	<b>12,122</b>	<b>15,817</b>	<b>14,040</b>
Provision for Taxation (net)	4,688	3,804	5,528	4,284
<b>Profit after Tax</b>	<b>8,593</b>	<b>8,318</b>	<b>10,267</b>	<b>9,775</b>
Balance Brought forward	20,727	16,551	28,987	23,360
Adjustment of depreciation as per transitional provisions		(135)		(141)
Deferred tax on the above		47		47
Amount available for appropriations	29,320	24,781	39,254	33,041
<b>Appropriations :</b>				
<b>Dividend</b>				
Equity shares	2,161	2,161		
Preference shares	1,211	1,211		
Tax on dividend				
Equity shares	433	440		
Preference shares	247	242		
Transfer to Capital Redemption Reserve	22	-		
Balance carried forward	25,246	20,727		

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 the Company. 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 relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2015-16.

## DIVIDEND

## EQUITY SHARES

Your Directors recommend payment of Equity Dividend of ₹ 2.25 per equity share of ₹ 1/- each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as at the Record Date. The outflow on account of equity dividend and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to ₹ 2594 million, resulting in a payout of 30% of the net profits of the Company on a stand-alone basis.

Equity dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals.

Equity Shareholders of the Company as on the Record Date of July 22, 2016 shall be eligible for payment of Equity Dividend for the financial year ended March 31, 2016.

## PREFERENCE SHARES

During the year under review, your Company had remitted:

- Preference Dividend of ₹ 0.06 on 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each (Bonus Preference Shares) for financial year 2015-16 resulting in an outflow of ₹ 1,456.53 million (including dividend distribution tax);
- Pro-rata Preference Dividend at the rate of ₹ 0.06 per year, on 6% Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each (Class A - Unlisted Preference Shares) for the period from April 1, 2015 till the date of redemption i.e. January 15, 2016, resulting in total outflow of ₹ 1.28 million (including dividend distribution tax).

## BUSINESS OVERVIEW

Reflecting our focus on delivering superior performance, your Company had another good financial year with the growth reflecting strong fundamentals of the Company – performing well in domestic markets and simultaneously exploring international opportunities. During FY2016, Indian economy saw revival with the Government's economic policies showing positive results and the effects of such economic recovery were visible in the growth of Indian Television Media industry. Overall, the television media industry registered a growth of 14% with revenues increasing from ₹ 475 billion in 2014 to ₹ 542 billion in 2015. The year also saw the launch of BARC ratings system replacing the existing TAM ratings and the new ratings system intends to improve the quality of data along with the inclusion of rural data. The roll out of digitization process in Phase III cities made good progress in FY2016 and should help boost the subscription revenues in the future.

Your Company's flagship channel, **Zee TV** was ranked third in the Hindi GEC space during the year with the shows like Kumkum Bhagya, Jamai Raja and Tashan E-Ishq being leaders in their primetime slots and the channel extended its weekday programming to six days a week.

The new General Entertainment Channel (GEC) - &TV launched in March 2015, has performed well marking its presence in the cluttered GEC space, by gradually climbing the urban ratings charts. Its shows like Bhabhiji Ghar Pe Hain and Santoshi Maa are visible in the popularity chart and the non-fiction shows in the channel like Voice of India and Sabse Shaana Kaun gave the audience an experience of international entertainment formats with an Indian touch.

50%

## MARKET SHARE

**ZEE MARATHI CONTINUES TO MAINTAIN LEADERSHIP IN ALL THE PRIMETIME SLOTS AND HAD MORE THAN 50% MARKET SHARE DURING THE YEAR.**

**Zee Anmol**, your Company's Free To Air channel, which airs popular shows from ZEE's content library was the No. 1 channel among the FTA channels.

**Movie channels' cluster** strengthened its movie library and continued to lead the Hindi Movie genre viewership ratings with some of the Bollywood's biggest blockbusters like Tanu Weds Manu Returns, Nh10, Singh is Bling etc being premiered during the year.

Your regional entertainment channels continued their strong growth in respective markets. **Zee Marathi** continues to maintain leadership in all the primetime slots and had more than 50% market share during the year. **Zee Bangla** continued to be a strong No. 2 player in the Bangla GEC space with strong leadership in the non-fiction genre, driven by shows like Dadagiri Unlimited and Didi No 1.

**Zee Kannada** captured market share to become No 2 in the Karnataka market with the addition of top performing fiction shows like Naagini, Ganga & Mahadevi and non-fiction shows like Weekend with Ramesh and Sa Re Ga Ma Pa. **Zee Telugu** also increased its market share with a strong performance in the urban market and the channel was at the No 1 position in the urban market on the back of shows like Mudda Mandaram, Varudhini Parinayam and Mangama Gari Manavaralu.

**Sarthak TV**, the latest addition to your Company's bouquet of regional offerings was the clear No 1 in Odiya GEC genre with well over half the market share and a strong leader in fiction as well as non-fiction categories.

The English language entertainment offerings - **Zee Café** and **Zee Studio** continue to perform well in their respective genres and continue to strengthen the network subscription bouquet. Zee Café is one of the leading players in the English GEC category and has the telecast rights to the latest series programming of America's leading TV shows like The Big Bang Theory, House of Cards, Pretty Little Liars etc. Zee Studio which shows the latest blockbusters from the Hollywood catalogue, was true to its ideology of "See it All" premiering movies like The Last Knight, Eden etc.

The **Sports channels** portfolio was rebranded as TEN 1, TEN 2, TEN 3, TEN 1 HD and TEN Golf HD during the year to offer seamless viewing experience to the consumers. With telecast rights to 5 of the 10 cricket boards which ensure coverage of cricket of all test playing countries, your Company's sports channels continue to enthrall viewers across the country. Besides Cricket, the sports network offers it viewers the best action from other sports with events like UEFA Champions League, UEFA Europa League, WTA Tennis, Tour de France, WWE etc among others.

## DIRECTORS' REPORT (CONTD.)

Your Company expanded its digital footprints with the launch of OZEE - a one stop destination for all the content produced by ZEE, giving consumers the convenience of catching up on their favorite shows on one platform.

Your Company's focus on expansion in International markets continued, with several deals signed during the year enhancing the penetration of ZEE network channels in international territories. The major highlights for the year include:

- Launch of Zee Magic in Africa. Zee Magic is your first French GEC, offering Indian contents to target French mainstream markets in Francophone Africa;
- &TV consistently featured in the Top 10 South Asian Channels in the United Kingdom; &TV was also launched in the MENAP market;
- Zee TV was the No 1 channel and Zee Cinema was the No 2 channel among South Asian expats in their respective genres in the UAE;
- Zee Aflam consolidated its position as the top Bollywood channel catering to Arabic audiences.

### SHARE CAPITAL

There were no changes to the Equity Share Capital of the Company during the year under review. However, 22,273,886 - 6% Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each (Class A - Unlisted Preference Shares) issued by the Company in pursuance of a Scheme of Arrangement approved by Hon'ble Bombay High Court on September 12, 2014, were redeemed at par on January 15, 2016 and an amount of ₹ 22,273,886/- was transferred to Capital Redemption Reserve. Consequent to redemption of the said Preference Shares, the overall Paid-up Share Capital of the Company as at the close of March 31, 2016 stand reduced to ₹ 2112,98,71,840/-, comprising of 96,04,48,720 Equity Shares of ₹ 1 each and 201,69,42,312 Preference Shares of ₹ 1 each.

In order to facilitate future corporate action(s) for redemption of Bonus Preference Shares as per the terms of the issue, as per approval accorded by the Equity Shareholders and Preference Shareholders during FY 2015-16, on April 1, 2016 your Company had executed a Corporate action for consolidation of face value of Bonus Preference Shares from ₹ 1/- each to ₹ 10/- each. Consequently, 201,69,42,312 Bonus Preference Shares having face value of ₹ 10/- each post such consolidation (bearing ISIN INE256A04022) were listed and traded on BSE Limited and National Stock Exchange of India Limited on and from April 7, 2016. The said consolidation of face value of Bonus Preference Shares resulted in alteration of the Paid-up Share Capital of your Company at ₹ 2112,98,71,840/- comprising of 96,04,48,720 Equity Shares of ₹ 1 each and 201,69,42,312 Preference Shares of ₹ 10/- each on and from April 1, 2016. In pursuance of the approval accorded by the Shareholders, the Authorised Share Capital of the Company stands altered to ₹ 2300

**DURING THE FINANCIAL YEAR, BRICKWORK RATINGS INDIA PRIVATE LTD RE-AFFIRMED THE CURRENT UP-GRADED RATING OF 'BWR AA+' ASSIGNED TO THE BONUS PREFERENCE SHARES OF THE COMPANY**

Crores comprising of 200 Crores Equity Shares of ₹ 1 each and 210 Crores Preference Shares of ₹ 10 each.

During the financial year, Brickwork Ratings India Private Ltd re-affirmed the current up-graded rating of 'BWR AA+' assigned to the Bonus Preference Shares of the Company listed on the Stock Exchanges.

### REGISTERED OFFICE

During the year under review, keeping in mind the expansion plans and integration of operations of all the divisions of the Company, effective September 1, 2015 the Registered and Corporate Office of the Company was shifted to a landmark building called 'Marathon Futurex' situated in Lower Parel, Mumbai which has lavish interiors, sprawling workspaces, the Sky Gardens, restaurants, etc.

### REGISTRAR & SHARE TRANSFER AGENT

During the first quarter of Calendar Year 2016, there were certain allegations of fraud and malpractices in the conduct and operations of Sharepro Services (India) Pvt Ltd ('Sharepro'), who has been the Registrar and Share Transfer (R&T) Agent of the Company and upon preliminary investigations, SEBI had issued an order dated March 22, 2016 inter alia restraining Sharepro from involving in market related activities. The Assurance Audit of records and systems of Sharepro done at the behest of your Company by M/s MKB Associates, Company Secretaries did not reveal any irregularity or violations with respect to transfer of securities or payment of dividend of the Company during the audit period of 11 years from April 1, 2005.

Subsequently, in pursuance of the advisory issued by SEBI vide Order dated March 22, 2016 and considering that key employees were leaving Sharepro which could affect R&T services at Sharepro in future, your Company has appointed M/s Link Intime India Private Ltd as the R&T Agent in place of Sharepro. The said changeover of R&T agent shall take effect from June 16, 2016.

### EMPLOYEE STOCK OPTION SCHEME

During the year under review, your Company has not granted any Stock Options under its ESOP 2009 Scheme. Further there were no Stock Options outstanding as at the close of March 31, 2016. Hence there are no disclosures provided, as required under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

### SUBSIDIARIES & JOINT VENTURES

#### INTERNATIONAL OPERATIONS

During the year under review, in order to provide clear focus on international broadcasting operations, Mr Amit Goenka, son of Dr Subhash Chandra, Non-Executive Chairman of the Company was appointed as Chief Executive Officer of Asia Today Limited, Mauritius (earlier known as Zee Multimedia (Maurice) Ltd). Further, the overseas broadcasting operations of the Company were re-organised as under:

- Asia Today Limited, Mauritius, a wholly owned overseas subsidiary of the Company was renamed as ATL Media Ltd (ATL-Media) and the businesses relating to Sports Channels, English Channels viz Zee Café and Zee Studio and up-link operations for international channels continued to be housed under ATL Media Ltd either directly or through its wholly owned subsidiaries viz. Expand Fast Holdings Singapore Pte Ltd and Taj TV Ltd, Mauritius;

- Zee Multimedia (Maurice) Ltd, one of the wholly owned subsidiaries of ATL Media Ltd was renamed as Asia Today Limited (ATL) and the business operations of general entertainment channels for various international territories as detailed below have been housed under ATL as under:
  - i. Distribution business in Middle East region is managed through ATL Media FZLLC and Zee Entertainment Middle East FZLLC, both wholly owned subsidiaries of ATL; Distribution in APAC region is being handled by other wholly owned subsidiaries of ATL viz. Asia Today Singapore Pte Ltd and its subsidiary Zee Technologies (Guangzhou) Ltd; and
  - ii. Distribution business in Europe, Canada, Russia and USA are managed by Asia TV Ltd, UK directly and through its subsidiaries viz 000 Zee CIS Holdings LLC, Russia, 000 Zee CIS LLC, Russia, Asia TV USA Ltd, Wyoming, Asia Multimedia Distribution Inc, Canada and Zee TV South Africa (Proprietary) Ltd, South Africa.

As a process of this re-organisation of businesses, the ownership of respective entities also stood transferred to their respective holding companies. Consequent to above re-organisation and incorporation of 2 new overseas subsidiaries viz. Asia Today Singapore Pte Ltd and Asia TV USA Ltd, for carrying out operations in international territories as at March 31, 2016 your Company had 17 direct and in-direct overseas subsidiaries as against 15 subsidiaries as at March 31, 2015.

#### INDIA OPERATIONS

During the year under review, your Company transferred its Ditto TV and Digital Business to a wholly owned subsidiary viz Zee Sports Limited, which changed its name subsequently to Zee Digital Convergence Limited. Additionally, your Company acquired 100% equity stake in Sarthak Entertainment Pvt Ltd, a Company engaged in the business of broadcasting of 'Sarthak' a leading Odiya language general entertainment channel. India Webportal Pvt Ltd, a 51% subsidiary of the Company, increased its equity stake in Idea Shop Web And Media Pvt Ltd (Idea Shop) from 38.61% to 51.04% and therefore Idea Shop, a Company engaged in the business of managing an online lifestyle portal ([www.brownpaperbag.in](http://www.brownpaperbag.in)), became a step down subsidiary of the Company as at March 31, 2016. Consequent to aforesaid acquisitions, for carrying out domestic operations as at March 31, 2016 your Company had 7 Indian Subsidiaries as against 5 as at March 31, 2015.

Apart from above, no other Subsidiary / Joint-venture was formed or divested during the financial year 2015-16. In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all the subsidiaries in Form AOC-1 is annexed to this report.

In March 2016, your Board had approved acquisition of 100% equity stake in a company called Fly By Wire International Pvt Ltd., (FBW) which is engaged in providing Aircraft Charter services and owns one Bombardier Challenger 605 Aircraft. As on the date of this report, your Company has acquired 49% equity stake in FBW and balance 51% equity stake in FBW shall be acquired by the Company upon receipt of regulatory approvals.

Further with a view to create an Integrated Sales Organization which shall engage in advertisement sales agency business across genres and/or platforms, on April 1, 2016 your Company had acquired 100% stake in Zee Unimedia Limited and effective April 1, 2016 the ad-sales operations of the Company stand transferred to this subsidiary on an agency commission basis.

Your Company has prepared the Consolidated Financial Statements in accordance with Section 129(3) of the Companies Act 2013 read with Accounting Standard AS 21 (Consolidated Financial Statements), AS 23 –(Accounting for Investments in Associates) and AS 27 (Financial Reporting of Interest in Joint Ventures).

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company [www.zeetelevision.com](http://www.zeetelevision.com). These documents will also be available for inspection during business hours at the Registered Office of the Company.

#### CORPORATE GOVERNANCE AND POLICIES

In order to maximize shareholder 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') and applicable provisions of Companies Act, 2013.

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 Annual Report. Management Discussion and Analysis Report and Business Responsibility Report as per Listing Regulations are presented in separate sections forming part of the Annual Report. The said Business Responsibility Report will also be available on the Company's website [www.zeetelevision.com](http://www.zeetelevision.com) as part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy and Remuneration Policy. All these policies and codes have been uploaded on Company's corporate website [www.zeetelevision.com](http://www.zeetelevision.com). Additionally, Directors Familiarisation Programme and Terms and Conditions for appointment of Independent Directors can be viewed on Company's corporate website [www.zeetelevision.com](http://www.zeetelevision.com)

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which *inter alia* include desired size and composition

# 100%

EQUITY STAKE

**ZEEL ACQUIRED 100% EQUITY STAKE IN SARTHAK ENTERTAINMENT PVT LTD, A COMPANY ENGAGED IN THE BUSINESS OF BROADCASTING OF 'SARTHAK' A LEADING ODIYA LANGUAGE GENERAL ENTERTAINMENT CHANNEL.**

## DIRECTORS' REPORT (CONTD.)

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.

### DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Board currently comprises of 8 Directors including 4 Independent Directors, an Executive Director and 3 Non-Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2015-16 your Board met 6 (six) times details of which are available in Corporate Governance Report annexed to this report.

During the year under review, Lord Gulam Noon, one of the Independent Directors of the Company, passed away on October 27, 2015. Your Board places on record its appreciation for the contributions made by Lord Gulam Noon during his tenure as an Independent Director of the Company. Mr Subodh Kumar, who was appointed for a period of 3 years as Executive Vice Chairman of the Company with effect from February 1, 2014 resigned from his executive position as at the close of October 15, 2015 and continues as a Non-Executive Director on the Board of your Company.

Based on confirmation of independence and recommendations by the Nomination and Remuneration Committee, your Board had approved appointment of Mr Adesh Kumar Gupta as an Additional Director of the Company in the category of Independent Director with effect from December 30, 2015. In terms of Section 161 of the Companies Act 2013, Mr Adesh Kumar Gupta shall hold office up to the date of the ensuing Annual General Meeting. Your Company has received a notice in writing along with requisite deposit pursuant to Section 160 of Companies Act, 2013, proposing appointment of Mr Adesh Kumar Gupta as Director of the Company and your Board recommends appointment of Mr Adesh Kumar Gupta as an Independent Director not liable to retire by rotation for a period of 3 years with effect from December 30, 2015.

Pursuant to the Members' approval at the 32nd Annual General Meeting held on July 18, 2014, Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra were appointed as Independent Directors of the Company for a period of 3 years till January 21, 2017 and March 11, 2017 respectively. Special Resolutions seeking members' approval for appointing them as Independent Director(s) for the second term of 3 years from expiry of their current terms form part of the Notice of the ensuing Annual General Meeting. Your Company has received notice(s) in writing along with requisite deposit pursuant to Section 160 of Companies Act, 2013, proposing their appointment for the second term and based on performance evaluation and contributions made by Prof (Mr) Sunil Sharma and Prof (Mrs) Neharika Vohra, your Board recommends their appointment for the second term of 3 years upon expiry of their current term.

Dr Subhash Chandra, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment. Your Board recommends his re-appointment.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Punit Goenka, Managing Director & CEO, Mr Mihir Modi, Chief Finance & Strategy Officer and

Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary of the Company continue as Key Managerial Personnel of the Company.

### BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of the Chairman, Managing Director and other Non-Independent Directors along with performance of the Board/Board Committees based on various criteria recommended by Nomination & Remuneration Committee. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of Companies Act, 2013, evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

### BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Agreements / 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 viz. [www.zeetelevision.com](http://www.zeetelevision.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.

A detailed report on Corporate Social Responsibility activities initiated by the Company during the year under review, in compliance with the requirements of Companies Act, 2013, is annexed to this report.

### AUDITORS

**Statutory Audit:** The Statutory Auditors M/s MGB & Co. LLP, Chartered Accountants, Mumbai, having Firm Registration No 101169W/W-100035, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Your Company has received confirmation from the Auditors to the effect that their reappointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

Your Board is of the opinion that continuation of M/s MGB & Co. LLP, as Statutory Auditors during and for certifying the financial statements for FY 2016-17, will be in the best interests of the Company and therefore Members are requested to consider their appointment as Statutory Auditors of the Company for signing financial statements and issue reports for the period ending March 31, 2017. The re-appointment proposed is within the time frame for transition as provided under the third proviso to sub-section (2) of Section 139 of Companies Act 2013.

**Secretarial Audit:** During the year, Secretarial Audit was carried out by M/s Vinod Kothari & Co., Company Secretaries (Firm Registration No. P1996WB042300) in compliance with Section 204 of the Companies Act, 2013.

The reports of Statutory Auditor and Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks. During the year the Statutory Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

## 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 Companies Act, 2013 are contained in Note No 14 to the Standalone Financial Statements.
- ii. **Transactions with Related Parties:** None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Information on material transactions with related parties pursuant to Section 134(3)(h) of the Act, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in form AOC-2 is annexed to this report.
- iii. **Risk Management:** Your Board had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate such risks. In the opinion of the Risk Management Committee, there was no risk that may threaten the existence of the Company.
- iv. **Internal Financial Controls and their adequacy:** Your Company has approved internal financial controls and policies/procedures to be adopted by the Company 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.

- v. **Deposits & Unclaimed Dividend:** Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013. During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company & ETC Networks Ltd (since merged with the Company) for financial year 2007-08, aggregating to 0.92 Million was transferred to Investors Education and Protection Fund.
- vi. **Extract of Annual Return:** The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report.
- vii. **Sexual Harassment:** The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review no complaints on sexual harassment were received.
- viii. **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.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company is into the business of Broadcasting of General Entertainment Television Channels. Since this business does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are Nil / Not applicable. However, the information, as applicable, are given hereunder:

### CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy

(ii) the steps taken by the company for utilizing alternate sources of energy

(iii) the steps taken by the company for utilizing alternate sources of energy

### TECHNOLOGY ABSORPTION:

(i) the efforts made towards technology absorption

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported

(b) the year of import;

(c) whether the technology been fully absorbed

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

(iv) the expenditure incurred on Research and Development

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

Your Company uses latest technology and equipment's into its Broadcasting business. However since the Company is not engaged in any manufacturing, the information in connection with technology absorption is Nil.

## DIRECTORS' REPORT (CONTD.)

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars of foreign currency earnings and outgo during the year are given in Note 41 to 43 to Standalone Financial Statement.

### HUMAN RESOURCES & PARTICULARS OF EMPLOYEES

Being in the business of creativity and business of people, to ensure sustainable business growth and become future ready, over the years your Company has been focusing on strengthening its talent management and employee engagement processes and through the year, organisation's employee engagement scores has improved to highest percentile in the entertainment sector. Your Company continues to build talent pipeline by hiring fresh talent from renowned campuses and nurturing them and identifying / training top performing resources. Your Company has institutionalised the people philosophy framework SAMWAD to ensure that, as part of key objectives, people managers deliver on organisation's expectations of managing outcome and developing people by being focused on their strengths. As at March 31, 2016, your Company had 2034 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 the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report.

### ACKNOWLEDGEMENTS

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company and its subsidiaries across the world at all levels that has contributed to your Company's success and remain in the forefront of media and entertainment business. Your Directors thank and express their gratitude for the support and co-operation received from the 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, Foreign Investment Promotion Board, the Stock Exchanges and Depositories and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors and service providers.

For and on behalf of the Board of Directors

**Punit Goenka**

Managing Director & CEO

**Manish Chokhani**

Director

Place: Mumbai

Date: May 10, 2016

### PARTICULARS OF RELATED PARTY TRANSACTIONS

#### FORM NO. AOC-2

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto:

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

The Company has not entered into any contract or arrangement or transaction with its related parties which is/are not at arm's length during financial year 2015-16.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

- a. **Name(s) of the related party and nature of relationship:** Taj Television (India) Private Limited, wholly owned subsidiary of the Company
- b. **Nature of contracts / arrangements / transactions:** Distribution Service for all television channels of the Company.

- c. **Duration of the contracts / arrangements / transactions:** Contract entered with effect from April 1, 2014 for a term of 3 years, renewable on similar and mutually agreeable terms.
- d. **Salient terms of the contracts or arrangements or transactions including the value, if any:** The wholly owned subsidiary distributes all current and future television channels of the Company, exclusively in India on principal-to-principal, and revenue sharing, basis wherein 14% of subscription revenue shall be retained by the wholly owned subsidiary.
- e. **Date(s) of approval by the Board, if any:** Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
- f. **Amount paid as advances, if any:** Nil

**Note:** Consequent to the Company carrying out distribution operations directly, this material related party transaction stand terminated as at the close of April 30, 2016,

## ANNEXURES TO THE 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 MARCH 31, 2016  
Part "A": Subsidiaries

Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Other than Subsidiary)	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Mode and % of shareholding
Zee Turner Limited	INR	1	94	139	44	-	-	19	-	19	-	74%
India Webportal Private Limited	INR	249	(171)	314	236	-	645	26	-	26	-	51%
Essel Vision Productions Limited (EVPL)	INR	130	362	2,342	1,850	-	1,930	110	38	72	-	100%
Taj Television (India) Private Limited	INR	1	1,997	5,154	3,156	-	2,682	1,883	651	1,232	-	100%
ZEE Digital Convergence Limited (Formerly known as Zee Sports Limited)	INR	300	(378)	509	587	-	464	(323)	-	(323)	-	100%
Sarthak Entertainment Private Limited	INR	5	206	280	69	-	158	67	26	41	-	100%
Idea Shop Web and Media Private Limited@	INR	0	0	3	3	-	6	(5)	-	(5)	-	51.04%
Zee Multimedia Worldwide (Mauritius) Limited (ZMWML)	USD	3,759	1,359	5,119	1	-	-	94	3	91	-	100%
Zee TV USA Inc. \$	USD	66	(66)	-	-	-	-	-	-	-	-	100%
Asia TV Limited &	GBP	1,563	(731)	1,363	531	-	960	28	6	22	-	100%
000 Zee CIS Holding LLC **	RUB	-	-	-	-	-	-	-	-	-	-	100%
000 Zee CIS LLC **	RUB	0	5	31	26	-	91	20	4	16	-	100%
Asia Multimedia Distribution Inc. **	CAD	0	3	78	75	-	85	4	1	3	-	100%
Zee TV South Africa (Proprietary) Limited**	ZAR	0	(263)	45	308	-	88	69	-	69	-	100%
Asia TV USA Limited**	USD	0	(3)	390	393	-	-	(3)	0	(3)	-	100%
ATL Media Ltd (Formerly known as Asia Today Limited) (ATL Media)	USD	0	9,730	17,464	11,923	4,189	6,231	552	117	435	-	100%
Expand Fast Holdings (Singapore) Pte Limited ^	USD	4	122	144	18	-	192	11	0	10	-	100%
Taj TV Limited ^	USD	1,122	(1,372)	6,823	7,073	-	5,822	(326)	(9)	(318)	-	100%
Asia Today Limited (Formerly known as Zee Multimedia (Maurice) Limited) (ATL) ^	MUR	7	(36)	2,181	2,210	-	-	(17)	-	(17)	-	100%
Asia Today Singapore Pte Limited &	SGD	0	(99)	7	106	-	-	(98)	-	(98)	-	100%
Zee Technologies (Guangzhou) Limited &&	YUAN	116	(161)	1	46	-	-	(21)	-	(21)	-	100%
Zee Entertainment Middle East FZ-LLC &	UAE	45	1,101	1,451	305	-	2,242	653	-	653	-	100%
ATL Media FZ-LLC &	UAE	1	(152)	857	1,008	-	206	(115)	-	(115)	-	100%
Eevee Multimedia Inc. #	USD	17	(62)	7	52	-	-	(37)	0	(37)	-	100%

^ Held through ATL Media \*\* Held through Asia TV Limited & Held through ATL Exchange rate as on March 31, 2016 for P&L items: 1 USD = ₹ 65.4142, 1 MUR = ₹ 1.84, 1 YUAN = ₹ 10.34, 1 UAE = ₹ 17.81, 1 ZAR = ₹ 4.75, 1 GBP = ₹ 98.54, 1 RUB = ₹ 1.02, 1 CAD = ₹ 49.87  
Exchange rate as on March 31, 2016 for Balance Sheet items 1 USD = ₹ 66.1774, 1 MUR = ₹ 1.87, 1 YUAN = ₹ 10.26, 1 UAE = ₹ 18.02, 1 ZAR = ₹ 4.46, 1 GBP = ₹ 95.09, 1 RUB = ₹ 0.98, 1 CAD = ₹ 51.03

## Part "B" : Associates and Joint Venture

Name of Associates/Joint Ventures	Latest audited balance Sheet Date	Shares of Associate/Joint Venture held by the company on the year end			Profit / Loss for the year		Description of how there is significant influence	Reason why associate/joint venture is not consolidated
		Numbers	Amount of Investment in Associates/Joint Venture	Extent of Holding %	Considered in Consolidation	Not Considered in Consolidation		
Media Pro Enterprise India Private Limited	31-Mar-16	2,500,000	25	50.00%	13	-	Refer Note A	-
Aplab Limited#	31-Mar-15	1,321,200	-	26.42%	(5)	-	Refer Note A	-
Asia Today Thailand Limited	31-Mar-16	5,000	3	25.00%	2	-	Refer Note A	-

Note A :- There is significant influence due to percentage (%) of Share Capital  
# The investments is zero as share of networth is negative.  
0 (Zero) denotes amounts less than a million.

For and on behalf of the Board of Directors  
**Punit Goenka** Managing Director & CEO  
**Manish Chokhani** Director

Place: Mumbai  
Date: May 10, 2016

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.
2	The Composition of the CSR Committee	The CSR Committee of the Board comprises of 3 Directors. Mr. Subodh Kumar, Non-Executive Vice Chairman is the Chairman of the Committee while Prof Sunil Sharma, Independent Director & Mr Punit Goenka, Managing Director & CEO are its Members
3	Average net profit of the Company for last three financial years	₹ 11071 Million
4	Prescribed CSR expenditure (two percent of the average net profits for last three years)	₹ 221.42 Million
5	Details of CSR spent during FY	
	a) Amount to be spent in FY including unspent amount for FY 2014-15	₹ 246.42 Million
	b) Unspent amount	18.08 Million
	c) Amount spent	228.34 million
	d) Areas where spent	As detailed in Annexure A

## ANNEXURE A

(₹ in 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 was 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
Rural Development Transformation	Rural Development Projects for Upliftment of Communities in tribal/ rural areas	New Delhi	10.00	10.00	10.00	Bharat Lok Shiksha Parishad, New Delhi
Sanitation	Promotion of Cleanliness	Hisar, Haryana	2.64	2.64	12.64	Municipal Corporation, Hisar
Libraries and Aid to Government Schools	Setting up of Libraries	Rajasthan	0.70	0.70	13.34	Room to Read India Trust
Health Care	Promotion of Health Care	Mumbai, Maharashtra	20.00	10.00	23.34	Marrow Donor Registry(India)
Rural Development-Community Development	Community Development Projects	Mumbai, Maharashtra	5.00	5.00	28.34	SIFE India
Educational Infrastructural Development	Development of Building and other facilities for Promotion of Education	Hisar, Haryana	200.00	200.00	228.34	Zee Foundation

**Note:** CSR spend mentioned herein includes amount contributed/remitted by the Company to NGO's or agencies mentioned above, which may be pending utilization for specified purposes at the year end.

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.

**Subodh Kumar**

Non-Executive Vice-Chairman

**Punit Goenka**

Managing Director & CEO

Place: Mumbai

Date: May 10, 2016

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2016

[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	18th Floor, A Wing, Marathon Futorex, N M Joshi Marg, Lower Parel, Mumbai 400013 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 (Refer Note below)	M/s Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri- Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 Tel No: +91-22-6772 0300/400 Fax No: +91-22- 2859 1568/2850 8927

**Note:** With effect from June 16, 2016, M/s. Link Intime India Private Limited having its office at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, has been appointed as Registrar and Share Transfer Agent of the Company in place of M/s. Sharepro Services (India) Pvt Ltd.

**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 2004)	% to total turnover of the company
1	Broadcasting Services	92132	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
<b>A</b>	<b>HOLDING COMPANY</b>		
	Nil		
<b>B</b>	<b>SUBSIDIARY COMPANIES (INCLUDING STEP DOWN SUBSIDIARIES)</b>		
1	Taj Television (India) Private Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U92190MH2002PTC135002	100%	2(87)(ii)
2	Essel Vision Productions Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U74990MH2010PLC198648	100%	2(87)(ii)
3	Zee Digital Convergence Limited (Formerly known as Zee Sports Limited) Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U64200MH2004PLC148772	100%	2(87)(ii)
4	Sarthak Entertainment Private Limited At- Swetana Residency, New Kanika Colony, Kanika Chhak Cuttack, Orrisa 753008 U92100OR2008PTC010304	100%	2(87)(ii)
5	Zee Turner Limited B-10, Essel House, Lawrence Road Industrial Area, New Delhi 110 035 U74899DL2001PLC113501	74%	2(87)(ii)
6	India Webportal Private Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U72900MH2010PTC201526	51%	2(87)(ii)
7	Idea Shop Web And Media Private Limited T 1/6, World Trade Centre Arcade, Cuffe Parade, Mumbai 400 005 U72900MH2011PTC220973	51.04%	2(87)(ii)

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
8	ATL Media Ltd (earlier known as Asia Today Limited) 2nd Flr, Ebene House, 33 Cybercity, Ebene, Mauritius	100%	2(87)(ii)
9	Expand Fast Holdings (Singapore) Pte. Limited 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
10	Asia Today Limited (earlier known as Zee Multimedia (Maurice) Ltd) 2nd Floor, Ebene House, 33, Cybercity Ebene, Mauritius	100%	2(87)(ii)
11	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)
12	Zee Entertainment Middle East FZ-LLC Office 202 & 204, Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
13	ATL Media FZ-LLC Office 202 & 204, Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
14	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)
15	TAJ TV Limited St. Louis Business Centre, Cnr Desroches & St Louis street, Port Louis, Mauritius	100%	2(87)(ii)
16	Zee Multimedia Worldwide (Mauritius) Limited Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100%	2(87)(ii)
17	Asia TV Limited 1st Flr, 41 Chalton Street, London NW1 1JD	100%	2(87)(ii)
18	OOO Zee CIS LLC Nizhnaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
19	Zee TV USA. Inc. 1999 Bryan St., Ste.900, Dallas/TX/75201-3136	100%	2(87)(ii)
20	EEVEE Multimedia, Inc 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
21	OOO Zee CIS Holding LLC Nizhnaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
22	Asia Multimedia Distribution Inc 693 Queen Street East, Toronto, Canada M4M1G6	100%	2(87)(ii)
23	Asia TV USA Ltd. Wyoming 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
24	Asia Today Singapore Pte Ltd. 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
<b>C ASSOCIATE COMPANIES</b>			
1	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)
2	Aplab Limited Aplab House, Plot No. A-5, Wagale Industrial Estate, Thane 400 604 CIN - L99999MH1964PLC013018	26.42%	2(6)
3	Media Pro Enterprise India Private Limited 7th Floor, Blue Wave, Behind Kuber Chamber, Andheri (West), Mumbai 400053 CIN - U92412MH2006PTC164446	50.00%	2(6)

**Note:** CIN/GLN Not applicable for overseas subsidiaries

## IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## I. CATEGORY WISE SHAREHOLDING

Sr	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A</b>	<b>Promoters &amp; Promoter Group</b>									
1	Indian									
A	Bodies Corporate	241403408	-	241403408	25.13	241403408		241403408	25.13	0
	<b>Sub-total (A) (1):-</b>	<b>241403408</b>	<b>-</b>	<b>241403408</b>	<b>25.13</b>	<b>241403408</b>		<b>241403408</b>	<b>25.13</b>	<b>0</b>
2	Foreign									
A	Bodies Corporate	172266804	-	172266804	17.94	172266804		172266804	17.94	0
	<b>Sub-total (A) (2):-</b>	<b>172266804</b>	<b>-</b>	<b>172266804</b>	<b>17.94</b>	<b>172266804</b>		<b>172266804</b>	<b>17.94</b>	<b>0</b>
	<b>Total Promoter shareholding (A)</b>	<b>413670212</b>	<b>-</b>	<b>413670212</b>	<b>43.07</b>	<b>413670212</b>		<b>413670212</b>	<b>43.07</b>	<b>0</b>
<b>B</b>	<b>Public Shareholding</b>									
1	Institutions									
A	Mutual Funds	19849324	0	19849324	2.07	39050762	0	39050762	4.07	2.00
B	Banks / FI	256755	0	256755	0.03	338174	0	338174	0.04	0.01
C	Insurance Companies	235937	0	235937	0.02	34250	0	34250	0.00	(0.02)
D	FIs	480003430	21900	480025330	49.98	452683660	21900	452705560	47.13	(2.85)
E	Other Foreign Banks	500	0	500		0	0	0	0	0.00
F	Central/State Govt	496846	0	496846	0.05	455000	0	455000	0.05	0.00
	<b>Sub-total (B1)</b>	<b>500842792</b>	<b>21900</b>	<b>500864692</b>	<b>52.15</b>	<b>492561846</b>	<b>21900</b>	<b>492583746</b>	<b>51.29</b>	<b>(0.86)</b>
2	Non-Institutions									
A	Bodies Corporate – Indian	21813302	7482	21820784	2.27	32030884	7482	32020884	3.33	1.06
B	Bodies Corporate – Overseas	91893	0	91893	0.01	91893	-	91893	0.01	0
C	Individual shareholders holding nominal share capital upto ₹ 1 lakh	16355117	698500	17053617	1.78	15854552	654012	16508564	1.72	(0.06)
D	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3810983	-	3810983	0.40	1733187	-	1733187	0.18	(0.22)
E	Others - Foreign National	3690	-	3690	-	1500	-	1500	0.00	0
F	Others – NRI	1568060	824285	2392345	0.00	1575605	808860	2384465	0.00	0.00
G	Others – Trust	698250	42254	740504	0.08	1402015	42254	1444269	0.15	0.07
	<b>Sub-total (B2)</b>	<b>44341295</b>	<b>1572521</b>	<b>45913816</b>	<b>4.79</b>	<b>52682154</b>	<b>1512608</b>	<b>54194762</b>	<b>5.64</b>	<b>0.86</b>
	<b>Total Public Shareholding</b>	<b>545184087</b>	<b>1594421</b>	<b>546778508</b>	<b>56.93</b>	<b>545244000</b>	<b>1534508</b>	<b>546778508</b>	<b>56.93</b>	<b>0</b>
<b>C</b>	<b>Shares held by Custodian for GDRs &amp; ADRs (C)</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>958854299</b>	<b>1594421</b>	<b>960448720</b>	<b>100.00</b>	<b>958914212</b>	<b>1534508</b>	<b>960448720</b>	<b>100.00</b>	<b>0.00</b>

## II. PROMOTER &amp; PROMOTER GROUP SHAREHOLDING

Sr	Name of Promoter	Shareholding at the beginning of the year i.e. April 1, 2015			Shareholding at the end of the year i.e. March 31, 2016			% change
		Number of Shares	%	% of shares pledged / encumbered to Capital	Number of Shares	%	% of shares pledged / encumbered to Capital	
1	Veena Investment Pvt. Ltd.	100	0.00		100	0.00		0.00
2	Essel Infraprojects Ltd	100	0.00		100	0.00		0.00
3	Sprit Textiles Pvt Ltd	300	0.00		300	0.00		0.00
4	Cyquator Media Services Pvt. Ltd.	241402908	25.13	16.20	241402908	25.13	18.24	0.00
5	Essel Media Ventures Limited	102888286	10.71		102888286	10.71		0.00
6	Essel Holdings Limited	46378518	4.83		46378518	4.83		0.00
7	Essel International Ltd	23000000	2.39		23000000	2.39		0.00
	Total	413670212	43.07	16.20	413670212	43.07	18.24	0.00

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## III. CHANGE IN PROMOTER SHAREHOLDING - NIL

## IV. CHANGE IN SHAREHOLDING OF TOP TEN PUBLIC SHAREHOLDERS

Name of Shareholder		Shareholding at the beginning of the year (April 1, 2015)		Shareholding at the end of the year (March 31, 2016)	
		No of Shares	% Equity Share Capital	No of Shares	% Equity Share Capital
Oppenheimer Developing Markets Fund	\$	68,716,575	7.15	77,074,068	8.02
Government of Singapore	\$	13,557,879	1.41	16,004,993	1.67
Oppenheimer Global Fund	\$	10,974,158	1.14	13,094,125	1.36
Vanguard International Growth Fund	\$	14,434,499	1.50	12,828,104	1.34
Columbia Acorn International	\$	13,478,000	1.40	11,596,611	1.21
Goldman Sachs (Singapore) PTE	\$	8,686,506	0.90	11,238,797	1.17
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	\$	9,875,585	1.03	8,420,675	0.88
ICICI Prudential Life Insurance Company Ltd	@	NA	NA	7,925,573	0.83
Schroder International Selection Fund Asian Opportunities	@	NA	NA	7,343,746	0.76
Ishares India Index Mauritius Company	@	NA	NA	6,780,774	0.71
New World Fund Inc	#	16,175,036	1.68	NA	NA
Ontario Teachers Pension Plan Board – NP3A-ALL	#	17,800,000	1.85	NA	NA
Europacific Growth Fund	#	3,117,1178	3.25	NA	NA

## Note:

- 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
- \$ denotes common top 10 shareholders as on April 1, 2015 and March 31, 2016  
# denotes top 10 shareholders only as on April 1, 2015  
@ denotes top 10 shareholders only as on March 31, 2016
- NA denotes that the Shareholder was not amongst top 10 shareholders during relevant date

V. CHANGE IN SHAREHOLDING OF DIRECTORS & KMP – Apart from Mr. Adesh Kumar Gupta (who was appointed as an Independent Director effective December 30, 2015) and Lord Gulam Noon (who expired on October 27, 2015) none of the Directors / KMP held any Equity Shares of the Company either at the beginning of the year or during the year or at the end of the year. Details of Shareholding of Mr. Adesh Kumar Gupta and Late Lord Gulam Noon is as mentioned herein:

Name of Director	Shareholding at the beginning of the year i.e. April 1, 2015		Shareholding at the end of the year i.e. March 31, 2016		% change
	Number of Shares	% Equity Share Capital	Number of Shares	% Equity Share Capital	
Lord Gulam Noon	40,000	0.00	NA		NA
Adesh Kumar Gupta	NA		218	0.00	NA

## VI. INDEBTEDNESS

## INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

	Secured Loans excluding deposits*	Unsecured Loans	Deposits	(₹ In Million) Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal Amount	22	-	-	22
Interest Due but not paid;	-	-	-	-
Interest accrued but not due	-	-	-	-
<b>Total</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>22</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	8	-	-	8
Reduction	12	-	-	12
<b>Net Change</b>	<b>(4)</b>	<b>-</b>	<b>-</b>	<b>(4)</b>
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	18	-	-	18
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
<b>Total</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>18</b>

\* represents Car financing loans

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND/OR MANAGER:

Particulars of Remuneration	Name of MD/WTD/Manager		(₹ In Million) Total Amount
	Subodh Kumar (Executive Vice Chairman till October 15, 2015)	Punit Goenka (Managing Director & CEO)	
Gross salary (As per Income tax act)			
Salary	24.34	55.24	79.58
Perquisites	0.02	8.33	8.35
Profits in lieu of salary	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission (as % of profit and/or otherwise)	-	-	-
Others (Contribution to Provident Fund)	-	4.29	4.29
<b>Total (A)</b>	<b>24.36</b>	<b>67.86</b>	<b>92.22</b>
Ceiling as per the Act	10% of Profits as per Section 198 of Companies Act, 2013 is ₹ 1,347.57 Million		

## B. REMUNERATION TO OTHER DIRECTORS:

(₹ In Million)				
Name of Directors	Sitting Fees	Commission	Others	Total
Independent Directors				
Sunil Sharma	0.39	2.00		2.39
Neharika Vohra	0.21	2.00		2.21
Manish Chokhani	0.39	2.00		2.39
Adesh Kumar Gupta	0.24	0.51		0.75
Gulam Noon	0.00	1.14		1.14
Total	1.23	7.65		8.88
Non-Executive Directors				
Subhash Chandra	0.09	2.00		2.09
Ashok Kurien	0.39	2.00		2.39
Subodh Kumar*	0.18	0.92		1.1
Total	0.66	4.92		5.58
Grand Total	1.89	12.57		14.46
Overall Ceiling as per Act				
1% of Net Profits as per Section 198 of the Companies Act, 2013 is ₹ 134.76 Million				

\* Non-Executive Director with effect from October 16, 2015

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ In Million)

Particulars of Remuneration	Key Managerial Personnel		
	CFO	Company Secretary	Total
Gross salary (As per Income Tax Act)			
Salary	16.59	14.22	30.81
Perquisites	0.04	0.04	0.08
Profits in lieu of salary	-	-	-
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission (as % of profit or otherwise)	-	-	-
Others (Contribution to Provident Fund)	0.79	0.71	1.50
<b>Total</b>	<b>17.42</b>	<b>14.97</b>	<b>32.39</b>

Note: For details of remuneration of CEO refer remuneration details of Mr. Punit Goenka mentioned in Table A above

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

For and on behalf of the Board of Directors

**Punit Goenka**

Managing Director & CEO

**Manish Chokhani**

Director

Place: Mumbai

Date: May 10, 2016

## PARTICULARS OF REMUNERATION OF EMPLOYEES

{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 in remuneration 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 (₹ in Millions)	% Increase in Remuneration	Ratio of Directors remuneration to Median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of Turnover	% of Net Profit before tax
<b>Non Executive Directors<sup>#</sup></b>					
Subhash Chandra	2.00	Nil	3:1	NA	NA
Ashok Kurien	2.00	Nil	3:1	NA	NA
Sunil Sharma	2.00	Nil	3:1	NA	NA
Neharika Vohra	2.00	Nil	3:1	NA	NA
Manish Chokhani	2.00	Nil	3:1	NA	NA
Adesh Kumar Gupta	0.51	Nil	1:1	NA	NA
Gulam Noon	1.14	Nil	2:1	NA	NA
<b>Executive Directors</b>					
Punit Goenka	67.86	15%	99:1	0.16	0.51
*Subodh Kumar (including Salary & Commission)	25.28	8%	49:1	0.06	0.18
<b>Key Managerial Personnel</b>					
Mihir Modi	17.42	13%	NA	0.04	0.13
M Lakshminarayanan	14.97	6%	NA	0.04	0.11

<sup>#</sup> Non-Executive Directors remuneration represents Commission & excludes Sitting Fees

\* Resigned as Executive Vice Chairman and continues as Non Executive Vice Chairman effective October 16, 2015 and has been paid commission on a pro rata basis since then.

Sr	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY	8%
2	Number of permanent employees on the rolls of the Company	2034
3	The explanation on the relationship between average increase in remuneration and Company's performance	The average increment of 10% during the year was in line with the market trend. In order to ensure that the remuneration reflects Company performance, the performance incentive is also linked to organisation performance apart from individual performance.
4	Comparison of the remuneration of the key managerial personnel against the performance of the Company (Standalone)	The aggregate remuneration of Executive Director and Key Managerial personnel was 0.30% of turnover and 0.94% of Net Profit (before tax) during the financial year

Sr	Requirements	Disclosure															
5	Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current and previous financial year	<table><tr><th>Particulars</th><th>Market Capitalisation (₹ In millions)</th><th>Price Earning ratio (Consolidated)</th></tr><tr><td>31.03.2016</td><td>371,117</td><td>42.10</td></tr><tr><td>31.03.2015</td><td>328,233</td><td>39.40</td></tr><tr><td>Change %</td><td>13.07</td><td>6.85</td></tr></table>	Particulars	Market Capitalisation (₹ In millions)	Price Earning ratio (Consolidated)	31.03.2016	371,117	42.10	31.03.2015	328,233	39.40	Change %	13.07	6.85			
Particulars	Market Capitalisation (₹ In millions)	Price Earning ratio (Consolidated)															
31.03.2016	371,117	42.10															
31.03.2015	328,233	39.40															
Change %	13.07	6.85															
6	Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	<table><tr><th></th><th colspan="2">Closing Market Price</th></tr><tr><th></th><th>BSE</th><th>NSE</th></tr><tr><td>31.03.2016</td><td>386.40</td><td>386.95</td></tr><tr><td>10.09.93*</td><td>1.50</td><td>1.50</td></tr><tr><td>Change %</td><td>25660</td><td>25697</td></tr></table>		Closing Market Price			BSE	NSE	31.03.2016	386.40	386.95	10.09.93*	1.50	1.50	Change %	25660	25697
	Closing Market Price																
	BSE	NSE															
31.03.2016	386.40	386.95															
10.09.93*	1.50	1.50															
Change %	25660	25697															
* IPO for Equity Shares of face value of ₹ 10 each was @ ₹ 30 per share. The value is adjusted for sub-division in 1999 & 1:1 Bonus declared in 2010. It may be noted that no adjustment has been made on account of issuance of Bonus Preference Shares in ratio of 1:21 i.e. 21 Bonus Preference Shares for 1 Equity Share held and issuance of shares by other entities in consideration of demerger of business undertaking from the Company as per various Schemes																	
7	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 10% while the average increase in managerial remuneration during the year was 11.5%															
8	Key parameters for any variable component of remuneration availed by the Directors	The variable component of remuneration of Directors was based on contribution to annual Key Result Areas, and overall company performance on EBDITA & PAT															
9	The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable															
10	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															

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

B. Particulars of Employees whose remunerations exceeded ₹ 60 Lacs per annum or ₹ 5 Lacs per month during FY 2015-16.

1. Employed throughout the year and in receipt of remuneration aggregating ₹ 60 lacs or more per annum.

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Alok Govil	55	National Head - Channel Placement	115,73,548	PGDMM - Marketing & Sales Management	30	15-Apr-2013	Hathway Cable & Datacom Ltd.
2	Anil Anand	53	Head - TAR	75,97,612	B.Com, PGD Marketing	32	20-Nov-2000	Reliance Industries Limited
3	Anil Lale	36	Group General Counsel	77,73,198	BA, LLB	13	26-Aug-2014	Viacom 18 Media Private Limited
4	Anuradha Gudur	47	Business Head, Zee Telegu	72,37,067	M.A. (Communications)	23	1-Apr-2007	Gemini Television Ltd.
5	Anurag Bedi	39	Cluster Head, Niche Channels & Zee Music Company	113,36,328	2nd mates license in Nautical Sciences	15	5-Feb-2007	Star India Pvt. Ltd.
6	Aparna Bhosle	44	Business Head, Zee Q	90,18,091	MBA	20	1-Apr-2014	Food Food Tv
7	Ashish Sehgal	47	Chief Revenue Officer - Ad Sales	227,76,185	B.Com, LLB	22	11-Jan-2006	Star India Pvt. Ltd.
8	Avindra Mohan	55	President - Legal	171,17,462	CA/ Diploma	28	1-Apr-2015	Siti Cable Network Ltd
9	Bavesh Ramdas Janavlekar	41	Business Head, Zee Talkies	66,38,474	B.Com, MMS	17	21-Sep-2010	Radio One
10	Deepak Rajadhyaksha	41	Business Head, Zee Marathi	62,59,885	M.A.	16	1-Jul-2004	Shop 24 Seven
11	Divijot Dhanda	40	National Head - Sales	61,94,516	B.Com, PGDM	15	10-Sep-2004	Bennett Coleman & Co. Ltd
12	Gunjarav Nayak	40	Cluster Head - Sales	103,42,990	B Com, PGDBM	17	1-Sep-2001	Sai Service Station Ltd.
13	Harpreet Singh Mamick	40	Deputy National Head - Sales	78,04,835	MBA	12	20-Aug-2010	HT Media Ltd.
14	Jinesh Pratap Shah	43	Head - Creative Projects	62,06,740	PGDACM	17	20-Jun-2013	Endemol India Pvt. Ltd.
15	Laxmi Shetty	48	Cluster Head - Sales Planning, Strategy & Solutions	161,29,248	B.Sc, DMM	28	1-Jun-2005	Bennette Coleman & Co. Ltd
16	M. Lakshminarayanan	53	Chief Compliance Officer & Company Secretary	149,78,608	B.Com, ACS	33	19-Jan-2006	BPL Power Projects
17	Mangesh Kulkarni	37	Head - Consumer Insights	75,13,487	BE, MMS	12	2-Jan-2008	UTV Motion Pictures
18	Manish Soni	46	Head - Programming, Zee Anmol	61,02,400	BE, MBA	20	6-Apr-2000	Brand Charter Adv.
19	Mihir Modi	39	Chief Finance & Strategy Officer	174,24,599	CA, MBA	19	2-Sep-2013	Godrej Industries Ltd.
20	Mona Jain	51	Cluster Head - Sales	130,55,002	MBA	21	5-Mar-2014	Vivaki
21	Monali Ghosh	43	National Head - Sales	80,85,921	MMM	20	5-Aug-2010	Aurora Comms Pvt. Ltd
22	Monojit Indra	44	Chief Commercial Officer	70,00,765	B.Sc., PGDM	16	3-Nov-2014	Marico Ltd.
23	Pankaj Mehra	41	National Head - Sales	64,37,304	PGDMBM -Marketing	18	9-Aug-2010	Krimson Media Services Pvt. Ltd. & Digit 9

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
24	Piyush Sharma	38	Executive Vice President	128,81,858	MBA	12	10-Mar-2015	Emm Burda International Ltd.
25	Pradeep Hejmadi	43	Business Head, Zee TV	146,62,650	B.Sc (Physics)	22	1-Jul-2014	TAM Media Research Pvt Ltd.
26	Prashant Shukla	43	Senior Regional Head - Sales	60,63,688	BA	20	28-Jul-2003	Cutting Edge Media
27	Priyanka Datta	44	Cluster Head, Zindagi & FTA Hindi Gec	125,79,293	MA	22	1-May-2002	Sab TV Network Pvt. Ltd.
28	Punit Goenka	41	Managing Director & CEO	678,56,665	B.Com	18	1-Apr-1998	ASC Enterprise Ltd.
29	Pushpal Sanghavi	42	Senior Vice President - Secretarial	61,39,992	B.Com, ACS, LLB	19	16-Mar-2004	Steelage Industries
30	Raghavendra Hunsur	31	Deputy Business Head & Programming Head, Zee Kannada	76,76,700	BA	9	5-May-2014	ETV Kannada
31	Rahul Sharma	47	National Head - Sales	87,71,620	PGD	21	4-Mar-2014	Ibibo Group Pvt Ltd
32	Rajeev Kheror	52	President – Strategy & Planning	119,14,810	B.Com/Management	25	20-Feb-2006	Mukta Art Ltd
33	Rajendra Kumar Mehta	46	Chief People Officer	143,02,800	MPM	22	1-Sep-2011	Jindal Ltd.
34	Rajesh Iyer	38	Business Head, & TV	129,93,971	PG Marketing	14	19-Mar-2014	Viacom 18 Media Pvt.Ltd.
35	Rajneesh Gupta	42	National Head - Sales	89,98,004	B.Com, MBA	18	1-Aug-1998	Nil
36	Rajnish Gupta	41	National Head - Sales	69,50,284	B.Com, MMM	20	8-Jul-2003	Zip Telecom Ltd.
37	Ravi Mayank	37	National Head - Sales	60,22,360	B.B.A, MBA	13	2-Jun-2003	Nil
38	Roland Landers	51	Head - Corporate Brand	95,63,875	B.Sc, MBA	25	7-Feb-2008	Modi Enterprises
39	Ruchir Tiwari	36	Business Head, Hindi Movie Cluster	60,82,795	B.Sc, MMS	13	14-Jul-2003	Nil
40	Sachin Rumde	40	Head - Operations	81,14,023	BE, MMS	16	1-Jun-2000	Nil
41	Samrat Ghosh	39	Business Head, Zee Bangla & Zee Bangla Cinema	74,46,018	B.Sc, PGDBA	15	26-Dec-2000	Tata Infomedia Ltd
42	Sanjoy Chatterjee	49	Cluster Head - Sales	112,69,738	B.Com (HONS)	25	25-Apr-2005	Set India Pvt Ltd
43	Shakeel Abdulmajid Memon	41	Head - On Air Promotion, & TV	65,84,348	B.Com	19	2-Apr-2012	INX Networks
44	Sharada Sunder	49	Cluster Head - RHSM Channels	162,60,807	B.Com, CA	23	3-Sep-2010	Real Global Broadcasting
45	Siju Prabhakaran	42	Business Head, Zee Kannada	91,96,882	B Tech, MBA Marketing	17	27-Sep-2004	UTV Software Communication Ltd.
46	Sulekha Sharma	45	National Head - Sales	64,93,076	MBA	25	2-Aug-2011	Utv Motion Pictures
47	Sunanda Gupta Jenna	39	Head - Non Fiction Programming, & TV	83,53,609	MASS COM	9	30-Jul-2012	Viacom 18 Media Pvt. Ltd.
48	Sunil Buch	52	Chief Business Officer	114,39,010	MMS	22	3-Nov-2014	Reliance Commuincations
49	Sunita Uchil	47	Executive Vice President	118,74,325	BA PGD Advt & PR	23	5-Sep-2008	Shamal Media Services Sharjha UAE
50	Sushruta Samanta	44	Business Head, Apac	79,68,353	B.E, PGDMM	19	25-Mar-2008	Starcom
51	Syed Ali Zainul Abedeen Zaidi	44	Business Head, English Cluster	109,64,016	B.Com	18	17-Aug-2007	Star India Pvt. Ltd.
52	Tushar Bansal	39	Business Head, FTA Hindi GEC	62,39,520	BSC,PGDER,MDBA	17	1-Aug-2011	Multi Screen Media Pvt. Ltd
53	Vijay Sanil	38	Cluster Head - Sales	124,49,740	PGDBM	16	10-Jun-2004	Saregama India Ltd.
54	Vishnu Shankar	38	Business Head, Zing & ETC Music	71,74,886	B.Com	14	18-Feb-2010	Zoom Entertainment Ltd

## ANNEXURES TO THE DIRECTORS' REPORT (CONTD.)

2. Employed for part of the year and in receipt of remuneration aggregating ₹ 5 lacs or more per month

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Amit Vijay Sharma	36	Creative Director - Fiction, Zee TV	54,72,320	B.Com	9	4-Jan-2010	Star India Pvt. Ltd.
2	Anish Goel	35	Vice President - Finance	31,54,783	CA	12	22-Sep-2015	Syngenta India Ltd
3	Anjana Kshetry	50	Head - Brand Solutions, Zee Digital	23,50,052	B.Com, PGD-Social Communication	27	7-Apr-2000	Modi Entertainment Network
4	Anju Gill	37	Associate Creative Director - Fiction, Zee TV	25,99,506	B.Com	16	28-Aug-2007	Shreya Creations
5	Bhavya Nidhi Sharma	40	Head - Programming, Teleplays	51,33,302	MBA	15	1-Apr-2014	MTV India
6	Charu Singh	53	Head - Fiction Programming, Zee TV	96,31,185	BA	16	1-Oct-2007	Miditech
7	Darius Maneckji	39	National Head - Sales, English Cluster	75,24,511	P.G Diploma	14	12-Dec-2014	Times Television Network
8	Debashish Ghosh	49	Chief Knowledge Officer	154,55,917	MCA	21	1-Feb-2013	Times Business Solutions Ltd.
9	Dominic Dsouza	47	Senior Principal Counsel – Litigation	46,85,420	BA, B.PH, LLB, MJMC	21	27-Aug-2007	Star India Pvt. Ltd.
10	Easwaran S N	40	Business Head, Zee Tamil Tamizh	55,71,021	B.Com	18	1-Oct-2007	Pearl Media
11	Gargi Dabral	38	Regional Head - Sales	28,90,715	BA, MBS	14	8-Jan-2008	India Today
12	Gaurav Dewani	34	Head Activations & IP	16,55,328	B.Com/PGDBM	11	5-Jan-2016	Only Much Louder
13	Harish Goyal	47	Executive Vice President	48,36,608	Master in International Trade	22	8-Aug-2014	Acme Group
14	Hemant Inamdar	42	Business Head - Zee Digital	21,46,631	B.E.	12	1-Dec-2013	India Webportal Pvt. Ltd.
15	Hemant Shetty	52	Vertical Head - Operations (Niche Channels) & Production	30,63,315	B.Com	9	21-Dec-2007	Writer Corporation India Ltd
16	Hitesh Vakil	56	CEO - Service Excellence Unit	79,15,850	B.Com, ACA.	32	1-Oct-1995	Tips & Toes Cosmetics
17	Manoj Chawathe	51	Deputy Vice President - Accounts	25,85,119	B.Com.	10	1-Jan-2014	Arviva Industries
18	Manoj Padmanabhan	44	Business Head, Ditto	32,66,929	MBA	24	23-Nov-2007	Tata Communications
19	Manoj Padmanabhan	44	Head - Content Strategy & Acquisition, Ten Action	9,88,340	MMS	15	2-Dec-2013	Img Reliance Pvt. Ltd
20	Manpreet Singh Bumrah	39	Vertical Head - Commercial	10,66,070	PGDM	16	3-Feb-2014	Reliance Broadcast Network Ltd
21	Mathur Nath	53	Zonal Head - Channel Placement	23,01,601	BA	29	17-Oct-2007	Hathway Cable & Datacom Ltd.
22	Mehul Shah	45	Head - Corporate Finance & Accounts	166,79,277	M.Com, CA, MFM	20	11-Mar-2002	Biopac India Corp Ltd.
23	Namit Sharma	41	Head - Programming, Zee TV	35,96,278	BSC	14	10-Feb-2014	Wizcraft
24	Pooja Nandi	37	Deputy National Head - Sales	41,72,837	B.Com, PGDBA	19	6-Oct-2003	Bennette Coleman & Co. Ltd
25	Praveer Shrivastava	35	Business Head - Living Homes	42,35,975	MBA	12	24-Aug-2015	Unitech Ltd.
26	R. K. Agarwal	55	Head - Regional Accounts (East)	62,61,178	B.Com & LLB	23	9-May-1995	Buildworth Pvt. Ltd
27	Rajaram Thirunirmalai	56	Deputy National Head - Channel Placement	26,81,636	MBA	16	3-Feb-2014	Hathway Cable & Datacom
28	Rajneesh Mittal	38	Chief Technology Officer	30,48,486	MBA	12	1-Oct-2015	Vodafone India Ltd.
29	Ram Haribhau Kumbhare	43	Head - Administration	10,35,803	BA	17	13-Feb-2012	WNS Global Services
30	Ravi P.V.S	42	Head - Film Acquisition, Zee Telugu	11,11,172	MBA	16	12-May-2010	Maa TV
31	Roy Tauro	44	Vertical Head - IT Projects	21,51,950	B.Sc	19	24-Jul-1998	Activa

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
32	Sahana Dutta	45	Head - Fiction Programming, Zee Bangla	22,08,085	BA	7	1-May-2013	Shree Venkatesh Films
33	Sanjay Kundra	48	Zonal Head - Channel Placement	12,72,781	B.Com	28	8-May-2013	Hathway Cable & Datacom Ltd.
34	Shanti Miranda	45	Vertical Head - Treasury	61,39,938	B.Com, MFM	24	11-Oct-1993	Elbee Services Ltd.
35	Shekhar Kadav	53	Head - Information Technology	52,41,499	B.Com	28	23-Feb-1998	-
36	Sorbojeet Chatterjee	36	Head - Marketing, Zee TV & FTA Cluster	51,84,389	MBA	11	21-Apr-2014	DNA / Neo Sports Broadcast
37	Subodh Kumar	64	Executive Vice Chairman	243,72,279	M.Sc in Physics	39	1-May-2013	Greater Mumbai Municipal Corporation
38	Subramanyam Kottedda	48	Cluster Head - Sales	81,30,577	MBA	24	6-Aug-2014	Maa TV
39	Sudipta Bhowmik	51	Head - Programming, Zee Bangla	9,56,988	B.Sc/PGD in Cinema	19	1-Dec-2006	St. Xavier's College
40	Tanya Bami	39	Head - Non Fiction Programming, Zee TV	25,93,460	PGDMC	10	3-Jun-2014	Star India Pvt Ltd
41	Vikas Bajaj	43	Head - Audience Strategy & Operations	35,49,330	MBA	19	1-Aug-2014	Allianz Global Assistance
42	Vikas Gupta	31	Head - Fiction, & TV	43,05,067	Graduate	15	7-Sep-2015	-
43	Zulfia Waris	38	Head - Non Fiction	50,89,080	P.G Diploma	16	13-Jul-2015	Star India Pvt Ltd

- Notes :**
1. All appointments are contractual and terminable by notice on either side.
  2. None of the employees, except Mr. Punit Goenka are related to any of the Directors.
  3. Remuneration includes Salary, Allowances, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act, 1961.

For and on behalf of the Board of Directors

**Punit Goenka**  
Managing Director & CEO

**Manish Chokhani**  
Director

Place: Mumbai  
Date: May 10, 2016

# SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2016

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"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/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 ("Books and Papers"), 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 period covered by our audit, that is to say, from April 01, 2015 to March 31, 2016 (hereinafter referred to as "Audit Period"), 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 and Papers maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and Companies Act, 1956 (to the extent applicable) 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. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations, 1993;
  - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period;

5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments;
6. Specific laws applicable as mentioned hereunder:
  - a. Uplinking / downlinking policy/guidelines issued by Ministry of Information and Broadcasting;
  - b. The Cable Television Network (Regulation) Act, 1995 and rules framed thereunder;
  - c. The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012;
  - d. Standard of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations 2013 issued by Telecom Regulatory Authority of India.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange India Limited.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

## MANAGEMENT RESPONSIBILITY:

- i. 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;
- ii. 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;

- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- v. 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 Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board 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.

Resolutions have been approved by majority while the dissenting members', if any, views are captured and recorded as part of the minutes.

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

We further report that during the Audit Period, the Company has not incurred any specific event/ action listed below that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

#### i. Redemption of 6% Non-Cumulative Redeemable Non-Convertible Preference Shares (Class A)- Unlisted:

The Company redeemed 22,273,886 – 6% Non-Cumulative Redeemable Non-Convertible Preference Shares (Class A) of ₹ 1 each at the close of January 15, 2016 together with payment of pro-rata dividend. The shares were issued to the shareholders of Diligent Media Corporation Limited under a Scheme of Arrangement approved by Hon'ble Bombay High Court vide order passed on September 12, 2014.

#### ii. Consolidation and re-organisation of face value of 6% Cumulative Redeemable Non-Convertible Preference Shares:

Ordinary Resolution was passed, in terms of Section 61 of the Act for consolidation and re-organisation of face value of Preference Shares from ₹ 1 each to ₹ 10 each. Consequently, alteration of Capital Clause V in the Memorandum of Association of the Company was approved by the Equity Shareholders at the 33rd Annual General Meeting & Preference Shareholders through Postal Ballot through requisite majority.

#### iii. Borrowing Limits

Special Resolution in terms of Section 180(1)(a) of the Act seeking shareholders authorisation through postal ballot for the Board to create charge on assets / undertaking of the Company to secure any current and/or future borrowings was not approved by the Equity Shareholders.

For M/s Vinod Kothari & Company  
Company Secretaries  
Firm Registration No. P1996WB042300  
**Vinita Nair**  
Partner  
Membership No.: A31669  
C P No.: 11902

Place: Mumbai  
Date: May 9, 2016

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S GOVERNANCE PHILOSOPHY

The convergence of governance practices brings to the fore the critical role played by the Board to ensure 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 is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. ZEE Board has approved and implemented a comprehensive Corporate Governance Manual, containing guidelines covering decision making, authority levels, the policies and processes, which provide an effective and flexible governance framework in the Company realizing the need to ensure an effective mechanism of checks and balances with transparency and accountability as the hallmark.

## POLICIES

In compliance with the requirements of Listing Agreements with Stock Exchanges, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), SEBI regulations and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

### WHISTLE BLOWER & VIGIL MECHANISM POLICY

As per Section 177 of the Companies Act, 2013 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 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.

### CODE OF CONDUCT

The Company has also adopted a Code of Conduct for the Members of the Board of Directors and Senior Management, and 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.zeetelevision.com](http://www.zeetelevision.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 role and responsibilities of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in Listing Regulations forms part of the appointment letters issued to Independent Directors.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below:

### 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, 2016.

**Punit Goenka**

Managing Director & CEO  
Mumbai, May 10, 2016

## RELATED PARTY TRANSACTION POLICY

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party 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.zeetelevision.com](http://www.zeetelevision.com)

## POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS

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 M Lakshminarayanan, Chief Compliance Officer & Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while Mr. Mihir Modi, Chief Finance & Strategy Officer of the Company has been appointed as Chief Investor Relations Officer for the purpose of Fair Disclosure Policy.

## FAMILIARISATION PROGRAM 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 model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive 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 centres is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Policy for determining Material Subsidiary, Remuneration Policy, Material Events Determination and Disclosure Policy, Document Preservation Policy and Corporate Social Responsibility Policy. These policies can be viewed on Companies Website at [www.zeetelevision.com](http://www.zeetelevision.com)

## BOARD OF DIRECTORS

### COMPOSITION AND CATEGORY OF DIRECTORS

ZEE has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of Listing Regulations. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) Listing Regulations.

Composition of the Board as at the close of March 31, 2016

Category of Directors	No of Directors	Percentage to total no of Directors
Executive Director(s)	1	12.5%
Non-Executive Independent Directors	4	50%
Other Non-Executive Directors	3	37.5%
<b>Total</b>	<b>8</b>	<b>100%</b>

During the financial year under review, 6 (six) meetings of the Board were held on May 21, 2015, July 15, 2015, October 14, 2015, January 15, 2016, March 14, 2016 and March 29, 2016. The annual calendar of meetings is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the Financial Year 2015-16 and also their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2016 are as under:

Name of Director	Attendance at		No of Directorship in other public companies as		No of Committee positions held in other public companies as	
	Board Meeting (Total 6 Meetings)	33rd AGM held on July 15, 2015	Member	Chairman	Member	Chairman
<b>Non-Executive Independent Director</b>						
Sunil Sharma	5	Yes	-	-	-	-
Neharika Vohra	5	No	-	-	-	-
Manish Chokhani	6	Yes	4	-	6	2
Adesh Kumar Gupta	3	NA	1	-	1	-
Gulam Noon	0	No	-	-	-	-
<b>Promoter Non-Executive Director</b>						
Subhash Chandra	3	No	4	2	3	1
Ashok Kurien	6	Yes	1	-	1	1
Subodh Kumar	5	Yes	4	-	-	-
<b>Executive Director</b>						
Punit Goenka	5	Yes	6	-	2	1

#### Notes

1. Mr Adesh Kumar Gupta was appointed as an Additional Director in the category of Independent Director effective December 30, 2015.
2. Lord Gulam Noon expired on October 27 2015
3. Mr. Subodh Kumar resigned from his Executive position and continues as Non-Executive Director effective October 16, 2015.

None of the directors of the Company are related inter-se except for Dr Subhash Chandra, Non-Executive Chairman, who is the father of Mr Punit Goenka, Managing Director and CEO of the Company.

None of the Directors of the Company hold any securities of the Company, except Mr. Adesh Kumar Gupta.

#### BOARD PROCEDURE

The Board Meetings of the Company 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 Chairman, and the Managing Director & Chief Executive Officer finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. 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 requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

#### BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED AT THE ANNUAL GENERAL MEETING

**Dr Subhash Chandra**, 65, Non-Executive Chairman of the Company and promoter of the Essel Group of Companies is a self-made man who has consistently demonstrated his ability to identify new businesses and lead them on the path of success.

Dr. Chandra is rightly referred to as the Media Moghul. With his pioneering vision and entrepreneurial mindset to achieve growth, he revolutionized the television industry by launching the country's first satellite television channel - Zee TV in 1992 and later the first private news channel Zee News.

For his contributions to the industry, Dr. Chandra has been awarded the International Emmy Directorate Award at 39th International Emmy Awards night in New York and has also been Honored with the Doctorate of Business Administration by the University of East London. Dr. Chandra's immense contribution to the socio – economic wellbeing, was recognised by Canada India Foundation by honoring him with the Global Indian Award.

As at March 31, 2016, apart from the Company Dr Subhash Chandra holds directorship in five (5) other Indian Public Limited Companies viz. Essel Infraprojects Limited, Essel Propack Limited, Zee Media Corporation Limited, Essel Highways Limited and Essel Utilities Distribution Company Ltd. Dr. Subhash Chandra also holds directorship in a Section 8 Company viz., Adhikaar Foundation. Dr Chandra does not hold any securities of the Company in his name as at March 31, 2016.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

**Mr. Adesh Kumar Gupta, 59**, Chartered Accountant, Company Secretary and AMP from Harvard is a professional with rich experience of over 35 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 Kumar Gupta held various senior positions (including Board positions) in companies in varied business 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. Gupta ventured into Business Finance & Corporate Service space as Designated Partner of Progressive Consulting & Business Advisory LLP.

Mr Adesh Kumar Gupta was awarded with Best CFO award by ICAI, IMA and Business Today. He had also represented FICCI as a Member of NACAS (National Accounting and Auditing Standards) which was instrumental in setting up Accounting Standards in India.

Apart from being Designated Partner of Progressive Consulting & Business Advisory LLP, Mr. Adesh Kumar Gupta currently sits on the Boards of Aditya Birla Insurance Broker Ltd and Aditya Birla Trustee Company Pvt Ltd.

As at March 31, 2016, Mr Adesh Kumar Gupta holds 218 Equity Shares of ₹ 1 each (0.00%) and 4578 Preference Shares of ₹ 1 each (0.00%) of the Company.

**Prof. Sunil Sharma, 48**, is a faculty at IIM Ahmedabad and did his Doctorate in Business Policy (Strategic Management). Prof. Sunil Sharma worked in Corporate Sector for 16 years before he shifted to academia and joined IIM Ahmedabad. His past corporate stints were with McKinsey & Company, ONGC and NTPC. As a consultant he has advised organisations – both Indian and MNCs –operating in Oil & Gas, Telecom, Health and Mining Sectors in the areas of change management, organisation structure, cost optimisation, financial transformation, sales force productivity enhancement, strategy and leadership development and as a corporate professional, he has led teams in operations, maintenance, purchase, performance management and planning functions.

His research interests are in the areas of capability building, strategic decision making, entrepreneurship, risk and uncertainty, innovation, organisation, learning, leadership and management consulting. He has presented papers in leading international conferences and his work on capability building and growth challenges has been published in international journals.

Apart from the Company Prof. Sharma does not hold directorship in any other Indian Public Limited Companies. As on March 31, 2016, Prof. Sharma does not hold any securities of the Company.

**Prof (Mrs) Neharika Vohra, 49**, a Professor in Organisational Behaviour at IIM Ahmedabad, holds two post-graduate degrees and was first ranker in Graduation and Post-graduation in Psychology in India. She also holds Phd. in Social Psychology from University of Manitoba, Canada.

Prof (Mrs) Neharika Vohra has vast experience of over 24 years in MBA teaching, executive education, leadership development programs etc and has authored various books and research papers in top international journals such as Science, American Psychologist, and Journal of Personality and Social Psychology. She has been recipient of various awards and recognition in her professional field including 'Best Teacher Award' by University of Manitoba, 'Young Psychologist Award' by International Union of Psychologists. 'Learning Luminary Award' by OD Roundtable and 'Woman Achievers Award' by FICCI Ladies organisation.

Apart from the Company Prof (Mrs) Vohra does not hold directorship in any other Indian Public Limited Companies. As on March 31, 2016, Prof (Mrs) Vohra does not hold any securities of the Company.

## BOARD COMMITTEES

Particulars of Meetings of Board Committees held during FY 2015-16 along with details of Directors attendance 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	7	2	5	2	1
<b>Directors Attendance</b>					
Subodh Kumar	NA	2/2	NA	2/2	1/1
Punit Goenka	NA	NA	5/5	2/2	1/1
Ashok Kurién	7/7	NA	5/5	NA	NA
Sunil Sharma	6/7	NA	NA	2/2	NA
Neharika Vohra	NA	2/2	NA	NA	NA
Manish Chokhani	7/7	NA	NA	NA	NA
Adesh Kumar Gupta	4/7	Nil	NA	NA	1/1
Lord Gulam Noon	NA	Nil	NA	NA	NA

**Note:** NA denotes that the director is not a Member of such Committee.

Nil denotes that the director has not attended any meeting of such Committee during the year

In compliance with the requirements of Regulation 25 of the Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on March 14, 2016 to review performance of the Chairman, Managing Director and other Non-Independent Directors, evaluate performance of the Board and review flow of information between the management and the Board.

Details of Board Committees are as mentioned herein:

#### A) AUDIT COMMITTEE

##### Constitution:

As at March 31, 2016, the Audit Committee of the Board comprised of four (4) Directors including Mr Manish Chokhani, Independent Director as Chairman and Prof. Sunil Sharma, Independent Director, Mr Adesh Kumar Gupta, Independent Director and Mr. Ashok Kurien, Non-Executive Director as its Members.

During the year under review, seven (7) meetings of the Audit Committee were held on May 21, 2015, July 14, 2015, October 14, 2015, January 15, 2016, February 6, 2016, March 14, 2016 and March 29, 2016.

##### Terms of reference

The Terms of reference and role of the Audit Committee are as per Regulation 18 and Schedule II part C of the Listing Regulations and Section 177 of Companies Act, 2013. 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 of 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, Internal Auditor and Chief Financial Officer.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulation 24 of the SEBI Listing Regulations, the Audit Committee reviews operations of Subsidiary Companies viz., its financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees.

Audit Committee meetings are generally attended by the Managing Director & Chief Executive Officer, Chief Financial Finance & Strategy Officer and representative 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.

#### B) NOMINATION AND REMUNERATION COMMITTEE

##### Constitution

As at March 31, 2016 the Nomination and Remuneration Committee comprises of Prof. (Mrs) Neharika Vohra, Independent Director as Chairperson and Mr Adesh Kumar Gupta, Independent Director and Mr. Subodh Kumar, Non-Executive Vice-Chairman as Members.

During the year under review the Committee met twice on April 16, 2015 and October 14, 2015.

##### 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 nominations / appointments to the Board, including Executive Directors / Independent Directors and/or Members of Board Committees, and suggest the terms of such appointments;
- Recommending all elements of remuneration package of Whole-time Directors including increment / incentives 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

##### Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgment in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and Contribute to corporate governance practice within the Company.

##### 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 a 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.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

## Remuneration payable to Executive Directors

As at March 31, 2016, the Board comprises of only one Executive Director viz. Mr. Punit Goenka, Managing Director & Chief Executive Officer. During the year under review, Mr Subodh Kumar, who held the position of Executive Vice Chairman with effect from January 22, 2014 resigned from his Executive position as at close of October 15, 2015 and continues as Non-Executive Vice Chairman with effect from October 16, 2015.

The details of the remuneration paid to Executive Directors of the Company during the year ended March 31, 2016 is as under:

Particulars	(₹ in million)	
	Mr Subodh Kumar (Executive Vice Chairman till October 15, 2015)	Mr Punit Goenka (Managing Director & CEO)
Salary & Allowances	24.34	55.24
Perquisites	0.02	8.33
Provident Fund Contribution	0	4.29
<b>Total</b>	<b>24.36</b>	<b>67.86</b>

## Remuneration payable to Non-Executive Directors

During financial year 2015-16 Non-Executive Directors were paid sitting fee at the rate of ₹ 30,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee.

The Non-Executive Directors are additionally entitled to remuneration up to an aggregate limit of 1% of net profits of the Company by way of Commission for each financial year, 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 equal amount of 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 2015-2016 are as under:

Name of Director	(₹ in million)		
	Sitting Fees Paid	Commission Payable	Total
Subhash Chandra	0.09	2.00	2.09
Ashok Kurien	0.39	2.00	2.39
Gulam Noon	-	1.14	1.14
Subodh Kumar	0.18	0.92	1.10
Sunil Sharma	0.39	2.00	2.39
Neharika Vohra	0.21	2.00	2.21
Manish Chokhani	0.39	2.00	2.39
Adesh Kumar Gupta	0.24	0.51	0.75
<b>Total</b>	<b>1.89</b>	<b>12.57</b>	<b>14.46</b>

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

## C) STAKEHOLDERS RELATIONSHIP COMMITTEE

## Constitution

As at March 31, 2016, the Stakeholders Relationship Committee of the Board comprises of Mr Ashok Kurien, Non-Executive Director as Chairman and Mr Punit Goenka, Managing Director & CEO as the Member.

During the year under review, Stakeholders Relationship Committee met five (5) times on April 9, 2015, July 7, 2015, October 1, 2015, November 18, 2015 and January 7, 2016.

## Terms of reference

Terms of reference of the Stakeholders Relationship Committee is to supervise and ensure efficient transfer of equity and preference shares of the Company and proper and timely attendance of investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, and dematerialization etc of shares of the Company to the executives in the Secretarial Department of the Company.

Details of number of requests/complaints received from investors and resolved during the year ended March 31, 2016, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend Warrant(s)	2	2	-
Non-receipt of Certificates	0	0	-
Letter received from SEBI/Stock Exchanges	10	10	-
Non-receipt of Annual Report	0	0	-
<b>Total</b>	<b>12</b>	<b>12</b>	<b>-</b>

## D) RISK MANAGEMENT COMMITTEE

## Constitution

The Risk Management Committee of the Board comprises of Mr Subodh Kumar, Non-Executive Director as Chairman and Mr Adesh Kumar Gupta, Independent Director, Mr Punit Goenka, Managing Director & CEO, Mr Mihir Modi, Chief Finance & Strategy Officer and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as its Members.

During the year under review the Committee met once on March 29, 2016.

## 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.

## OTHER BOARD COMMITTEES

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

**I) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, the Board has constituted Corporate Social Responsibility Committee comprising of Mr Subodh Kumar, Non-Executive Vice Chairman as its Chairman, Prof Sunil Sharma, Non-Executive Independent Director and Mr. Punit Goenka, Managing Director & CEO as Members. A detailed report on CSR activities undertaken by the Company during FY 15-16 forms part of this Annual Report. The CSR Committee met twice during FY 15-16 on February 5, 2016 and March 29, 2016.

**II) FINANCE SUB-COMMITTEE**

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities that may be offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered 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 Ashok Kurien, Non-Executive Director and Mr. Punit Goenka, Managing Director & Chief Executive Officer as its Members.

**III) CORPORATE MANAGEMENT COMMITTEE**

The Board has also constituted a Corporate Management Committee comprising of Key Managerial Personnel of the Company to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board.

The Finance Sub-Committee and 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 34th Annual General Meeting of the Company for the Financial Year 2015-16 will be held on Tuesday, July 26, 2016 at 11.00 a.m. at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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
2014-15	15.07.2015 – 11 a.m.	Payment of commission to Non-Executive Directors for a period of 5 years	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
2013-14	18.07.2014 - 11 a.m.	None	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
2012-13	25.07.2013 - 11 a.m.	Increase in FII investment Limits in the Company under Portfolio Investment Scheme	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

All the above resolutions were passed with requisite majority.

**POSTAL BALLOT**

A. Particulars of resolutions proposed to the Equity Shareholders by Postal ballot during financial year 2015-16 are as detailed herein:

Date of Notice : January 15, 2016	Date of Result : February 26 2016		
Particulars of Resolution	Details of votes cast (number of shares and % of total shares for which votes were cast)		Result
	For	Against	
<b>Special resolution</b> under section 180(1)(a) of the Companies Act, 2013 authorising the Board to create charge on any assets/undertakings of the Company to secure future borrowings	530,175,846 66.77	263,888,363 33.23	Not Approved
<b>Ordinary Resolution</b> pursuant to Section 188 of the Companies Act, 2013 seeking approval of unrelated Equity Shareholders for appointment of Mr Amit Goenka – a Related Party to an Office of Place of Profit in an overseas subsidiary of the Company.	382,481,593 99.36	2,449,176 0.64	Approved

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

B. Particulars of resolution proposed to the Preference Shareholders by Postal ballot during financial year 2015-16 are as detailed herein:

Date of Notice : January 15, 2016	Date of Result : March 2, 2016		
Particulars of Resolution	Details of votes cast (number of shares and % of total shares for which votes were cast)		Result
	For	Against	
Ordinary Resolution pursuant to Section 61 of the Companies Act, 2013 for consent and approval of the Preference Shareholders for consolidating and re-organising face value of existing Preference Shares from ₹1/- each to ₹10/- each and consequent alteration of Capital Clause V in the Memorandum of Association of the Company.	10916,125,447 99.28	78,931,972 0.72	Approved

Mr Satish Shah, Practising Company Secretary was appointed as the Scrutinizer for both the above postal ballot Notices, to scrutinize and report on the Postal Ballot / e-voting process in a fair and transparent manner.

### DISCLOSURES

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives having any potential conflict with interests of the Company at large. Transactions with related parties including material related party transaction with one of the wholly owned subsidiary of the Company Taj Television (India) Private Limited are disclosed elsewhere in the Annual Report.

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.

### COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of the Listing Regulations and the status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

**Audit Qualification** - The financial statements of the Company are unqualified.

**Chairman's Office** - An office with requisite facilities is provided and maintained at the Company's expense for use by its Non-Executive Chairman. The Company also reimburses all travel and other expenses incurred in his furthering the Company's business interests.

**Separate posts of Chairman and CEO** - The Board currently consists of separate Chairman who is a Non-executive member of the Board and a Managing Director who is also a Chief Executive Officer of the Company.

### 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.zeetelevision.com](http://www.zeetelevision.com). The quarterly, half yearly and annual financial results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. 'Daily News & Analysis (DNA)' and in a vernacular language newspaper viz. 'Punya Nagari (Marathi)' as per requirements of the Listing Regulations. The financial and other information are filed by the Company on electronic platforms of NSE and BSE.

Official press releases, presentations made to institutional investors or to the analysts and transcripts of Con-call are displayed on Company's corporate website, [www.zeetelevision.com](http://www.zeetelevision.com).

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

## AUDITORS' CERTIFICATE

To,  
The Members of,  
**Zee Entertainment Enterprises Limited**

We have examined the compliance of conditions of Corporate Governance by **Zee Entertainment Enterprises Limited** (the Company'), for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement (Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representation made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

We further 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 **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Place : Mumbai  
Date : 10 May 2016

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

## GENERAL SHAREHOLDER INFORMATION

1. Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date : Tuesday the 26th day of July, 2016 Time : 11 a.m. Venue : Nehru Auditorium, Nehru Centre Dr. Annie Besant Road, Worli, Mumbai- 400 018
2. Financial Year	2015-2016
3. Record Date	July 22, 2016
4. Dividend Payment Date	On or after August 1, 2016
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
6. Corporate Identification Number	L92132MH1982PLC028767
7. Listing on Stock Exchanges	<b>BSE Limited (BSE)</b> , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 <b>The National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra East Mumbai 400 051 Company has paid requisite Listing Fees to the Stock Exchanges for FY 2015-16
8. Stock Code	BSE 505537(Equity) 717503 (Preference) NSE ZEEL EQ (Equity) ZEEL-P1(Preference) Note: Consequent to Consolidation of Face Value of Preference Shares from ₹ 1 to ₹ 10 each, with effect from April 1, 2016, Stock Code of Preference Shares at NSE has changed to ZEEL-P2. Reuters ZEE.BO (BSE) ZEE.NS (NSE) Bloomberg Z IN (BSE) NZ IN (NSE)
9. ISIN No.	Equity - INE256A01028 Preference Shares –INE256A04014 (INE256A04022 - post consolidation)
10. Registrar & Share Transfer Agent	Link Intime India Pvt Ltd (w.e.f. June 16, 2016) C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, India Tel: +91-22-2594 6970 Fax: +91-22-2594 6969 E.Mail: rnt.helpdesk@linkintime.co.in

## 11. Dividend

As per the terms of issue of 6% Cumulative Redeemable Non-Convertible Preference Shares of Re 1 each, the Company had on April 13, 2016, paid Dividend @ 6% on the Preference Shares for the Financial Year 2015-16 to Preference Shareholders at the close of March 31, 2016.

The Board of Directors have recommended payment of Equity Dividend @ ₹ of 2.25 per share on paid up value of Re 1 per share i.e. 225% on the paid up equity capital of the Company and such Equity Dividend shall be payable upon approval by the Members of the Company on the outstanding capital as at the Record Date.

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before July 22, 2016 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on July 22, 2016.

Dividend for the financial year ended March 31, 2009, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund on

completion of seven years. Members who have not encashed their dividend warrant(s) issued by the Company or ETC Networks Limited (since merged with the Company) for the financial year ended March 31, 2009, or 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 and ETC Networks Ltd. for the subsequent financial years and date(s) when due for transfer to Investor Education and Protection Fund is given below:

**Zee Entertainment Enterprises Limited:**

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEP fund
31.03.2009	18.08.2009	23.09.2016	22.10.2016
31.03.2010(Interim)	20.04.2010	21.05.2017	20.06.2017
31.03.2010 (Final)	29.10.2010	30.11.2017	29.12.2017
31.03.2011	10.08.2011	09.09.2018	08.10.2018
31.03.2012	20.07.2012	21.08.2019	20.09.2019
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

**ETC Networks Limited:**

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEP fund
31.03.2009	17.08.2009	22.09.2016	21.10.2016

**12. Change of Address**

Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share in dematerialized form are requested to submit their PAN, notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address/dividend mandate, if any, to the Company/Registrar & Share Transfer Agent.

**13. Share Transfer System**

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

**14. Dematerialization of Shares & Liquidity**

To facilitate trading of Equity and Preference shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2016, 99.84% of

the equity shares of the Company is held by 88,610 equity shareholders in the dematerialized form and the balance 0.16% is held by 801 equity shareholders in physical form and 99.83% of the preference shares of the company is held by 85,906 preference shareholders in the dematerialized form and the balance 0.17% held by 855 preference shareholders in physical form. Entire equity and preference shareholding of the promoters in the company is held in dematerialized form.

**15. Sub-division of 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 Re 1 per share, with effect from December 6, 1999. From this day onwards trading in equity shares of Re 1 each commenced and consequently the equity shares of ₹ 10 each ceased to trade on the exchanges.

For the shareholders who were holding Equity shares in physical form, the Company had sent intimation to seek exchange of the old certificates of face value of ₹ 10 each with new certificate of face value of ₹ 1 each. For the shareholders holding shares in demat form, the depositories automatically gave the effect of splitting of face value of shares by way of a Corporate action dated December 23, 1999.

Shareholders who could not exchange their old Equity certificates 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

**16. Unclaimed Shares**

Pursuant to Clause 5A of the Listing Agreements, 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	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2015	340	1,76,567
Fresh undelivered cases during the financial year 2015-16	-	-
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2016	-	-
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2016	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016	340	1,76,567

The voting rights on the equity shares outstanding in the suspense account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

**17. 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.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 Chief Compliance Officer & Company Secretary of the Company.

## 18. Outstanding Convertible Securities

There are no outstanding Securities including Stock options issued by the Company and convertible into equity shares of the Company as at March 31, 2016.

## 19 Share Capital Build-up

## a) Equity Shares

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 Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to Re 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	111,237	10.04.2006
Allotment on conversion of FCCB	222,475	17.04.2006
Allotment on conversion of FCCB	1,288,131	15.05.2006
Allotment on conversion of FCCB	309,240	05.06.2006
Allotment on conversion of FCCB	273,645	01.08.2006
Allotment on conversion of FCCB	355,959	30.08.2006
Allotment on conversion of FCCB	7,731,027	12.09.2006
Allotment on conversion of FCCB	2,658,581	26.09.2006
Allotment on conversion of FCCB	2,431,656	09.10.2006
Allotment on conversion of FCCB	1,793,154	17.10.2006
Allotment on conversion of FCCB	709,697	08.11.2006
Allotment on conversion of FCCB	2,542,897	25.11.2006
Allotment on conversion of FCCB	391,557	07.12.2006
Allotment on conversion of FCCB	131,260	05.02.2007
Allotment on conversion of FCCB	386,018	15.05.2008
Allotment on conversion of FCCB	54,328	14.06.2008
Issued to ZNL shareholders pursuant to Scheme	50,476,622	20.04.2010

Particulars	No. of shares issued	Date of issue
Issued to ETC shareholders pursuant to the Scheme	4,413,488	23.09.2010
Issued to 9X shareholders 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 2009	20,000	01.06.2011
Allotment under ESOP 2009	46,800	13.06.2011
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 2009	2,770,250	08.04.2013
Allotment under ESOP 2009	980,200	17.04.2013
Allotment under ESOP 2009	1,394,400	02.05.2013
Allotment under ESOP 2009	303,850	20.05.2013
Allotment under ESOP 2009	99,700	18.06.2013
Allotment under ESOP 2009	73,400	11.07.2013
Allotment under ESOP 2009	255,000	23.07.2013
Allotment under ESOP 2009	70,200	27.08.2013
Allotment under ESOP 2009	86,080	16.09.2013
Allotment under ESOP 2009	211,850	11.10.2013
Allotment under ESOP 2009	10,400	31.10.2013
Allotment under ESOP 2009	29,470	19.11.2013
Allotment under ESOP 2009	14,600	09.12.2013
Allotment under ESOP 2009	16,000	06.01.2014
Allotment under ESOP 2009	21,000	28.01.2014
Allotment under ESOP 2009	124,900	20.02.2014
Allotment under ESOP 2009	29,700	28.02.2014
<b>Issued and Paid-up Capital as at March 31, 2016</b>	<b>960,448,720</b>	

## b) Preference Shares

Particulars	No. of shares issued	Date of issue
Issued to equity shareholders pursuant to Scheme as Bonus Preference Shares	20,169,423,120	06.03.2014
Consolidation of Preference Shares from ₹ 1 to ₹ 10 effective April 1, 2016	2016,942,312	

## c) Preference Shares - Class A

Particulars	No. of shares issued	Date of issue
Issued to shareholders of Diligent Media Corporation Ltd pursuant to Scheme.	22,273,886	26.09.2014
Redeemed on January 15, 2016	(22,273,886)	

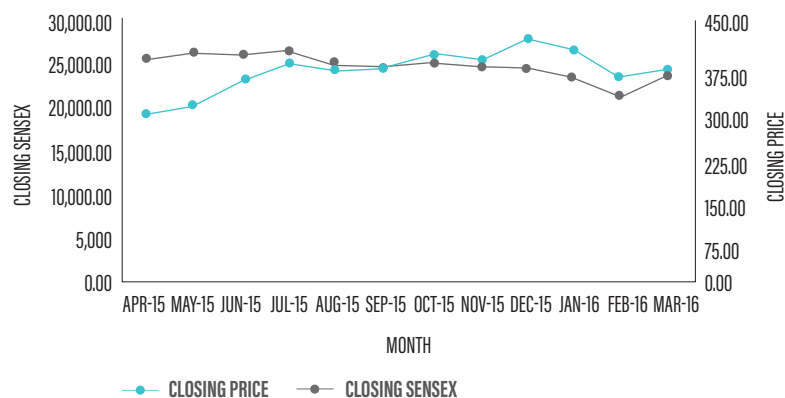
## 20. Stock Market Data Relating to Equity Shares and Preference Shares Listed in India

Equity Shares of ₹ 1 each	BSE			NSE		
Month	High(₹)	Low(₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2015	358.05	311.50	57,32,922	358.10	311.00	4,17,71,648
May 2015	326.15	299.65	1,73,58,399	326.00	299.50	9,27,42,124
June 2015	368.20	318.00	18,66,292	369.40	318.00	4,43,38,087
July 2015	410.45	350.20	24,54,750	409.30	350.00	5,04,31,124
August 2015	419.90	347.00	16,18,451	421.70	346.70	4,53,52,395
September 2015	406.85	358.10	13,07,329	406.80	357.85	3,65,79,634
October 2015	440.30	381.00	35,13,724	440.65	380.60	5,75,11,592
November 2015	417.80	375.00	19,58,114	417.90	374.55	4,42,54,468
December 2015	439.45	387.50	16,39,123	439.35	387.45	3,89,64,862
January 2016	437.50	375.10	24,03,131	437.20	374.75	4,58,35,052
February 2016	423.00	350.15	30,70,418	422.60	350.10	3,83,41,176
March 2016	407.60	372.85	13,75,481	407.70	372.55	4,13,25,234

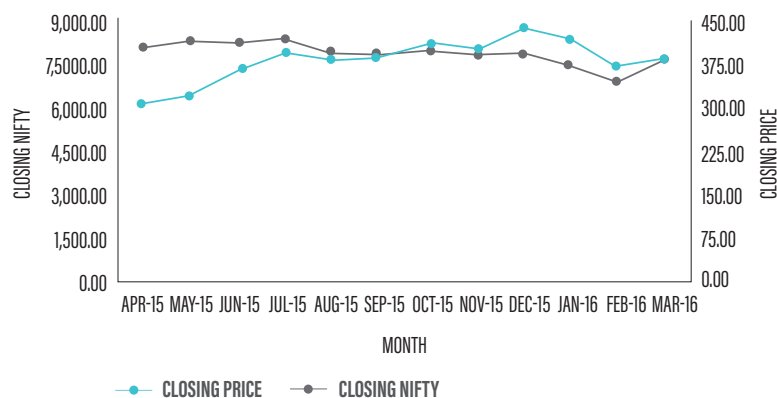
Preference Shares of ₹ 1 each	BSE			NSE		
Month	High(₹)	Low(₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2015	0.84	0.82	1,24,64,11,886	0.85	0.80	8,19,478
May 2015	0.85	0.82	18,58,36,318	0.85	0.80	28,02,323
June 2015	0.85	0.83	33,59,72,494	0.85	0.80	7,54,431
July 2015	0.88	0.84	15,64,15,705	0.90	0.80	17,75,439
August 2015	0.89	0.86	8,60,20,363	0.90	0.85	18,69,380
September 2015	0.90	0.87	41,22,50,490	0.90	0.85	2,24,194
October 2015	0.90	0.88	47,04,34,421	0.90	0.85	13,79,782
November 2015	0.91	0.88	1,26,06,64,964	0.90	0.95	4,75,073
December 2015	0.91	0.89	1,30,44,98,147	0.95	0.85	49,77,332
January 2016	0.92	0.90	20,43,16,653	0.95	0.90	13,42,52,126
February 2016	0.92	0.89	63,06,71,160	0.95	0.85	3,36,65,179
March 2016	0.92	0.89	46,53,66,446	0.95	0.85	3,07,63,255

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

## CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX



## CLOSING MONTHLY PRICE VS CLOSING MONTHLY NIFTY



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

## 22. Distribution of Shareholding as on March 31, 2016

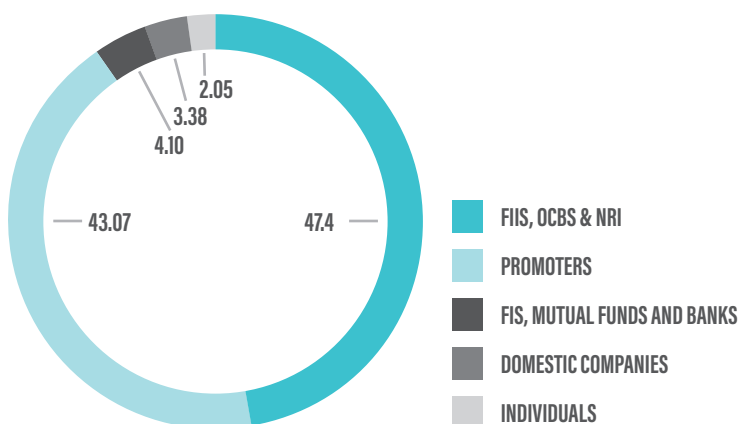
No. of Equity Shares	Equity			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	88,104	98.54	14,699,793	1.53
5001 – 10000	286	0.32	2,054,585	0.21
10001-20000	218	0.24	3,108,956	0.32
20001-30000	98	0.11	2,428,253	0.25
30001-40000	66	0.07	2,286,919	0.24
40001-50000	45	0.05	2,064,761	0.22
50001-100000	147	0.16	10,584,763	1.11
100001 and Above	447	0.51	923,220,690	96.12
<b>Total</b>	<b>89,411</b>	<b>100.00</b>	<b>960,448,720</b>	<b>100.00</b>

No. of Equity Preference Share	Preference			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	74,158	85.47	96,063,658	0.48
5001 – 10000	5,314	6.13	39,612,268	0.20
10001-20000	2,511	2.89	34,470,268	0.17
20001-30000	1,262	1.46	29,654,474	0.15
30001-40000	349	0.40	12,002,919	0.06
40001-50000	1,123	1.29	50,829,229	0.25
50001-100000	573	0.66	43,253,550	0.21
100001 and Above	1,471	1.70	19,863,536,754	98.48
<b>Total</b>	<b>86,761</b>	<b>100.00</b>	<b>20,169,423,120</b>	<b>100.00</b>

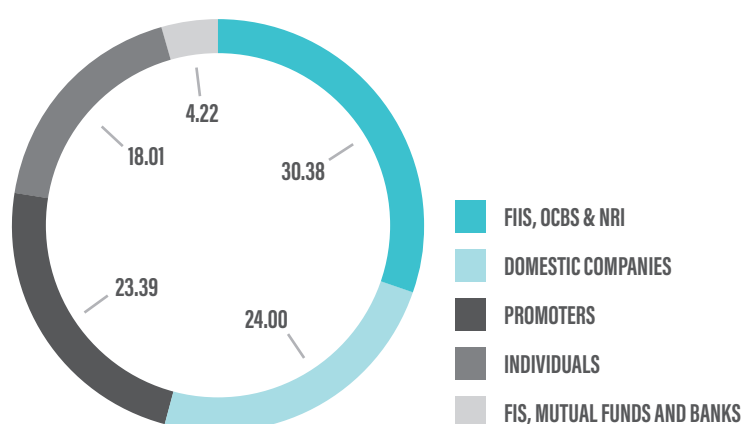
## 23. Categories of Shareholders as on March 31, 2016

Category	Equity		Preference	
	% of shareholding	No. of shares held	% of shareholding	No. of shares held
Promoters	43.07%	413,670,212	23.39%	4,717,765,986
Individuals	2.05%	19,686,020	18.01%	3,632,069,891
Domestic Companies	3.38%	32,485,884	24.00%	4,839,312,197
FIs, Mutual funds and Banks	4.10%	39,423,186	4.22%	852,015,130
FIs, OCBs & NRI	47.40%	455,183,418	30.38%	6,128,259,916
<b>Total</b>	<b>100.00%</b>	<b>960,448,720</b>	<b>100.00%</b>	<b>20,169,423,120</b>

## EQUITY SHARE PATTERN AS ON MARCH 31, 2016



## PREFERENCE SHARE PATTERN AS ON MARCH 31, 2016



## 24. Particulars of Shareholding

## a) Promoter Shareholding as on March 31, 2016

Sr	Name of Shareholder	Equity	
		No of Shares held	% of shareholding
1	Essel Media Ventures Ltd, Mauritius	102,888,286	10.71%
2	Essel International Ltd, Mauritius	23,000,000	2.39%
3	Sprit Textiles Pvt. Ltd.	300	0.00%
4	Essel Infraprojects Ltd	100	0.00%
5	Veena Investment Pvt. Ltd	100	0.00%
6	Essel Holdings Limited, Mauritius	46,378,518	4.83%
7	Cyquator Media Services Pvt. Ltd	241,402,908	25.13%
	<b>Total</b>	<b>413,670,212</b>	<b>43.07%</b>

Sr	Name of Shareholder	Preference	
		No of Shares held	% of shareholding
1	Sprit Textiles Pvt. Ltd.	6,300	0.00%
2	Essel Infraprojects Ltd	2,100	0.00%
3	Veena Investment Pvt. Ltd	2,100	0.00%
4	Cyquator Media Services Pvt. Ltd	842,600,000	4.18%
5	Essel Landmark Private Limited	3875155486	19.21%
	<b>Total</b>	<b>4,71,77,65,986</b>	<b>23.39%</b>

## b) Top ten (10) Public Shareholding as on March 31, 2016

Sr	Name of Shareholder	Equity Shares of ₹ 1 each	
		No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	77,074,068	8.02%
2	Government of Singapore	16,004,993	1.67%
3	Oppenheimer Global Fund	13,094,125	1.36%
4	Vanguard International Growth Fund	12,828,104	1.34%
5	Columbia Acorn International	11,596,611	1.21%
6	Goldman Sachs (Singapore) PTE	11,238,797	1.17%
7	Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index X Fund	8,420,675	0.88%
8	ICICI Prudential Life Insurance Co. Ltd	7,925,573	0.83%
9	Schroder International Selection Fund Asian Opportunities	7,343,746	0.76%
10	Ishares India Index Mauritius Company	6,780,774	0.71%
	<b>Total</b>	<b>172,307,466</b>	<b>17.94%</b>

Sr	Name of Shareholder	Preference Shares of ₹ 1 each	
		No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	1,895,913,054	9.40%
2	ICICI Prudential Life Insurance Company Ltd	1,320,809,586	6.55%
3	American Funds Developing World Growth	789,490,000	3.91%
4	Barbelo Estates LLP	560,000,000	2.78%
5	Capital Group Emerging Market Total	525,000,000	2.60%
6	Shree Cement Ltd	450,000,000	2.23%
7	Credit Suisse (Singapore) Ltd	413,432,661	2.05%
8	SBI Life Insurance Company Ltd	377,666,078	1.87%
9	Reliance Capital Asset Management Ltd	298,600,000	1.48%
10	Oppenheimer Global Fund	294,074,928	1.46%
	<b>Total</b>	<b>6,924,986,307</b>	<b>34.33%</b>

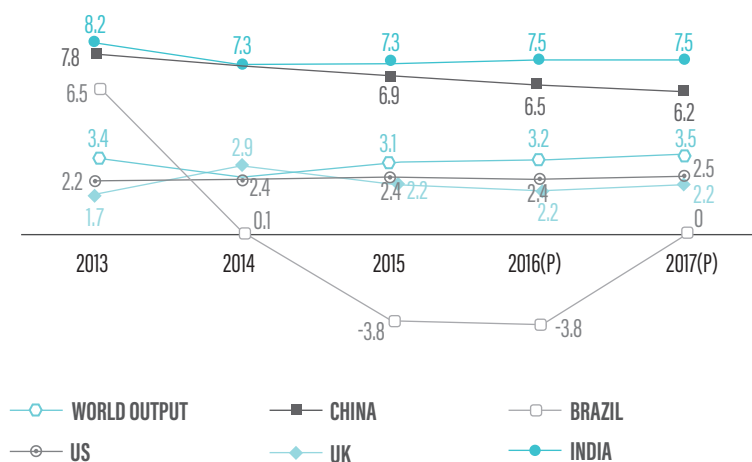
## MANAGEMENT DISCUSSION AND ANALYSIS

### INDIAN MACROECONOMIC SCENARIO

India is one of the few shining spots on an otherwise gloomy global economic map. While most of the global economies did not fare well in the past year, the process of economic recovery in India continued with the GDP growth being one of the highest in the world.

Renewed industrial activity, sustained low crude oil prices, favorable business sentiments, easing interest rates have spurred the economic growth. The government's promise to stick to the fiscal deficit target for the current year and reduce it for the next year bodes well for the Indian economy. Indian GDP grew at 7.3% for FY16 and is projected to grow at 7.5% in the next fiscal year.

### GDP GROWTH RATE OF SELECTED COUNTRIES



Source : IMF World Economic Outlook Report (April 2016)

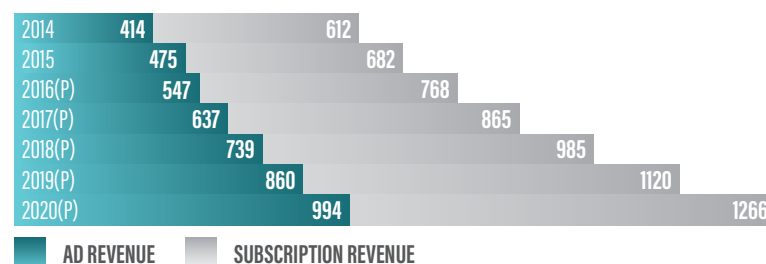
### MEDIA AND ENTERTAINMENT INDUSTRY

The Media and Entertainment Industry is a key growth driver for the Indian economy. According to the FICCI-KPMG Report 2016, the sector witnessed 12.8% growth in 2015 growing from INR 1,026 billion in 2014 to INR 1,157 billion in 2015. The industry is expected to grow to INR 2,260 billion by 2020 at a CAGR of 14.3% during 2015-2020, which is more than double the rate of growth of global M&E Industry.

Total advertising spend across different media verticals was INR 475 billion in 2015 contributing to 41% of the total Media & Entertainment industry revenues. Fueled by the continued economic growth, advertising revenues saw a growth of 14.7% in 2015. Currently, advertising revenue in India contributes less than 0.5% of the GDP, compared to the average 1% contribution across most developed economies. It is expected that advertising will increasingly contribute a higher share to the GDP in the coming years and is projected to double to INR 994 billion by 2020 growing at a CAGR of 16% during 2015-2020.

In 2015, subscription revenues grew at annualized growth rate 11.4%, from INR 612 billion in 2014 to INR 682 billion in 2015. With the effects of cable digitization yet to show impact, the subscription revenue is expected to grow to INR 1,266 billion by 2020 at a CAGR of 13.2% during 2015-2020.

### INDIAN MEDIA & ENTERTAINMENT INDUSTRY

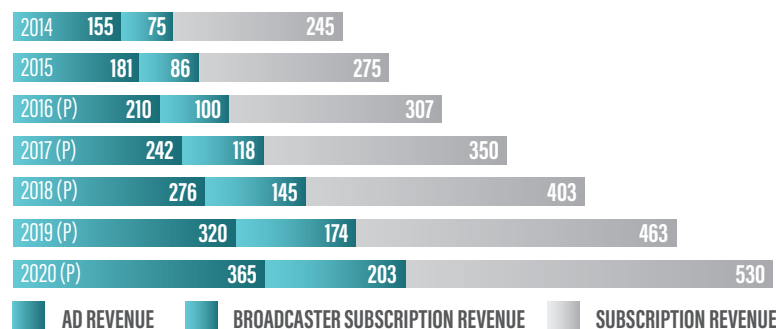


Source : FICCI-KPMG Report on Indian Media & Entertainment Industry 2016

### TELEVISION

Television forms the core of the Indian M&E Industry contributing to around 47% of the overall revenue of the industry. Television sector grew from INR 475 billion in 2014 to INR 542 billion in 2015, registering a growth of 14%. The growth was driven by a strong 17% rise in advertising spend. The sector is projected to more than double its revenues to INR 1098 billion by 2020 growing at a CAGR of 15% for 2015-2020. (Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2016).

### TELEVISION REVENUE (INR BN)



Source : FICCI-KPMG Report on Indian Media & Entertainment Industry 2016

FY16 saw the commencement of digitization of DAS III cities. Digitization is expected to give the consumer better control in terms of the subscription choices. It will also lead to increase in the ARPU and subsequently increase in broadcasters' share of subscription revenues.

Another major milestone for the television industry was the launch of new TV audience measurement system from BARC (Broadcast Audience Research Council) India in April 2015. BARC has started with a sample size of 22,000 homes and will gradually increase it to 50,000 over the next few years further improving the quality of data. The data was rolled out in phase wise manner with the launch of rural data in October 2015 completing the process. Inclusion of rural ratings has given the broadcasters as well as the advertiser insights into the hitherto unknown rural market.

**CURRENTLY, ADVERTISING REVENUE IN INDIA CONTRIBUTES LESS THAN 0.5% OF THE GDP, COMPARED TO THE AVERAGE 1% CONTRIBUTION ACROSS MOST DEVELOPED ECONOMIES.**

## FILMS

The Film sector grew by 9.3% to INR 138 billion in 2015 from INR 126 billion in 2014, mainly driven by Regional and Hollywood cinema. Growth of Regional and Hollywood content points to the trend of audience appreciating the quality of the content irrespective of the language.

India is still under penetrated in terms of screens which means there is a huge scope of growth for the film industry. With the proliferation of multiplex screens coupled with technology to conveniently book tickets the footfalls are expected to increase. Growing popularity of VOD services has opened up a new revenue stream for films. The Film sector is projected to grow to INR 227 billion by the end of 2020 at a CAGR of 10.5% for 2015-2020.

Essel Vision, ZEE's content production and distribution arm produced its first Hindi Movie, 'Jazbaa' which was the comeback movie of Aishwarya Rai. The company also produced and distributed a number of blockbuster and hit Marathi movies like 'Natsamrat', 'Katyar Kaljat Ghusli', 'Double Seat', 'Killa' and 'Timepass 2' last year.

## MUSIC

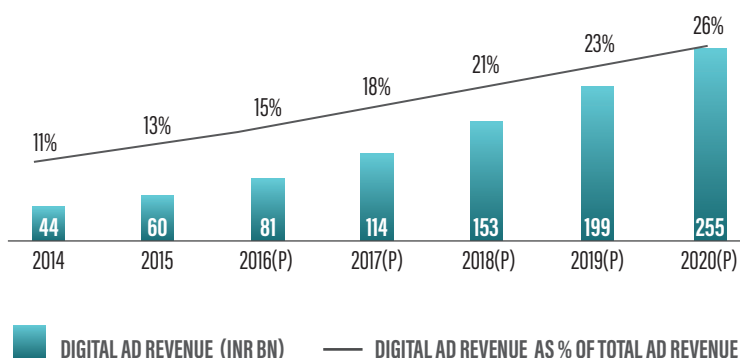
Music industry grew by 10% to INR 10.8 billion in 2015 compared to INR 9.8 billion in 2014. More than 55% of the music industry revenue comes from the digital platforms with music streaming services catching the imagination of Indian consumer. The music industry is projected to grow to INR 20.6 billion by the end of 2020 at a CAGR of 13.8% from 2015-2020.

ZEE Music Company, the music production arm of ZEEL has in a short time become one of the leading music producers in the country. The company boasts a wide catalogue of Hindi and regional music like Singh is Bliing, Drishyam, Bahubali, Bang Bang, Bombay Velvet etc.

## DIGITAL

The consumption of content on digital platforms has been increasing gradually. Digital advertising grew 38% compared to 2014 to reach INR 60 billion. It is expected that digital advertising will continue its strong growth and will grow to INR 255 billion by 2020 at a CAGR of 33.5% for 2015-2020. Digital advertising is projected to double its share and will contribute over a quarter of the revenue of the total advertising revenue. Currently non video advertising contributes to three quarters of the share of digital advertising revenue.

## DIGITAL AD REVENUES GROWTH



India lags the rest of the world in terms of content consumption on the internet due to bandwidth constraints and high data charges. Most of the internet expansion in India will be led by mobile connectivity. The trend of content consumption on the small screen will increase gradually as the smartphone penetration increases and is expected to be complement TV viewing.

Realizing that the digital medium is going to be a frontier of growth in future, the company launched OZEE last year in addition to existing DittoTV. While DittoTV is a SVOD platform which offers content from ZEE and other broadcasters, OZEE is an AVOD one stop destination for all ZEE content. Both the platforms have managed to find traction in the crowded OTT space. The company has also started producing content exclusively for these platforms which will find resonance with the digital consumers.

## COMPANY PROFILE

Zee Entertainment Enterprises Limited (ZEE) (BSE Code: 505537, NSE Code: ZEEL.EQ) is one of India's largest vertically integrated media and entertainment company. The Company was formed in 1982. ZEE was the first company to launch a satellite channel in India and from being a single channel in a single geography, today operates multiple channels across multiple geographies in different languages and genres. The Company's programming reaches out to over 1 billion viewers across 171 countries.

ZEE channel portfolio, across various genres in the Indian market, includes:

- I. **Hindi Entertainment:** Zee TV, &tv, Zee Anmol, Zindagi
- II. **Hindi Movies:** Zee Cinema, &pictures, Zee Action, Zee Classic
- III. **English Entertainment, Movies and Life style:** Zee Studio, Zee Café,
- IV. **Regional Language Entertainment:** Zee Marathi, Zee Talkies, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Kannada, Zee Tamil, Sarthak TV
- V. **Sports:** TEN 1, TEN 2, TEN 3
- VI. **Music and Lifestyle:** Zing, ETC
- VII. **Niche and Special Interest:** Zee Q, Zee Salaam
- VIII. **HD:** Zee TV HD, &tv HD, &pictures HD, Zee Cinema HD, Zee Studio HD, Zee Café HD, TEN 1 HD, TEN Golf HD

Apart from the channels listed above which are available in India, the Company also broadcasts 38 dedicated channels in the international markets.

171  
COUNTRIES

THE COMPANY'S PROGRAMMING REACHES OUT TO OVER 1 BILLION VIEWERS ACROSS 171 COUNTRIES.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

## BUSINESS PROFILE

ZEE is an integrated media and entertainment company engaged primarily in broadcasting and content development, production and its delivery via satellite. The Company has 33 channels that serve the widest array of content in India and is the leading broadcaster across the country. ZEE is also the pioneer in the international markets with 38 dedicated channels serving Indian content across 171 countries.

## LEADERSHIP ACROSS DIFFERENT GENRES:

In the Hindi GEC genre, Zee TV is the flagship product from ZEE. The Hindi GEC space continued to see sustained competition between the top six channels with extremely dynamic channel rankings. Although no new channels were launched during the year, the launch of BARC rural ratings saw a shuffle in rankings.

Zee TV was ranked third amongst Hindi GECs during the year with a market share of over 18% amongst the top 6 paid GECs. Zee TV has been committed to entertaining the audience by innovating and improvising content. Key fiction shows like Kumkum Bhagya, Jamai Raja, Tashn E Ishq were slot leaders in the prime time band. Shows like India's Best Dramebaaz and I Can Do That were the top rated non-fiction shows on the channel.

&tv which was launched with an aim to entertain the urban audience has performed well and has gradually climbed the urban ratings charts. The channel has found favor with the audience which is evident with the popularity of shows like Bhabhiji Ghar Pe Hain and Santoshi Maa. Non-fiction shows like Voice of India and Sabse Shaana Kaun gave the audience an experience of international entertainment formats with an Indian touch.

The launch of BARC rural ratings saw Zee Anmol rise to fourth spot in the ranking of Hindi GECs while continuing to be the leader among the FTA channels. The FTA Hindi GEC which is the first channel in the Indian television space to be simultaneously launched on mobile and television platforms, has been airing the iconic shows from the catalogue of Zee TV. The positioning of 'Dil Choo Jaaye' has actually turned out to be true in the way it has struck a chord with the audience.

In the Hindi Movie Genre, ZEE has 6 channels viz. Zee Cinema, &pictures, Zee Action, Zee Classic, Zee Cinema HD and &pictures HD. ZEE has the largest film library in the country and its movie channels are a strong favorite with the viewers as well as advertisers. During

the year popular movies like Nh10, Dil Dhadakne Do, Singh is Bling, Tanu weds Manu Returns were premiered on cinema channels. The Cinema cluster continued to have a leading share in the movie genre in HSM with an average weekly channel share of 33.7% amongst all Hindi Movie Cluster.

The Company's sports portfolio was rebranded as TEN 1, TEN 2, TEN 3, TEN 1 HD and TEN Golf HD to offer seamless viewing experience to the consumer. With telecast rights to 5 of the 10 cricket boards, which ensure coverage of cricket of all test playing countries, along with rights to exciting properties such as UEFA cup football, WWE wrestling, US Open Tennis, moto sports etc., TEN sports network is a clear leader in the non-cricket genre with a 70% viewership share in FY16.

Zee Café and Zee Studio are the company's English language offerings. Zee Café is one of the leading players in the English GEC category and has the telecast rights to the latest series programming of America's leading TV shows like The Big Bang Theory, House of Cards, Two and a Half Men. During the year, the channel showcased popular international shows and live mega events like Miss World 2015, Miss Universe 2015 etc. The English movie channel Zee Studio shows all the latest blockbusters to the Hollywood loyalist. True to its ideology of "See it All", Zee Studio entertained the audience with the premiere of movies like Last Knights, Eden, Zambezia etc. Both these channels continue to strengthen the network subscription bouquet

Zing, the music and lifestyle offering of the Company, showcases popular Bollywood oriented properties. The content on Zing revolves around the world of music, lifestyle, movies and celebrities. Zing's signature show Pyaar Tune Kya Kiya, an original show based on fictional love stories is extremely popular with the youth along with other shows like What's on TV and has propelled Zing to the leadership position in the youth genre.

Zee Marathi, Zee Talkies, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Kannada and Zee Tamil, Sarthak TV are regional language offerings and enjoy significant market share in their respective markets.

- Zee Marathi had an impressive market share of over 50% during the year and has been the No. 1 channel in the genre. True to its brand value, Zee Marathi brought to the audiences fresh and appealing shows through Jai Malhar, Home Minister, Nanda Saukhyabhare, Chal Hava Yeu Dya, Honar Sun Mi Ya Gharchi and Sa Re Ga Ma Pa. The channel premiered block buster movie "Dr. Prakash Baba Amte – The Real Hero", the biggest World TV premiere on Marathi television last year.
- Zee Bangla continues to be a strong player No. 2 player in the Bangla GEC space. Zee Bangla was the market leader in non-fiction genre with over 75 % market share, driven by shows like Dadagiri Unlimited, Didi No. 1, Sa Re Ga Ma Pa and Mirakkel Akkel.
- Zee Kannada gained market share to become No. 2 in the Karnataka market with the addition of top performing fiction shows like Naagini, Ganga & Mahadevi and non-fiction shows like Weekend with Ramesh and Sa Re Ga Ma Pa.
- Zee Telugu, a clear leader in the urban markets has become a close no. 3 player in the Telugu GEC space. The channel held the No.2 position in the weekday Primetime band between 1830-2300hrs on the back of popular fiction shows like Mudda Mandaram, Varudhini Parinayam, Rama Seetha, and Mangama Gari Manavaralu.

70%

VIEWERSHIP SHARE

**TEN SPORTS NETWORK IS A CLEAR LEADER IN THE NON-CRICKET GENRE WITH A 70% VIEWERSHIP SHARE IN FY16.**

- Sarthak TV is the leader in the Oriya genre with well over half of market share. The channel is a clear leader in fiction as well as non-fiction genre. The channel enjoys a phenomenal success with 9 shows occupying the top 10 slots.

#### GLOBAL PRESENCE

The Company reaches more than 1 billion viewers globally and in 171 countries worldwide. Internationally, subscription is a key driver of revenues for any broadcaster and international subscription revenues contributed significantly to ZEE's total revenues in this financial year.

Zee Network dominates the International South Asian (SA) Business globally. Zee TV continues to lead in US, Middle East & Africa's in terms of viewership within the SA channels. During the year, the Company undertook various initiatives to further strengthen its dominance in the geographies where it operates.

Key highlights during the year include:

- In US, Zee TV was the number 1 channel among South Asian viewers
- In UK, &TV consistently featured in the Top 10 South Asian Channels
- In Africa, Zee Magic was launched. Zee Magic is ZEE's first French GEC, offering Indian contents to target French mainstream markets in Francophone Africa
- In Africa, Zee World and Zee Magic saw more than 2.5 times growth in viewership
- Zee TV was the number 1 channel and Zee Cinema was the number 2 channel among South Asian expats in their respective genres in the UAE
- Zee Aflam consolidated its position as the top Bollywood channel catering to Arabic audiences
- In Caribbean market, Zee channels were added onto additional cable TV and digital platforms
- Successful execution of local programming for regions with SaReGaMaPa(North America), The Place to Eat(Europe), Asia's Singing Superstar(MENAP)

#### BUSINESS STRATEGY

The key elements of ZEE's strategy during the year were (i) to take appropriate steps to safeguard its leadership position in a fiercely competitive environment (ii) to concentrate on additional revenues from traditional and non-traditional platforms (iii) Build presence on new / alternate media platforms (iv) Prudent investments and rationalized cost structures (v) Fortify its expansion in the international markets (vi) maintain consistently high standards of corporate governance.

#### (I) APPROPRIATE STEPS TO SAFEGUARD ITS LEADERSHIP POSITION IN A FIERCELY COMPETITIVE ENVIRONMENT:

The competition in Indian media industry remains intense. TV broadcasting is the largest segment of the industry and the biggest segment of operations for the Company. New platforms like online media are also gaining currency. The Company has continued to maintain and gain share in the highly competitive TV market through the launch of new channels, new shows across network channels, tie up of sporting rights etc. In addition to this, the Company aims to further grow its share in the media & entertainment pie through enhanced online, movies, music and live events

#### (II) CONCENTRATE ON ADDITIONAL REVENUES FROM TRADITIONAL AND NON-TRADITIONAL PLATFORMS:

In the new age of multiple consumption avenues and platforms the requirements of advertisers are evolving. Owing to the Company's strong presence across various platforms viz. TV, Online, Music, Movies, Live Events, Sports etc it is crucial to tap into the monetization opportunities available across the entire bouquet. The initiative

**THE COMPLEX NATURE OF THE INDIAN MARKET, WHERE PREFERENCES VARY DRAMATICALLY ACROSS REGIONS AND DEMOGRAPHIES THE ABILITY TO DELIVER SUPERIOR QUALITY CONTENT IS IMPORTANT. THE COMPANY HAS ALWAYS BEEN AT THE FOREFRONT OF PREDICTING THE EVOLVING CUSTOMER TASTES AND READY TO SERVE THE MARKET WHEN THE OPPORTUNITY ARRIVES.**

to launch Zee Unimedia this fiscal is a step in this direction where in a seamlessly integrated solution would be available to serve advertisers' requirements

#### (III) BUILD PRESENCE ON NEW / ALTERNATE MEDIA PLATFORMS:

In line with developments across the world, consumption patterns in India are evolving. The complex nature of the Indian market, where preferences vary dramatically across regions and demographics the ability to deliver superior quality content is important. The Company has always been at the forefront of predicting the evolving customer tastes and be ready to serve the market when the opportunity arrives. Thus, in addition to Ditto TV which was launched in 2012, the Company consolidated its online presence through the launch of OZEE, with an aim to offer On Demand Video Content to consumers on multiple platforms including mobile phones, tablets, laptops, desktops and connected TVs.

#### (IV) PRUDENT INVESTMENTS AND RATIONALIZED COST STRUCTURES:

The belief at the Company has always been that higher spends will not necessarily result in sustained incremental content consumption. Even in the wake of competition, the network has maintained its like to like cost structures. Better negotiations with suppliers and stricter control on distribution spends will help in further keeping costs under check. Additionally, the Company has made incremental investments to increase its strength across newer business segments like Music and Movie Production.

#### (V) FORTIFY ITS EXPANSION IN THE INTERNATIONAL MARKETS:

During the year, the Company undertook various initiatives to further strengthen its dominance in international markets by entering into deals with new platform operators as well as launching new channels which are dubbed and subtitled in the local language for local population in some of the geographies. In line with this expansion strategy, the company launched Zee Magic in Africa last year.

#### (VI) CORPORATE GOVERNANCE:

ZEE firmly believes that good governance is critical to sustaining corporate development, increasing productivity and competitiveness and creating shareholder wealth. The governance process should ensure that the available resources are utilized in a manner that meets the aspirations of all its stakeholders. Your Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis. While the increasing emphasis on transparency and accountability, standards have been set by various governing bodies on disclosure as well as judiciousness in conduct. ZEE has always tried to go a step further in this direction.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

### RISK FACTORS

#### EXTERNAL RISK FACTORS

##### ● Industry Risk

##### ● Ever changing trends in Media sector:

- Audience tastes are constantly evolving and difficult to predict with accuracy. People's tastes vary quite rapidly along with the trends and environment they live in. This makes it virtually impossible to predict whether a particular show or serial would do well or not. With the kind of investments made in ventures, repeated non-performance of the shows would have an adverse impact on the bottom line of the Company.

##### ● Slowdown in DTH/Digital rollout:

- The uptake of pay digital services by subscribers has been a very encouraging sign for all broadcasters. Contrary to the global trends, in India the under-declaration in the analogue cable system has led to broadcasters being more dependent on advertising revenues, which tend to be cyclical in nature and more affected by the macro economic factors. Completion of rollout of Phase I and Phase II cities took longer than expected. Phase III rollout is currently underway. It may take longer to realize revenues from Phase III and Phase IV cities as their rollouts may not be completed on time.

##### ● Competition from other players:

- The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. The GEC genre is amongst the key genres for all advertisers and hence is most lucrative to all the TV broadcasters. Any new competition in the space can have an impact on the Company's revenues.

##### ● Environment Risk

##### ● Macroeconomic environment:

- Macroeconomic environment can be a potential source of risk. Moderating growth, along with high inflation, can adversely impact advertising revenues of the Company, which forms the largest component of the Company's revenues.

##### ● The Company may be exposed to foreign exchange rate fluctuations:

- The Company receives a significant portion of its revenues and incurs a significant portion of its expenses in foreign currencies, particularly US dollars and UK pounds. Accordingly, the Company is exposed to fluctuations in the exchange rates between those currencies and the Rupee, the Company's reporting currency, which may have a substantial impact on its revenues and expenses.

##### ● Sluggish consumer uptake in the international markets:

- ZEE has been a pioneer in the international markets and has the highest market share amongst all South Asian broadcasters across Europe and USA. Indian content in these markets serves the preference of a niche audience and ZEE has strong relations with distribution platforms in these markets giving management the confidence that the Company will retain market share in key geographies. Given the global economic slowdown, consumers may find it difficult to upgrade their packages and the value growth from these markets may get affected.

##### ● Regulatory Risk

##### ● Uncertainty in rules & regulations:

- The M&E industry is governed by the rules and regulations framed by the Ministry of Information & Broadcasting as well as industry bodies such as TRAI. The rules such as price regulation have a direct bearing on the revenue potential of the company. The existing as well as future rules and regulations can impact the financial performance of the company.

#### INTERNAL RISK FACTORS

##### ● Cost of programming mix might affect its bottom line:

- The urge to compete and provide the best content to viewers, ZEE would have to incur high expenditure to provide an impetus on its programming front from time to time. The increase in costs might not necessarily perk up its revenues in the same proportion.

##### ● Investments in new channels:

- The Company may from time to time launch new channels. Content for these channels is either created or acquired. The success of any new channel depends on various factors, including the quality of programming, price, extent of marketing, competition etc. There can be no assurance that the Company will be as successful in launching new channels as it has been the case of its existing channels.

##### ● Increase in cost of content acquisition:

- The company spends a significant amount for acquisition of rights to telecast sporting events, movies and music rights and library content rights. Any future contracts may be at higher costs, which may put pressure on margins of the Company.

## STAND-ALONE FINANCIALS

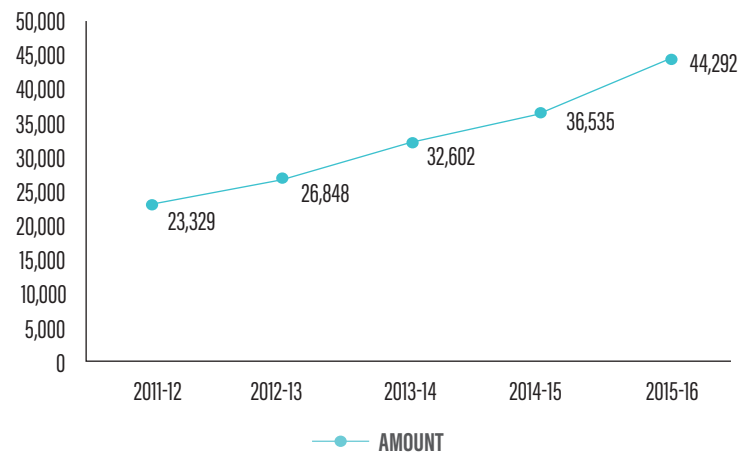
## A. RESULTS OF OPERATIONS

Non-Consolidated Financial Information for the Year Ended 31 March, 2016 compared to the Year Ended 31 March, 2015.

**TOTAL REVENUE**

Total revenue increased by ₹ 7,757 million or 21% from ₹ 36,535 million in FY 2015 to ₹ 44,292 million in FY 2016 driven by increase in Broadcasting Revenue.

Following chart depicts the movement of revenue over last 5 years.

**TOTAL REVENUE** ₹ Millions**REVENUE FROM OPERATIONS**

Operating Revenue increased by ₹ 7,803 million or 23% from ₹ 34,262 million in FY 2015 to ₹ 42,065 million in FY 2016. Among major sources of income, the advertisement revenue has increased by 29% to ₹ 28,831 million in FY 2016 as against ₹ 22,284 million in FY 2015 and Subscription revenue has recorded a growth of 14% by ₹ 1,321 million from ₹ 9,450 million in FY 2015 to ₹ 10,771 million in FY 2016 due to continuous growth of DTH and Cable Subscribers.

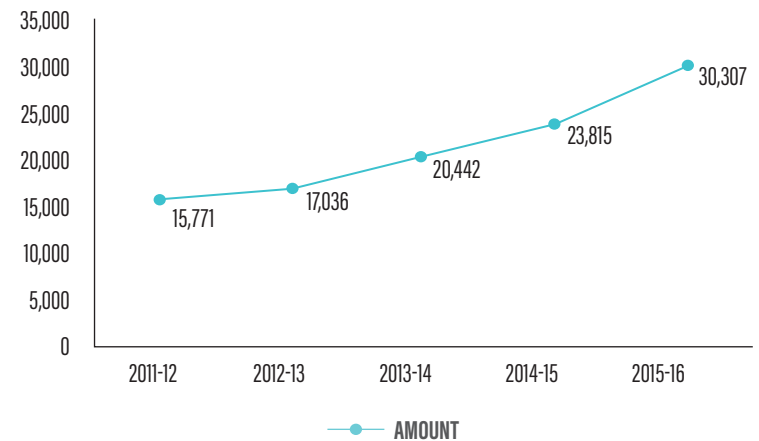
**INTEREST & OTHER INCOME**

Interest & Other income has marginally decreased by ₹ 46 million i.e. 2% from ₹ 2,273 million in FY 2015 to ₹ 2,227 million in FY 2016. The decrease is mainly on account of liabilities written back in previous year aggregating to ₹ 242 million which is partially offset by increase in gain from exchange fluctuation by ₹ 169 million and balance is on account of others.

**TOTAL EXPENDITURE**

Total Operational expenditure increased by ₹ 6,492 million or 27% from ₹ 23,815 million in FY 2015 to ₹ 30,307 million in FY 2016. It represents 68% of total revenue in FY 2016, as compared to 65% in FY 2015.

Following chart depicts the movement of total operating expenditure over last 5 years

**TOTAL EXPENDITURE** ₹ Millions**OPERATIONAL COST / COST OF GOODS**

Operational cost increased by ₹ 4,800 million or 36%, from ₹ 13,498 million in FY 2015 to ₹ 18,298 million in FY 2016. Increase in operating cost is due to higher programming cost on account of channels launched during previous year including & TV. Further, the Company impaired program and film rights of ₹ 817 million during the year, as against ₹ 641 million in previous year.

**PERSONNEL COST**

Personnel cost has increased by ₹ 300 million i.e. 11% from ₹ 2,816 million in FY 2015 to ₹ 3,116 million in FY 2016.

**OTHER EXPENSES**

Other expenses has increased by ₹ 1,392 million or 19% from ₹ 7,501 million to ₹ 8,893 million. The increase in other expenses is mainly on account of higher spend on advertising and other administrative expenses.

**OPERATING PROFIT**

Operating profit increased by ₹ 1,311 million, or 13%, from ₹ 10,447 million in FY 2015 to ₹ 11,758 million in FY 2016. The operating margin is at 28% for FY 2016. Increase in Operating profit is mainly due to increase in broadcasting revenue partially offset by increase in operational costs by ₹ 4,800 million and increase in personnel and other expenses.

**FINANCE COST**

Finance cost has increased by ₹ 10 million to ₹ 28 million in FY 2016 from ₹ 18 million in FY 2015.

**DEPRECIATION AND AMORTISATION**

Depreciation increased by ₹ 96 million or 17%, from ₹ 580 million to ₹ 676 million. Increase in depreciation is mainly on account depreciation on additions during the year.

**PROFIT BEFORE TAX**

Profit before tax increased by ₹ 1,159 million or 10% from ₹ 12,122 million in FY 2015 to ₹ 13,281 million in FY 2016. The increase is attributable to increase in revenue resulting in improved profits from operations.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

**PROVISION FOR TAXATION**

Net provision for taxation was at ₹ 4,688 million.

**PROFIT AFTER TAX FOR THE PERIOD**

Profit after tax for the year increased by ₹ 275 million to ₹ 8,593 million from ₹ 8,318 million.

**B. FINANCIAL POSITION**

Non-Consolidated Financial Position as on 31 March, 2016 as compared to 31 March, 2015.

**SOURCES OF FUNDS****Share Capital, Reserves & Surplus**

There is no change in the Paid-up Equity Share Capital of the Company. The Paid-up Equity Share Capital of the Company as at 31 March, 2016 stands at ₹ 960 million.

During the year, the Company has redeemed 22 million preference shares of ₹ 1 each, issued in previous year to the shareholders of Diligent Media Corporation Limited as per Scheme of Arrangement. Consequently, the paid-up preference share capital stand at ₹ 20,170 million.

**Loan Funds**

Total loan funds as on 31 March, 2016 stood at ₹ 9 million down from ₹ 12 million. These loan funds are related to vehicle loan taken by the Company.

**Long term liabilities and provisions**

Long term provisions pertaining to retirement benefits have gone up from ₹ 394 millions as on 31 March, 2015 to ₹ 411 million as on 31 March, 2016.

**Current Liabilities and Provisions**

Current Liabilities and Provisions mainly representing Trade Payables, Statutory Dues, Unearned revenue, provisions and other payables etc. The same has increased by ₹ 1,187 million to ₹ 10,889 million as on 31 March, 2016 from ₹ 9,702 million as on 31 March, 2015. The increase is mainly attributable to increase in trade payables by ₹ 937 millions, advance received from customers by ₹ 300 million which is partially offset by reduction in cheque overdrawn by ₹ 110 million.

**APPLICATION OF FUNDS****Fixed Assets**

During the year, the Company's Gross Fixed Assets block increased by ₹ 1,527 million mainly on account of purchase of plant and machinery and capitalization on account of building and leasehold improvements. The capital expenditure is mainly funded out of internal accruals.

During the year, Gross block has reduced by ₹ 520 million due to sale of aircraft amounting to INR 368 million and impairment and disposal of various obsolete assets which include assets retired ₹ 152 million from Gross block. Impact on net book value of ₹ 369 million on account of disposal / impairment.

Capital Work in Progress reduced by ₹ 416 million to ₹ 463 million as on 31 March, 2016.

**Non-Current Investments**

Non-current Investments have increased from ₹ 6,593 million as on 31 March, 2015 to ₹ 17,968 Million as on 31 March, 2016. The increase is mainly on account of additional investments in subsidiaries.

**Long term loans and advances**

The decrease of ₹ 2,632 million in the long term loans and advances from ₹ 6,652 million as on 31 March, 2015 to ₹ 4,020 million as on 31 March, 2016. The decrease is mainly on account of reduction in loan to subsidiary.

**Current Assets**

Current Assets mainly represent current investment, Inventories, Trade Receivables, Cash & Bank Balances, Short term loans and advances and Other Current Assets. The decrease in current assets by ₹ 3,312 million from ₹ 38,656 million to ₹ 35,344 million is mainly attributable to decrease in Short term loans and advances by ₹ 5,907 million, current investment by ₹ 1,095 million partially offset by increase in inventories by ₹ 1,295 million, trade receivables by ₹ 1,221 million, cash & bank by ₹ 839 million and other current assets by ₹ 335 million.

**Current Investment**

Current Investment has decreased by ₹ 1,095 million to ₹ 3,400 million as on 31 March, 2016 from ₹ 4,495 million as on 31 March, 2015.

**Inventories**

Programs and Film rights held by the Company increased by ₹ 1,295 million from ₹ 12,071 million as on 31 March, 2015 to ₹ 13,366 million as on 31 March, 2016.

**Trade Receivables**

Trade receivables net off provision for bad and doubtful debts stood at ₹ 9,539 million in FY 2016 as against ₹ 8,318 million in FY 2015. The age of Net Debtors is 83 days of sales in FY 2016 as against 89 days of sales in FY 2015.

**Cash and Bank Balances**

The cash and bank balances lying with the Company, as on 31 March, 2016 was ₹ 3,851 million as against ₹ 3,012 million on 31 March, 2015.

**Loans and Advances (Current)**

There was a decrease of ₹ 5,907 million in current portion of loans and advances from ₹ 10,246 million on 31 March, 2015 to ₹ 4,339 million on 31 March, 2016. The decrease is mainly on account of reduced loans including to subsidiaries.

**Other current assets**

Other current assets have increased by ₹ 335 million from ₹ 514 million on 31 March, 2015 to ₹ 849 million on 31 March, 2016 mainly on account of increase in other receivables from subsidiaries.

8,593  
MILLION

**PROFIT AFTER TAX FOR THE YEAR INCREASED BY ₹ 275 MILLION  
TO ₹ 8,593 MILLION FROM ₹ 8,318 MILLION.**

## CONSOLIDATED FINANCIALS

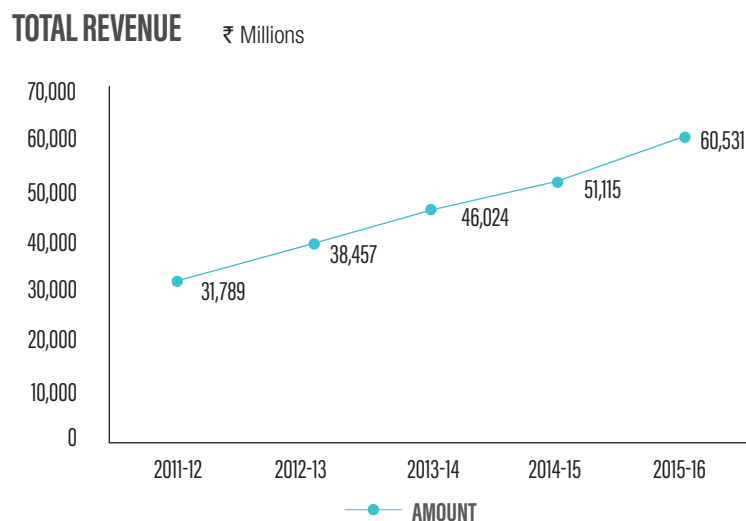
### A. RESULTS OF OPERATIONS

We have provided a comparison between Audited figures for FY 2016 and for FY 2015. Financial results include 50% proportionate share of income, expenses, assets and liabilities on a line by line basis for Company's interest in Joint Venture (JV) "Media Pro Enterprise India Private Limited" (MPEIPL).

#### REVENUE

Total revenue increased by ₹ 9,416 million, or 18% from ₹ 51,115 million in FY 2015 to ₹ 60,531 million in FY 2016 on account of higher broadcasting income.

Following chart depicts the movement of revenue over last 5 years.



#### Revenue from Operations

Operating revenue increased by ₹ 9,678 million or 20% from ₹ 48,837 million in FY 2015 to ₹ 58,515 million in FY 2016.

Overall growth was witnessed in advertisement revenues of ₹ 7,694 million i.e. 29% to ₹ 34,297 million in FY 2016 as against ₹ 26,603 million in FY 2015. Subscription Revenue has increased by ₹ 2,644 million from ₹ 17,935 million in FY 2015 to ₹ 20,579 million in FY 2016.

Sales – media content includes Syndication sale of Sports rights, Programs and Film rights which has reduced by ₹ 1,010 million to ₹ 2,739 million in FY 2016 from ₹ 3,749 million in FY 2015.

#### Other Income

Other income decreased by ₹ 262 million or 12% from ₹ 2,278 million in FY 2015 to ₹ 2,016 million in FY 2016. Decrease in other income is mainly on account of higher liabilities written back in previous year aggregating to ₹ 188 million and reduced profit on sale of investment by ₹ 171 million.

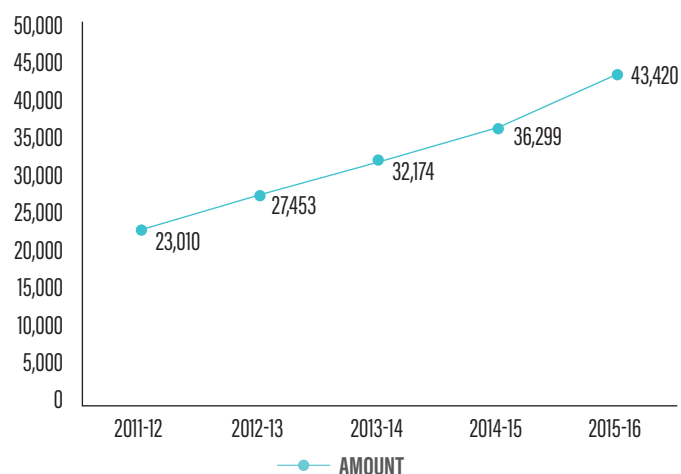
#### Expenditure

Total Operational expenditure increased by ₹ 7,121 million or 20% from ₹ 36,299 million to ₹ 43,420 million. This increase in cost is attributable to higher content costs as well as the increase in Administrative & Marketing Spends.

Following chart depicts the movement of operating expenditure over last 5 years:

### TOTAL EXPENDITURE

₹ Millions



#### Operational Cost / Cost of Goods

Operational cost has increased by ₹ 4,656 million to ₹ 26,049 million in FY 2016 as against ₹ 21,393 million in FY 2015. The overall increase in operational cost is mainly attributable to increase in cost on acquisition and amortization of programming and film content as well as launch of new channels.

#### Employee Benefit Expenses

Employee cost increased by ₹ 734 million, or 16 %, from ₹ 4,498 million in FY 2015 to ₹ 5,232 million in FY 2016.

#### Other expenses

Administrative and Other expenses increased by ₹ 1,731 million or 17% from ₹ 10,408 million in FY 2015 to ₹ 12,139 million in FY 2016. The increase is mainly on account of higher spend on advertising and marketing cost incurred by the Company.

#### Operating Profit

Operating profit increased by ₹ 2,557 million, or 20%, from ₹ 12,538 million in FY 2015 to ₹ 15,095 million in FY 2016. The operating margin is at 26% for FY 2016. The increase in operating profit is mainly attributable to increase in broadcasting revenue during the year which is partially offset by increase in operating costs i.e. higher investment in content and marketing spends to build the business.

#### Finance Expenses

Finance expenses increased by ₹ 20 million or 20% from ₹ 103 million to ₹ 123 million.

#### Depreciation and Amortisation

Depreciation increased by ₹ 167 million, or 25%, from ₹ 673 million in FY 2015 to ₹ 840 million in FY 2016. Increase is mainly on account of depreciation on additions during the year.

#### Profit Before Tax

Profit before tax increased by ₹ 1,777 million or 13% from ₹ 14,040 million in FY 2015 to ₹ 15,817 million in FY 2016.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

**Provision for Taxation**

Provision for taxation increased by ₹ 1,243 million to ₹ 5,528 million in FY 2016 from ₹ 4,285 million in FY 2015.

**Share of Results of Associates**

Share of results in Aplab Limited, Idea Shop Web and Media Private Limited and Asia Today Thailand Limited as Associate Company is loss of ₹ 4 million in FY 2016 as against loss of ₹ 37 million in FY 2015.

**Minority Interest**

Minority interest on account of current year net share was ₹ 18 million in FY 2016. This includes share of minorities of Zee Turner Limited (26%), India Webportal Private Limited (49%) Idea Shop Web and Media Private Limited (48.96%) and Media Pro Enterprise India Private Limited (50%).

**Net Profit After Tax for the year**

Profit after tax for the year increased by 5% to ₹ 10,267 million from ₹ 9,775 million. The Net Profit margin is at 18% in FY 2016.

**B. FINANCIAL POSITION**

Consolidated Financial Position as on 31 March, 2016 as compared to 31 March, 2015.

**SOURCES OF FUNDS****Share Capital, Reserves & Surplus**

During the year, there is no change in the equity share capital of the Company.

During the year, the Company has redeemed 22 million preference shares of ₹ 1 each, issued in previous year to the shareholders of Diligent Media Corporation Limited as per Scheme of Arrangement. Consequently, the paid-up preference share capital stand at ₹ 20,170 million.

**Loan Funds**

Total loan funds stood at ₹ 9 million as on 31 March, 2016. These loan funds are related to vehicle loan taken by the Company.

**Long term Provisions**

Long term provisions consisting of retirement benefits have increased by ₹ 70 million from ₹ 480 million to ₹ 550 million as on 31 March, 2016.

**Non Current liabilities**

Non current liabilities represent the advance received towards syndication of content.

**Current Liabilities and Provisions**

Current Liabilities and Provisions have increased by ₹ 1,902 million during the year mainly due to increase in trade and other payables.

Current liabilities and Provisions as on 31 March, 2016 is at ₹ 15,678 million vis-a-vis ₹ 13,776 million on 31 March, 2015.

**APPLICATION OF FUNDS****Fixed Assets**

During the year, the Company's Gross Fixed Assets block increased by ₹ 3,369 million on account of purchase of plant and machinery, leasehold improvements and other assets. Further, there is increase on account of foreign exchange translation of foreign subsidiary assets. There is a partial reduction in assets due to impairment / disposal of various obsolete assets aggregating to net book value ₹ 375 million. The capital expenditure was mainly funded from internal accruals.

Capital Work in progress increased by ₹ 226 million to ₹ 1,104 million as on 31 March, 2016.

**Non Current Investments**

The increase of ₹ 1,584 million in non current investments to ₹ 3,048 million as at 31 March, 2016 from ₹ 1,464 million mainly represents treasury investments.

**LONG TERM LOANS, ADVANCES AND OTHER NON-CURRENT ASSETS.**

The long term loans, advances and other non current assets consisting of capital advances, advance taxes, claim receivables and other assets have increased by ₹ 203 million to ₹ 5,913 million in FY 2016 as against ₹ 5,710 million in FY 2015. The increase is mainly attributable to increase in capital advances by ₹ 316 million partially offset by marginal reduction in advance taxes.

**Current Assets**

There has been an overall increase in current assets whereby the assets stand increased by ₹ 4,151 million from ₹ 49,719 million in FY 2015 to ₹ 53,870 million in FY 2016.

**CURRENT ASSETS****Inventories**

Programs, Film rights held by the Company has increased from ₹ 11,878 million on 31 March, 2015 to ₹ 13,160 million on 31 March, 2016. The increase mainly represents unamortised film rights and programmes.

**Trade Receivables**

Trade receivables net off provision for bad and doubtful debts stood at ₹ 13,245 million in FY 2016 as against ₹ 10,692 million in FY 2015 reflecting an increase of ₹ 2,553 million. The age of Net Debtors is 83 days of sales in FY 2016 as against 80 days of sales in FY 2015.

**Cash and Bank Balances**

The cash and bank balances lying with the Company, as on 31 March, 2016 was ₹ 9,733 million as against ₹ 7,365 million on 31 March, 2015.

**Short term loans, advances and other current assets**

There is a decrease in loans and advances by ₹ 1,152 million from ₹ 11,493 million as on 31 March, 2015 to ₹ 10,341 million on March 31, 2016. The decrease is mainly on account of reduction in other loans and advances.

10,267

MILLION

**PROFIT AFTER TAX FOR THE YEAR INCREASED BY 5% TO ₹ 10,267 MILLION FROM ₹ 9,775 MILLION. THE NET PROFIT MARGIN IS AT 18% IN FY 2016.**

# BUSINESS RESPONSIBILITY REPORT

## 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.zeetelevision.com
5. **EMAIL ID** : shareservice@zee.esselgroup.com
6. **FINANCIAL YEAR REPORTED** : April 1, 2015 – March 31, 2016

### 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 (2004) -92132.

### 8. LIST 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 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 and Commission earned on services provided and/or advertisement space sold for channels broadcasted in India by Company's subsidiaries overseas.

### 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 12 International locations (including representative office and/or distribution arrangement) and the major ones are Singapore, Mauritius, United Kingdom, UAE, China, South Africa, Canada, USA etc.

ii) Number of National Locations: Indian operations of the Company are carried out through over 10 offices located in major commercial hubs of the Country including Mumbai, New Delhi, Chennai, Kolkata, Noida, Hyderabad, Bangalore etc.

### 10. MARKETS SERVED BY THE COMPANY:

Company's television channels reach out to a little over 1 Billion viewers across 171 countries.

## SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)

1. **PAID UP CAPITAL** : ₹ 21,130 Million
2. **TOTAL REVENUE** : ₹ 42,065 Million
3. **TOTAL PROFIT AFTER TAXES** : ₹ 8,593 Million

### 4. TOTAL SPENDING ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AS PERCENTAGE OF PROFIT AFTER TAX (%)

During the year under, the Company has spent approx 2.66% of its current profits towards CSR activities.

### 5. LIST OF ACTIVITIES IN WHICH EXPENDITURE IN 4 ABOVE HAS BEEN INCURRED.

Please refer the report on CSR activities contained in this Annual Report.

## SECTION C: OTHER DETAILS

### 1. DOES THE COMPANY HAVE ANY SUBSIDIARY COMPANY/COMPANIES?

As at March 31, 2016, the Company has 24 subsidiaries, including 17 direct and indirect subsidiaries overseas.

### 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).

No

### 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%)

No

## 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 Business Responsibility Policies of the Company 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 & CEO 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

[illegible][illegible]

## 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 at [www.zeetelevision.com](http://www.zeetelevision.com)

## SECTION E: PRINCIPLE-WISE PERFORMANCE

## PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?**

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.zeetelevision.com](http://www.zeetelevision.com). Additionally, as part of HR policy the Company has framed/circulated policies which deal with (i) Ethics at work place; and (ii) restraining giving and receiving of gifts and other benefits in the course of business relationship etc. These policies are applicable to the employees at all levels, including subsidiaries.

Though the Company's policies currently 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.

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, 12 complaints were received from investors during the FY 2015-16, all of which have been resolved. Additionally on an ongoing basis the complaints / grievances / views 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

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company's broadcasting services and distribution of contents thereof are in compliance with applicable regulations/advisories, issued by Ministry of Information and Broadcasting and the self-regulatory guidelines / advisories issued by Indian Broadcasting Federation (IBF) and its arm Broadcasting Content Complaint's Council (BCCC) from time to time.

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 achieved since the previous year throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company's business operations as service provider requires minimal energy consumption.

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.

## PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. **Please indicate the total number of employees:** 2,034
2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis:** 250
3. **Please indicate the number of permanent women employees:** 431
4. **Please indicate number of permanent employee with disabilities:** Nil
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**

## BUSINESS RESPONSIBILITY REPORT (CONTD.)

**labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.** None during the 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 and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill, of employees handling relevant functions, basic fire and safety training. These trainings are generally attended by majority of employees.

#### PRINCIPLE 4: BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

##### 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, Foreign Investment Promotion Board, Stock Exchanges and Depositories & Self regulatory bodies viz. Broadcast Content Compliant Council & Advertising Standards Council of India; (ii) Content Producers; (iii) Vendors; (iv) financial institutions; (v) banks; (vi) domestic & international investors and (vii) professional service providers.

However the process of mapping of stakeholders is an ongoing effort of updation 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

As part of its business operations, the Company supports various initiatives to create a greener and safer world. Details of CSR initiatives executed by the Company during FY 15-16 are included in a report on CSR activities forming part of this Annual Report.

#### PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

##### 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?

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. Zee promotes awareness of the importance of human rights within its value chain and discourage instances of any abuse.

##### 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

There were no complaints reported on violation of any Human rights during the financial year 2015-16.

#### PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

##### 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, has undertaken several green initiatives 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:

- A. Indian Broadcasting Foundation
- B. Advertising Agencies Association of India
- C. Indian Film & TV Producer Council
- D. Indian Motion Pictures Association
- E. Broadcast Audience Research Council
- F. 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**

**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?**

The Company generally undertakes CSR projects in partnership with various agencies. Requisite details of entities through whom CSR initiatives were undertaken included in the Annual Report on CSR forming part of this Annual Report.

**3. Have you done any impact assessment of your initiative?**

The CSR team of the Company regularly does impact assessment of various initiatives undertaken by the Company.

**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**

**1. What percentage of customer complaints/ consumer cases as on the end of financial year?**

There are no material 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 & CEO and Mihir Modi, Chief Finance and Strategy 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, 2016 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 existing accounting standards, 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, 2016 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 taken 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

**Mihir Modi**

Chief Finance and Strategy Officer

Mumbai, May 10, 2016

# FINANCIAL STATEMENTS

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## ATTENDANCE SLIP & PROXY FORM

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Zee Entertainment Enterprises Limited**

## 1. REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying Standalone Financial Statements of **Zee Entertainment Enterprises Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 2. 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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## 4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2016 and its profit and its cash flows for the year ended on that date.

## 5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a Statement on the matters specified in paragraphs 3 and 4 of the Order.
- II. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f) 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 B"; and
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 and Note 27 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Mumbai, 10 May 2016

## ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in Paragraph 5(l) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **Zee Entertainment Enterprises Limited** on the standalone financial statements for the year ended 31 March, 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets, except Integrated Receiver Decoders (IRD) boxes lying with third parties, have been physically verified by the management during the year, as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of records, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified (copyrights of media content verified with reference to title documents/agreements) by the management at reasonable intervals during the year. As explained to us, no discrepancies were noticed on physical verification as compared to book records.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans/guarantees given and investments made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.
- vi. The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the services rendered by the Company.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
  - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March, 2016 for a period of more than six months from the date they became payable.

- b) There are no amounts on account of sales tax, duty of customs, duty of excise and value added tax which are yet to be deposited on account of any dispute. The disputed dues of service tax and income tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount (₹/million)	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Service Tax	314	F.Y. 2006-2007	Customs, Central Excise and Service Tax Appellate Tribunal
		148	F.Y. 2007-2008	
		5	F.Y. 2011-2012	Additional Commissioner of Service Tax, Mumbai
			F.Y. 2012-2013	
The Income Tax Act, 1961	Tax Deducted at Source (including interest)	228	F.Y. 2007-2008	Commissioner of Income Tax (Appeals)
		65	F.Y. 2010-2011	
		1	F.Y. 2011-2012	
		10	F.Y. 2012-2013	
		15	F.Y. 2013-2014	
	Income Tax	0	F.Y. 1995-1996	High Court
		(₹ 426,630)^		
		18	F.Y. 2004-2005	Income Tax Appellate Tribunal
		5	F.Y. 2009-2010	
		1,476	F.Y. 2010-2011	
		3*	F.Y. 2008-2009	Commissioner of Income Tax (Appeals)
		45*	F.Y. 2009-2010	
	Income Tax-Penalty	763	F.Y. 2011-2012	Dispute Resolution Panel
		173	F.Y. 2007-2008	Commissioner of Income Tax (Appeals)

^ represents absolute amount

\*pertains to erstwhile ETC Networks Limited, merged with the Company

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans from Government and has not issued any debentures during the year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year have been applied for the purposes for which they were raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **MGB & Co. LLP**

Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 10 May 2016

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 5(II)(f) of the Independent Auditor's Report of even date to the members of the Zee Entertainment Enterprises Limited on the standalone financial statements for the year ended 31 March, 2016.**

We have audited the internal financial controls over financial reporting of **Zee Entertainment Enterprises Limited** ("the Company") as of 31 March, 2016 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 (the "Guidance Note") 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 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgment, 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 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.

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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

For **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Mumbai, 10 May 2016

# BALANCE SHEET

as at 31 March, 2016

		(₹ Millions)	
	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	21,130	21,152
Reserves and surplus	4	29,264	24,723
		<b>50,394</b>	<b>45,875</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	9	12
Long-term provisions	6	411	394
		<b>420</b>	<b>406</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	7	3,173	2,236
Other current liabilities	7	3,637	3,115
Short-term provisions	6	4,079	4,351
<b>Total</b>		<b>10,889</b>	<b>9,702</b>
		<b>61,703</b>	<b>55,983</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8		
Tangible assets		3,210	2,661
Intangible assets		207	274
Capital work-in-progress		463	879
		<b>3,880</b>	<b>3,814</b>
Non-current investments	9	17,968	6,593
Deferred tax assets (net)	10	297	266
Long-term loans and advances	11	4,020	6,652
Other non-current assets	12	194	2
		<b>26,359</b>	<b>17,327</b>
<b>CURRENT ASSETS</b>			
Current investments	13	3,400	4,495
Inventories	15	13,366	12,071
Trade receivables	16	9,539	8,318
Cash and bank balances	17	3,851	3,012
Short-term loans and advances	11	4,339	10,246
Other current assets	12	849	514
		<b>35,344</b>	<b>38,656</b>
<b>Total</b>		<b>61,703</b>	<b>55,983</b>
<b>Notes forming part of the financial statements</b>	1-49		

As per our attached report of even date

For **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Place: Mumbai  
Date: 10 May, 2016

For and on behalf of the Board

**Punit Goenka**  
Managing Director & CEO

**Manish Chokhani**  
Director

**Mihir Modi**  
Chief Finance & Strategy Officer

**M Lakshminarayanan**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2016

		(₹ Millions)	
	Note	2016	2015
<b>REVENUE</b>			
Revenue from operations	18	42,065	34,262
Other income	19	2,227	2,273
<b>Total</b>		<b>44,292</b>	<b>36,535</b>
<b>EXPENSES</b>			
Operational cost	20	18,298	13,498
Employee benefits expense	21	3,116	2,816
Finance costs	22	28	18
Depreciation and amortisation expense	23	676	580
Other expenses	24	8,893	7,501
		<b>31,011</b>	<b>24,413</b>
<b>PROFIT BEFORE TAX</b>		<b>13,281</b>	<b>12,122</b>
<b>LESS : TAX EXPENSE</b>			
Current tax - current year		4,719	4,185
- earlier years		-	(1,886)
Deferred tax charge / (benefit)		(31)	2,989
MAT credit entitlement - earlier year		-	(1,484)
<b>NET PROFIT AFTER TAX</b>		<b>8,593</b>	<b>8,318</b>
Earnings per equity share (face value Re. 1 each)	46		
Basic and diluted		7.43	7.15
<b>Notes forming part of the financial statements</b>	1-49		

As per our attached report of even date

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai

Date: 10 May, 2016

For and on behalf of the Board

**Punit Goenka**

Managing Director &amp; CEO

**Mihir Modi**

Chief Finance &amp; Strategy Officer

**Manish Chokhani**

Director

**M Lakshminarayanan**

Company Secretary

# CASH FLOW STATEMENT

for the year ended 31 March, 2016

	(₹ Millions)	
	2016	2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	13,281	12,122
<b>ADJUSTMENTS FOR :</b>		
Depreciation and amortisation expense	676	580
Provision for doubtful debts, advances and investment written back (net)	(235)	(124)
Liabilities / excess provision written back	-	(242)
Unrealised loss / (gain) on exchange adjustments (net)	(277)	(201)
Loss on sale / discard of fixed assets (net)	171	58
Interest expense	27	15
Profit on sale of current investments	(194)	(89)
Profit on sale of long-term investments	-	(2)
Dividend income	(36)	(42)
Interest income	(1,384)	(1,494)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>12,029</b>	<b>10,581</b>
<b>ADJUSTMENTS FOR :</b>		
Increase in inventories	(1,295)	(869)
Increase in trade and other receivables	(1,495)	(1,228)
Increase in trade and other payables	1,356	1,714
<b>CASH GENERATED FROM OPERATIONS</b>	<b>10,595</b>	<b>10,198</b>
Direct taxes paid (net)	(5,095)	(3,575)
<b>Net cash flow from operating activities (A)</b>	<b>5,500</b>	<b>6,623</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets / capital work-in-progress	(1,259)	(940)
Sale of fixed assets	362	5
Increase / (Decrease) in deposit accounts	980	(2,000)
Payment towards acquisition of subsidiary company	(968)	-
Purchase of long-term investments	(2,630)	(100)
Sale of long-term investments	-	339
Purchase of current investments	(35,020)	(27,906)
Sale of current investments	35,059	26,750
Loans to		
- Subsidiary	-	(614)
- Others	-	(1,530)
Loans repaid by others	2,500	730
Dividend received	3	42
Interest received	1,393	1,385
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>420</b>	<b>(3,839)</b>

	(₹ Millions)	
	2016	2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of preference shares	(22)	-
Proceeds from long-term borrowings	8	10
Repayment of long-term borrowings	(12)	(15)
Repayment of short-term borrowings	-	(1,001)
Dividend paid (including dividend tax)	(4,051)	(2,348)
Interest paid	(27)	(64)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(4,104)</b>	<b>(3,418)</b>
Net cash flow during the year (A+B+C)	1,816	(634)
Cash and bank balances received pursuant to the Scheme of Arrangement (Refer note 45) (₹ 62,485)	-	0
Cash and cash equivalents at the beginning of the year	1,000	1,634
<b>Net cash and cash equivalents</b>	<b>2,816</b>	<b>1,000</b>
Add: Balance in deposit accounts	1,020	2,000
Add: Balances earmarked	15	12
<b>Cash and bank balances at the end of the year</b>	<b>3,851</b>	<b>3,012</b>

## Notes:

1. Previous year's figures have been regrouped, recast wherever necessary.
2. During the previous year, transactions pursuant to the Scheme of Arrangement (Refer note 45), being non-cash, had not been considered in the above cash flow statement.
3. Loan of Rs./Million 6,766 has been converted into 100,500,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1/- each, being non-cash, has not been considered in the above cash flow statement.

As per our attached report of even date

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai

Date: 10 May, 2016

For and on behalf of the Board

**Punit Goenka**

Managing Director &amp; CEO

**Manish Chokhani**

Director

**Mihir Modi**

Chief Finance &amp; Strategy Officer

**M Lakshminarayanan**

Company Secretary

# NOTES

forming part of the 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 Company is mainly in the following businesses:

- (a) Broadcasting of Satellite Television Channels;
- (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 BASIS OF PREPARATION

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material aspects with its accounting standards specified under Section 133 of the Companies Act, 2013 (Act) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

### B USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses for the year. Actual results could differ from these estimates. Any revision to such accounting estimate is recognised prospectively in current and future periods.

### C TANGIBLE FIXED ASSETS

- (i) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.
- (ii) Capital work-in-progress comprises cost of tangible fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

### D INTANGIBLE ASSETS

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible Asset - channels include expenses incurred on development of new television channels till the time, it is ready for commercial launch.

### E BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

### F IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each Balance Sheet date, the Company reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

### G DEPRECIATION / AMORTISATION ON TANGIBLE / INTANGIBLE ASSETS

Depreciable amount for tangible / intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

- (i) Depreciation on tangible fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the 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.

Aircraft - 15 years  
Furniture and Fixtures - 5 years  
Gas Plant - 20 years  
Mobile Phones - 3 years  
Plant and Machinery - 5-10 years  
Vehicles - 5 years

- (ii) Premium on Leasehold Land and Leasehold Improvements are amortised over the period of Lease.
- (iii) Intangible assets are amortised over their respective individual useful lives estimated by management.

### H INVESTMENTS

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments.
- (ii) Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.
- (iii) Investment property  
Investment in land which is not intended to be occupied substantially for use by or in the operations of the Company is classified as Investment property and stated at cost. The cost comprises purchase price, borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for intended use.

## NOTES

forming part of the Financial Statements

### I TRANSACTIONS IN FOREIGN CURRENCIES

- (i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transaction.
- (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 carried at cost.

### J REVENUE RECOGNITION

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

- (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 is recognised on time basis on the provision of television broadcasting service to subscribers.
- (ii) Sales - Media content is recognised, when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.
- (iii) Services  
Commission-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 recognised on a time proportion basis taking into account amount outstanding and the applicable interest rate.
- (vi) Dividend income is recognised when the Company's right to receive dividend is established.
- (vii) Rent income is recognised on accrued basis as per the agreed terms.

### K INVENTORIES

#### (i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as

impairment. Programs, film rights, music rights are expensed / amortised as under :

- 1 Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.
- 2 Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast, 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.

### L RETIREMENT AND OTHER EMPLOYEE BENEFITS

- (i) Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders the service.
- (ii) Post employment and other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.
- (iii) Payment to defined contribution retirement benefit schemes are recognised as an expense in the Statement of Profit and Loss, when due.

### M ACCOUNTING FOR TAXES ON INCOME

- (i) Current Tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.
- (iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

## NOTES

forming part of the Financial Statements

### N LEASES

#### (i) Finance lease

Assets acquired on long-term leases, which in economic terms constitute investments financed on long-term basis i.e. Finance Lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

#### (ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / revenue under operating leases are recognised as expense / income on accrual basis in accordance with the respective lease agreements.

### O EARNINGS PER SHARE

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

### P PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

## 3. SHARE CAPITAL

	(₹ Millions)	
	2016	2015
<b>AUTHORISED</b>		
2,000,000,000 (2,000,000,000) Equity Shares of Re.1 each	2,000	2,000
21,000,000,000 (21,000,000,000) Preference Shares of Re. 1 each	21,000	21,000
	<b>23,000</b>	<b>23,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
960,448,720 (960,448,720) Equity Shares of Re. 1 each fully paid up	960	960
20,169,423,120 (20,169,423,120) 6% Cumulative Redeemable Non-Convertible Preference Shares of Re. 1 each fully paid up - Listed	20,170	20,170
Nil (22,273,886) 6% Non-Cumulative Redeemable Non-Convertible Preference Shares of Re. 1 each fully paid up - Unlisted	-	22
<b>Total</b>	<b>21,130</b>	<b>21,152</b>

### A) RECONCILIATION OF NUMBER OF EQUITY SHARES AND SHARE CAPITAL

	2016		2015	
	Number of equity shares	% of Holding	Number of equity shares	% of Holding
At the beginning of the year	960,448,720	960	960,448,720	960
Add : Changes during the year	-	-	-	-
Outstanding at the end of the year	<b>960,448,720</b>	<b>960</b>	<b>960,448,720</b>	<b>960</b>

### B) RECONCILIATION OF NUMBER OF PREFERENCE SHARES AND SHARE CAPITAL

	2016		2015	
	Number of preference shares	% of Holding	Number of preference shares	% of Holding
At the beginning of the year	20,191,697,006	20,192	20,169,423,120	20,170
Add : Allotted pursuant to the Scheme of Arrangement (Refer d(ii) and note 45)	-	-	22,273,886	22
Less : Redeemed during the year (Refer d(ii) below)	22,273,886	22	-	-
Outstanding at the end of the year	<b>20,169,423,120</b>	<b>20,170</b>	<b>20,191,697,006</b>	<b>20,192</b>

## NOTES

forming part of the Financial Statements

### C) TERMS / RIGHTS ATTACHED TO EQUITY SHARES

The Company 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 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.

### D) TERMS / RIGHTS ATTACHED TO PREFERENCE SHARES

#### (i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Listed

During the year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of Re. 1 each 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.

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have 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.

#### (ii) 6% Non-Cumulative Redeemable Non-Convertible Preference Shares - Unlisted

During the year ended 31 March 2015, the Company had issued and allotted 22,273,886 6% Non-Cumulative Redeemable Non-Convertible Preference shares of Re. 1 each fully paid up, pursuant to the Scheme of Arrangement as referred in Note 45. The preference shareholders would be entitled to vote only on resolutions which directly affect their rights. These Preference shares were redeemable at par at any time within three years from the date of allotment and the same have been redeemed during the year.

### E) DETAILS OF AGGREGATE NUMBER OF BONUS SHARES ISSUED, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH AND SHARES BOUGHT BACK DURING FIVE YEARS PRECEDING 31 MARCH, 2016

(₹ Millions)

	2016	2015
Equity Shares allotted as fully paid bonus shares	489,038,065	489,038,065
Preference Shares allotted as fully paid bonus shares (Refer d(i) above)	20,169,423,120	20,169,423,120
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	55,030,954	55,030,954
Preference Shares allotted as fully paid for consideration other than cash, pursuant to Scheme of Arrangement (Refer d(ii) above)	-	22,273,886
Equity Shares bought back and cancelled	24,185,210	24,185,210

### F) DETAILS OF EQUITY SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE EQUITY SHARES

Name of the Shareholders	2016		2015	
	Number of equity shares	% of Holding	Number of equity shares	% of Holding
Cyquator Media Services Private Limited	241,402,908	25.13%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	77,074,068	8.02%	68,716,575	7.15%

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.

## NOTES

forming part of the Financial Statements

## G) DETAILS OF PREFERENCE SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE 6% CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES - LISTED

Name of the Shareholders	2016		2015	
	Number of preference shares	% of Holding	Number of preference shares	% of Holding
Essel Landmark Private Limited	3,875,155,486	19.21%	4,120,000,000	20.43%
Essel Media Ventures Limited	-	-	2,160,654,006	10.71%
Oppenheimer Developing Markets Fund	1,895,913,054	9.40%	1,895,913,054	9.40%
ICICI Prudential Life Insurance Company Limited	1,320,809,586	6.55%	1,320,809,586	6.55%

## H) DETAILS OF PREFERENCE SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE 6% NON-CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES - UNLISTED (REDEEMED DURING THE YEAR)

Name of Shareholder	2016		2015	
	Number of preference shares	% of Holding	Number of preference shares	% of Holding
Mediavest India Private Limited	-	-	22,273,836	99.99%

## 4. RESERVES AND SURPLUS

	(₹ Millions)	
	2016	2015
<b>CAPITAL REDEMPTION RESERVE</b>		
As per last Balance Sheet	-	-
Add: Transferred from Statement of Profit and Loss, on redemption of preference shares	22	-
	22	-
<b>GENERAL RESERVE</b>		
As per last Balance Sheet	3,996	2,000
Add: Pursuant to the Scheme of Arrangement (Refer note 45)	-	1,996
	3,996	3,996
<b>SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
As per last Balance Sheet	20,727	16,551
Less: Adjustment of depreciation as per transitional provisions	-	135
Add: Deferred tax on depreciation as above	-	47
Add : Profit for the year	8,593	8,318
<b>Less : Appropriations</b>		
Transferred to Capital Redemption Reserve	22	-
Dividend on Preference Shares	1,211	1,211
Tax on dividend on Preference Shares	247	242
Proposed dividend on Equity Shares	2,161	2,161
Tax on dividend on Equity Shares	433	440
	25,246	20,727
<b>Total</b>	<b>29,264</b>	<b>24,723</b>

## 5. LONG-TERM BORROWINGS

	(₹ Millions)			
	Non-current		Current	
	2016	2015	2016	2015
Secured				
Vehicle loans - from banks*	9	12	9	10
	9	12	9	10
Less : Amount disclosed under the head "Other current liabilities" (Refer Note 7)	-	-	9	10
<b>Total</b>	<b>9</b>	<b>12</b>	<b>-</b>	<b>-</b>

\* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September 2019.

## NOTES

forming part of the Financial Statements

## 6. PROVISIONS

(₹ Millions)

	Long-term		Short-term	
	2016	2015	2016	2015
Provision for employee benefits				
- Gratuity	198	190	10	11
- Leave benefits	213	204	17	15
Others				
- Dividend on Preference Shares including tax	-	-	1,458	1,453
- Proposed dividend on Equity Shares including tax	-	-	2,594	2,601
- Provision for taxation (net of advances)	-	-	-	271
<b>Total</b>	<b>411</b>	<b>394</b>	<b>4,079</b>	<b>4,351</b>

## 7. OTHER LIABILITIES

(₹ Millions)

	2016	2015
<b>TRADE PAYABLES</b>		
Trade payables	2,700	1,804
Due to principals - subsidiary	473	432
	<b>3,173</b>	<b>2,236</b>
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings	9	10
Unearned revenue	371	173
Advances received from customers	329	29
Deposits received - from distributors	57	50
- from others	30	-
Unclaimed dividends	15	12
Creditors for capital expenditure	147	78
Employee benefits payable	552	517
Statutory dues payable	385	368
Cheques overdrawn	-	110
Other payables	1,742	1,768
	<b>3,637</b>	<b>3,115</b>
<b>Total</b>	<b>6,810</b>	<b>5,351</b>

Dividend ₹/Million 1 (1) 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, 2016.

## NOTES

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## 8 FIXED ASSETS

Description	Gross Block		Depreciation / Amortisation			Net Block	
	As at 1 April, 2015	Additions Deductions	As at 31 March, 2016	Upto 31 March, 2015	For the year (Refer Note iii below)	Upto 31 March, 2016	As at 31 March, 2016
TANGIBLE ASSETS							
Leasehold land	66	-	66	10	1	-	55
Leasehold improvements	126	334	459	85	57	1	318
Buildings	471	395	866	59	11	-	796
Computers	226	92	313	116	53	3	147
Plant and machinery	2,421	393	2,701	951	330	48	1,468
Equipments	241	160	398	96	54	2	250
Furniture and fixtures	97	79	176	48	20	0	108
Aircraft	368	-	368	66	14	-	-
Vehicles	127	30	132	51	28	15	68
Total	4,143	1,483	5,111	1,482	568	149	3,210
PREVIOUS YEAR	3,528	816	4,143	970	515	138	2,661
Intangible assets							
Software	402	44	441	255	81	2	107
Intangibles - Channels	133	-	133	6	27	-	100
Trademark	0	-	0	0	-	-	0
Total	535	44	574	261	108	2	207
PREVIOUS YEAR	268	269	535	198	65	2	274
CAPITAL WORK-IN-PROGRESS (REFER V BELOW)							
							463
							879

<sup>a</sup>“0” (zero) denotes amounts less than a million.

Notes:

- i Buildings include ₹/Millions 0 (0) (₹ 114,100 (₹ 114,100)) the value of share in a co-operative society.
- ii Part of Building and certain fixed assets has been given on Operating lease.
- iii During the previous year, the Company had adopted the useful life as per the Schedule II of the Companies Act, 2013. Consequently, ₹/Millions 135 representing the written down value of fixed assets whose lives had expired as at 1 April 2014 had been adjusted in the Surplus in Statement of Profit and Loss; net of deferred tax effect of ₹/Millions 47 (Note 4). The unamortised carrying value is depreciated / amortised over the revised / remaining useful lives.
- iv Deduction in gross block and depreciation / amortisation includes Rs./Millions 105 and Rs./Millions 39 respectively, being fixed assets transferred to wholly owned subsidiary company viz Zee Digital Convergence Limited (Refer Note 36). Capital work in progress is net of impairment loss of ₹/Millions 164 (Nil), charged to the Statement of Profit and Loss.

## NOTES

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## 9 NON-CURRENT INVESTMENTS

(₹ Millions)

	2016	2015
<b>(I) TRADE INVESTMENTS (VALUED AT COST, UNLESS STATED OTHERWISE)</b>		
<b>In Subsidiaries - Wholly Owned - Unquoted</b>		
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 (Formerly Asia Today Limited)	2,515	2,515
100,500,000 (Nil) 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1/- each of ATL Media Ltd (Formerly Asia Today Limited) *	6,527	-
30,000,000 (50,000) Equity shares of ₹ 10/- each of Zee Digital Convergence Limited (Formerly Zee Sports Limited)	300	1
10,000 (10,000) Equity shares of ₹ 100/- each of Taj Television (India) Private Limited	37	37
13,009,997 (3,010,000) Equity shares of ₹ 10/- each of Essel Vision Productions Limited	330	30
450,000 (Nil) Equity shares of ₹ 10/- each of Sarthak Entertainment Private Limited (Refer note 35)	1,068	-
1,218,000,000 (Nil) 0% Optionally Convertible Debentures of Re. 1/- each of Essel Vision Productions Limited **	1,218	-
<b>In Subsidiaries - Others - Unquoted</b>		
74,000 (74,000) Equity shares of ₹ 10/- each of Zee Turner Limited (Extent of holding 74%)	1	1
126,990,000 (123,039,613) Equity shares of Re. 1/- each of India Webportal Private Limited (Extent of holding 51%)	316	254
<b>In Others - Unquoted</b>		
30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited (₹ 300,000 (₹ 300,000))	0	0
	<b>14,896</b>	<b>5,422</b>
<b>(II) OTHER INVESTMENTS</b>		
<b>In Associate - Quoted</b>		
1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47
<b>Others - Quoted</b>		
1,822,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	2	2
50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited (Tenure - 10 years)	50	50
<b>Others - Unquoted</b>		
1,069.6 (419.6) units of ₹ 1,000,000/- each of Morpheus Media Fund	1,070	420
50,000 (50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCL Limited (Tenure - 5 years)	50	50
50,000 (50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCL Limited (Tenure - 5 years)	50	50
12,500 (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Tenure - 2 years)	1,250	1,250
Less: Amount disclosed under the head "Current Investment" (Refer note 13)	-	(1,250)
<b>Investment Property</b>		
Land at Hyderabad	573	573
	<b>3,092</b>	<b>1,192</b>
Less : Provision for diminution in value of investments	20	21
<b>Total</b>	<b>17,968</b>	<b>6,593</b>

(All the above securities are fully paid up)

\* 40 million Preference Shares are redeemable on 31 August 2017 and balance 60.5 million Preference Shares are redeemable on 28 February 2018.

\*\* 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 from the date of allotment, into Equity Shares at a price of ₹ 30/- per share 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 of quoted Investments [Market Value ₹/millions 372 (369)]	99	99
Aggregate amount of unquoted Investments	17,316	5,942
Value of investment property	573	573
Diminution in value of investments	20	21

## NOTES

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## 10. DEFERRED TAX ASSETS (NET)

The components of deferred tax balances as at 31 March, 2016 are as under:

	(₹ Millions)	
	2016	2015
<b>DEFERRED TAX ASSETS</b>		
Arising on account of timing differences in Employee retirement benefits	152	144
Provision for doubtful debts and advances	167	248
	<b>319</b>	<b>392</b>
<b>DEFERRED TAX LIABILITIES</b>		
Depreciation	22	126
	22	126
<b>DEFERRED TAX ASSETS (NET)</b>	<b>297</b>	<b>266</b>

## 11. LOANS AND ADVANCES

	(₹ Millions)			
	Long-term		Short-term	
	2016	2015	2016	2015
Capital advances	157	104	-	-
Deposits (unsecured, considered good)	401	280	67	87
Advances and deposits to related parties*	421	421	89	34
Loan to subsidiary	-	2,917	-	3,254
Other loans and advances (unsecured)				
Loans	-	-	1,750	4,250
Other advances				
- Considered good	-	-	1,718	1,918
- Considered doubtful	-	-	251	251
	-	-	1,969	2,169
Less: Provision for doubtful advances	-	-	251	251
	-	-	1,718	1,918
Prepaid expenses	15	9	90	128
Balance with Government authorities				
- Advance income tax (net of provisions)	3,026	2,921	-	-
- Advance indirect taxes	-	-	625	575
<b>Total</b>	<b>4,020</b>	<b>6,652</b>	<b>4,339</b>	<b>10,246</b>

\* Advances include ₹/Millions 45 (45) due from a Company in which one of the directors is interested as director

## NOTES

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## 12. OTHER ASSETS

(₹ Millions)

	Non-current		Current	
	2016	2015	2016	2015
Unbilled revenue	-	-	-	20
Interest accrued on				
Long-term investments	194	2	34	115
Current investments	-	-	-	3
Loans - Subsidiary	-	-	-	91
Bank deposits	-	-	6	32
Dividend receivable - subsidiary	-	-	33	-
Other receivables - Subsidiaries	-	-	559	324
Less: Provision for doubtful debts	-	-	46	89
	-	-	513	235
Other receivables - Related parties	-	-	259	17
- Others	-	-	4	1
<b>Total</b>	<b>194</b>	<b>2</b>	<b>849</b>	<b>514</b>

## 13. CURRENT INVESTMENTS

(₹ Millions)

	2016	2015
<b>MUTUAL FUNDS - QUOTED</b>		
126,881 (Nil) units of ₹ 1,000/- each of HDFC Cash Management Fund - Savings plan	400	-
<b>COMMERCIAL PAPER - QUOTED</b>		
Nil (2,500) units of ₹ 500,000/- each of Axis Finance Limited (Tenure - 12 days)	-	1,245
<b>OTHERS - UNQUOTED</b>		
Nil (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Refer note 9)		1,250
<b>CERTIFICATE OF DEPOSIT (NON-TRANSFERABLE) - UNQUOTED</b>		
11.25% (Nil) of SICOM Limited (Tenure - 1 year)	3,000	-
Nil (11.75%) of SICOM Limited (Tenure - 1 year)	-	1,000
Nil (12%) of SICOM Limited (Tenure - 1 year)	-	1,000
<b>Total</b>	<b>3,400</b>	<b>4,495</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 400 (1,245)]	400	1,245
Aggregate amount of unquoted Investments	3,000	3,250

## NOTES

forming part of the Financial Statements

### 14. INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

#### A) LOANS GIVEN

	2015	Given	Repaid	(₹ Millions)
				2016
i) To Wholly Owned Subsidiary	6,171	595*	6,766 \$	-
* (includes foreign currency realignment of ₹/Millions 595 (174))	(5,383)	(788)*	(-)	(6,171)
ii) In the form of unsecured short term Inter Corporate Deposits (excluding roll over)**	4,250	-	2,500	1,750
	(3,450)	(1,530)	(730)	(4,250)
<b>Total</b>	<b>10,421</b>	<b>595</b>	<b>9,266</b>	<b>1,750</b>
	<b>(8,833)</b>	<b>(2,318)</b>	<b>(730)</b>	<b>(10,421)</b>

#### Notes

\$ Loan has been converted into 100,500,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1 each.

\*\* Inter Corporate Deposits are given as a part of treasury operations of the Company on following terms :

1 All loans are given to unrelated corporate entities at an interest ranging from 12% to 13.5%.

2 All loans are short term in nature.

3. All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

#### B) INVESTMENTS MADE

There are no investments by the Company other than those stated under Note 9 and Note 13 in the Financial Statements.

#### C) GUARANTEES GIVEN

	2016	(₹ Millions)
		2015
i) To secure obligations of Wholly Owned Subsidiary - Guarantees to Banks and Sports Administrators	11,506	11,049
ii) To Banks to secure obligations of other Related Parties:		
- Guarantees	170	170
- Commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers (Refer Note 26)	630	621

#### D) SECURITIES PROVIDED

There are no securities provided during the year.

### 15. INVENTORIES#

	2016	(₹ Millions)
		2015
Raw stock - tapes	10	10
Media content*	13,306	11,998
Under production- Programs	50	63
<b>Total</b>	<b>13,366</b>	<b>12,071</b>

\* Includes rights ₹/Millions 2,400 (2,197), which will commence at a future date.

# valued at lower of cost / unamortised cost or realisable value.

## NOTES

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## 16. TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	2016	2015
Over six months		
- Considered good	869	396
- Considered doubtful	186	350
Others		
- Considered good	8,670	7,922
- Considered doubtful	-	28
	<b>9,725</b>	<b>8,696</b>
Less: Provision for doubtful debts	186	378
<b>Total</b>	<b>9,539</b>	<b>8,318</b>

## 17. CASH AND BANK BALANCES

(₹ Millions)

	2016	2015
<b>CASH AND CASH EQUIVALENTS</b>		
Balances with banks -		
In Current accounts	990	480
In Deposit accounts	1,730	517
Cheques in hand / remittance in transit	94	-
Cash in hand	2	3
	<b>2,816</b>	<b>1,000</b>
<b>OTHER BANK BALANCES</b>		
Balances with banks		
In Deposit accounts	1,020	2,000
In Unclaimed dividend accounts	15	12
	<b>1,035</b>	<b>2,012</b>
<b>Total</b>	<b>3,851</b>	<b>3,012</b>

## 18. REVENUE FROM OPERATIONS

(₹ Millions)

	2016	2015
Services - Broadcasting revenue		
Advertisement	28,831	22,284
Subscription	10,771	9,450
- Commission - Space selling	155	124
- Transmission revenue	292	288
Sales - Media content	1,967	2,037
Other operating revenue	49	79
<b>Total</b>	<b>42,065</b>	<b>34,262</b>

## NOTES

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### 19. OTHER INCOME

	(₹ Millions)	
	2016	2015
Interest income from		
- Long-term investments	228	240
- Current investments	247	268
- Loan - Subsidiary	381	349
- Bank deposits	47	37
- Others	481	600
Dividend income from		
- Current investments		
- Long-term investments	-	40
- Subsidiary	33	-
- Others	3	2
Rent income		
- Subsidiaries		
- Others	38	10
Gain on exchange difference (net)	106	98
Liabilities / excess provision written back	414	245
Profit on sale of -	-	242
- Current investments		
- Long-term investments	194	89
Miscellaneous income	-	2
	55	51
<b>Total</b>	<b>2,227</b>	<b>2,273</b>

### 20. OPERATIONAL COST

	(₹ Millions)	
	2016	2015
<b>A) MEDIA CONTENT<sup>#</sup></b>		
Opening - Inventory *	11,998	11,173
- Under production - programs	63	23
Add: Commissioned / acquisition **	15,400	11,042
Add: Production Expenses		
- Location hire and set charges	467	269
- Equipment hire charges	480	349
- Professional / artist fees	1,496	1,335
- License fees	290	200
- Other production expenses	960	718
Less: Closing - Inventory *	13,306	11,998
- Under production - programs	50	63
	<b>17,798</b>	<b>13,048</b>
b) Telecast cost	500	450
<b>Total</b>	<b>18,298</b>	<b>13,498</b>

\* Includes cost / unamortised cost.

\*\* Includes rights acquired ₹/Millions 961 (834), which will commence at a future date.

# Media content of ₹/Millions 817 (641) are impaired during the year.

## NOTES

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## 21. EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	2016	2015
Salaries and allowances	2,886	2,616
Contribution to provident and other funds	147	132
Staff welfare expenses	83	68
<b>Total</b>	<b>3,116</b>	<b>2,816</b>

## 22. FINANCE COSTS

(₹ Millions)

	2016	2015
Interest on - vehicle loans	3	3
- others	24	12
Other financial charges	1	3
<b>Total</b>	<b>28</b>	<b>18</b>

## 23. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	2016	2015
Depreciation on tangible assets	568	515
Amortisation of intangible assets	108	65
<b>Total</b>	<b>676</b>	<b>580</b>

## NOTES

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### 24. OTHER EXPENSES

	(₹ Millions)	
	2016	2015
Rent	594	282
Repairs and maintenance		
- Buildings	1	11
- Plant and machinery	107	107
- Others	45	33
Insurance	12	6
Rates and taxes	76	24
Electricity and water charges	129	117
Communication charges	86	83
Printing and stationery	18	18
Travelling and conveyance expenses	282	279
Legal and professional charges	408	307
Payment to auditors (Refer note 30)	15	15
Corporate Social Responsibility expenses (Refer note 47)	228	168
Donations	9	3
Hire and Service Charges	448	87
Miscellaneous expenses	27	28
Advertisement and publicity expenses	3,835	3,300
Commission expenses	54	56
Marketing, distribution and promotion expenses	2,264	2,330
Conference expenses	110	105
Provision for doubtful debts, advances and investment written back (net)	(235)	(124)
Bad debts and advances written off	209	208
Loss on sale / impairment / discard of fixed assets (net)	171	58
<b>Total</b>	<b>8,893</b>	<b>7,501</b>

### 25 LEASES

#### A. OPERATING LEASES:

- (a) The Company has taken office, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally from 7 months to 120 months.

	(₹ Millions)	
	2016	2015
Lease rental charges for the year	1,223	735
<b>Future Lease rental obligation payable (under non-cancellable lease)</b>		
Not later than one year	1,042	642
Later than one year but not later than five years	1,124	556
Later than five years	16	-

- (b) The Company has given part of its buildings under cancellable operating lease agreement. The initial term of the lease is for 11 to 36 months. The rental revenue for the year is ₹/Millions 118 (108).
- (c) The Company has also sub-leased part of 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.

## NOTES

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		(₹ Millions)
	2016	2015
Sub lease rent income (₹/Millions 59 netted against rent expenses)	85	-
<b>FUTURE SUB LEASE RENTAL RECEIVABLE (UNDER NON-CANCELLABLE LEASE)</b>		
Not later than one year	191	-

## 26. CONTINGENT LIABILITIES

		(₹ Millions)
	2016	2015
a) Corporate Guarantees		
-For subsidiaries, loans outstanding ₹/Millions Nil (Nil)	11,506	11,049
-For other related parties, loans outstanding ₹/Millions 800 (791)^	800	791
b) Disputed Indirect Taxes	468	468
c) Disputed Direct Taxes *	3,995	4,873
d) Claims against the Company not acknowledged as debts #	833	626
e) 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.

\* 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 will be decided in its favour and hence no provision is considered necessary at this stage.

# 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.

@ 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.

27. 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 ₹/Millions 1,236 (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. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

## 28. CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/Millions 55 (394).
- (b) Other commitments as regards media content and others are ₹/Millions 5,825 (8,410).
- (c) Uncalled liability on investments committed ₹/Millions 180 (380).
- (d) The Company has committed to provide continued financial support to various subsidiaries - Amount not ascertainable.

## NOTES

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### 29. MANAGERIAL REMUNERATION

- (a) Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Managing Director and Executive Vice Chairman, included in Note 21 "Employee benefits expense" is as under :

(₹ Millions)

	Managing Director		Executive Vice Chairman#	
	2016	2015	2016	2015
Salary and Allowances	55	41	24	36
Contribution to provident fund	4	4	-	-
Perquisites (₹ 21,397 (₹ 39,600))	8	6	0	0

# Upto 15 October, 2015

Note: 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.

- (b) Commission payable to Non-Executive Directors of ₹/Millions 13 (12) based on Profits for the year ended 31 March 2016 is included in Legal and Professional charges under Note 24 "Other expenses".

### 30. PAYMENT TO AUDITORS

(₹ Millions)

	2016	2015
Audit fees	8	7
Tax audit fees	1	1
Certification and tax representation	6	7
Reimbursement of expenses (₹ 395,824 (₹ 427,135))	0	0
<b>Total</b>	<b>15</b>	<b>15</b>

31. The Company has been deploying its surplus funds by way of inter corporate deposits, debt instruments etc. and the parties are regular in the payment of interest and hence considered good.
32. Operational cost and other expenses are net off recoveries ₹/Millions 438 (391).

### 33. FOREIGN EXCHANGE

Foreign currency exposures that are not hedged by derivative instruments as at 31 March, 2016 are as under :

(₹ Millions)

	2016	2015
Payables	499	198
Receivables	1,563	828
Redeemable Non-Convertible Preference Shares	6,527	-
Loans	-	6,171

### 34. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31 March, 2016, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

35. During the year, the Company has acquired the entire Equity Share Capital of Sarthak Entertainment Private Limited which operates "Sarthak TV" an Odiya language general entertainment channel. Sarthak Entertainment Private Limited has become a wholly owned subsidiary of the Company w.e.f. 4 December, 2015.

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36. During the year, the Company has transferred its Ditto Tv Business division to its wholly owned company viz. Zee Digital Convergence Limited (Formerly Zee Sports Limited). The details of net assets and liabilities transferred are as under:

(₹ Millions)

<b>ASSETS</b>	
Fixed Assets	66
Current Assets	86
	152
<b>LIABILITIES</b>	
Current Liabilities	59
<b>NET ASSETS TRANSFERRED</b>	<b>93</b>

## 37. EMPLOYEE BENEFITS

As per Accounting Standard 15 "Employee Benefits", the disclosures are as under:

## A. 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.

Disclosure of Gratuity in terms of AS 15 is as under.

(₹ Millions)

	2016	2015
	Gratuity (Non Funded)	
<b>I. EXPENSES RECOGNISED DURING THE YEAR</b>		
1. Current Service Cost	40	25
2. Interest Cost	18	15
3. Actuarial Losses / (Gains)	11	51
4. Past Service cost	-	-
<b>Total Expenses</b>	<b>69</b>	<b>91</b>
<b>II. NET ASSET / (LIABILITY) RECOGNISED IN THE BALANCE SHEET AS AT 31 MARCH, 2016</b>		
1 Present value of defined benefit obligation	208	201
2 Net Asset / (Liability)	(208)	(201)
<b>III. RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN THE BALANCE SHEET AS AT 31 MARCH, 2016</b>		
1 Net Asset / (Liability) at the beginning of year	(201)	(138)
2 Expense as per I above	(69)	(91)
3 Liabilities transferred on divestiture	44	-
4 Benefits paid	18	28
Net Asset / (Liability) at the end of the year	<b>(208)</b>	<b>(201)</b>
<b>IV. ACTUARIAL ASSUMPTIONS</b>		
1 Discount rate	8.05%	7.95%

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2	Expected rate of salary increase	9.50%	9.50%
3	Mortality	IAL (2006-08)	IAL (2006-08)

### V. AMOUNTS RECOGNISED IN CURRENT YEAR AND PREVIOUS FOUR YEARS

	2016	2015	2014	2013	2012
	(₹ Millions)				
1. Defined benefit obligation	208	201	138	102	81
2. Actuarial (gain)/loss on plan obligation	11	51	19	13	2

Notes:

- (a) Amounts recognised as an expense and included in the Note 21 "Employee benefits expense" are gratuity ₹/ Millions 69 (91) and leave encashment ₹/ Millions 64 (96).
- (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.

### B DEFINED CONTRIBUTION PLAN:

"Contribution to provident and other funds" is recognised as an expense in Note 21 "Employee benefits expense" of the Statement of Profit and Loss.

## 38. RELATED PARTY TRANSACTIONS

### (I) LIST OF PARTIES WHERE CONTROL EXISTS

#### Subsidiary Companies

#### (a) Wholly owned (Direct and indirect subsidiaries)

Asia Multimedia Distribution Inc.; ATL Media Ltd (Formerly Asia Today Limited); Asia TV Limited; ATL Media FZ-LLC; Eevee Multimedia Inc.; Essel Vision Productions Limited; Expand Fast Holdings (Singapore) Pte. Limited; 000 Zee CIS LLC; 000 Zee CIS Holding LLC; Taj Television (India) Private Limited; Taj TV Limited; Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited); Zee Multimedia Worldwide (Mauritius) Limited; Zee Digital Convergence Limited (Formerly Zee Sports Limited); Zee Technologies (Guangzhou) Limited; Zee Entertainment Middle East FZ-LLC; Zee TV South Africa (Proprietary) Limited; Zee TV USA Inc.; Sarthak Entertainment Private Limited (w.e.f. 4 December, 2015) ; Asia Today Singapore Pte Limited (Incorporated during the year); Asia TV USA Limited (Incorporated during the year).

#### (b) Others - Direct and Indirect

Zee Turner Limited (extent of holding 74%); India Webportal Private Limited (extent of holding 51%), Idea Shop Web and Media Private Limited (extent of holding 51.04% ) w.e.f 1 October 2015

### (II) ASSOCIATES

Aplab Limited (extent of holding 26.42%); Asia Today Thailand Limited (Held through Asia Today Limited) (extent of holding 25%); Idea Shop Web and Media Private Limited (held through India Webportal Private Limited) (extent of holding 38.61% ) Upto 30 September 2015

### (III) JOINT VENTURE (HELD THROUGH ZEE TURNER LIMITED)

Media Pro Enterprise India Private Limited (extent of holding 50%)

### (IV) OTHER RELATED PARTIES WITH WHOM TRANSACTIONS HAVE TAKEN PLACE DURING THE YEAR AND BALANCE OUTSTANDING AS ON THE LAST DAY OF THE YEAR:

Procall Infra & Utilities Private Limited (Formerly Agrani Wireless Services Limited); Bombay Mobile Softwares Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Essel Business Excellence Services Limited; Essel Propack Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel InfraProjects Limited; Essel Shyam Communication Private Limited; Essel Solar Energy Private Limited; Himgiri Zee University; Indian Cablenet Company Limited; Intrex India Limited; ITZ Cash Card Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Pri Media Services Private Limited; Real Media FZ-LLC; Siti Cable Network Limited; Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communications Private Limited; Siti Karnal Digital Media Network Private Limited; Siti Maurya Cable Net Private Limited; Siti Vision Digital Media Private Limited; Siti Bhatia Network Entertainment Private Limited; Smart Wireless Private Limited; Tapasvi Mercantile Private Limited; Veria International Limited; Zee Akash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited, Zee Foundation.

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## Directors / Key Management Personnel

Dr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director &amp; CEO), Mr. Subodh Kumar (Executive Vice Chairman - upto 15 October, 2015).

## (V) TRANSACTIONS WITH RELATED PARTIES

	(₹ Millions)	
	2016	2015
<b>A) Fixed assets</b>		
Assets purchased during the year		
Subsidiaries	4	34
Other related parties	-	27
Assets sold during the year		
Subsidiaries (P. Y. ₹ 162,257)	-	0
Other related parties	-	2
<b>B) Non-current investments</b>		
Subsidiaries		
Balance as at 1 April	5,422	5,422
Purchased / subscribed during the year*	9,474	-
Balance as at 31 March	14,896	5,422
Associates		
Balance as at 1 April	47	47
Balance as at 31 March	47	47
Other related parties		
Balance as at 1 April	2	2
Balance as at 31 March	2	2
Provision for diminution in value of investments		
Subsidiaries	-	1
Associate	20	20
<b>C) Trade Receivables as at 31 March</b>		
Subsidiaries	2,116	2,611
Joint Venture	746	788
Other related parties (P.Y. ₹ 61,400)	-	0
<b>D) Loans, Advances and Deposits given as at 31 March</b>		
Subsidiaries	-	6,171
Other related parties	510	455
<b>E) Other Receivables</b>		
Subsidiaries	592	324
Joint venture (P.Y. ₹ 268,257)	-	0
Other related parties	259	17
<b>F) Advances and Deposits received as at 31 March</b>		
Subsidiaries	6	1
Other related parties	24	-
<b>G) Interest accrued</b>		
Subsidiaries	-	91
<b>H) Trade Payables / Other Payables as at 31 March</b>		
Subsidiaries	499	142
Other related parties	200	189
Associates (P.Y. ₹ 18,480)	-	-
Due to Principals - Pending Remittances		
Subsidiaries	473	432
<b>I) Repayment of short-term borrowings</b>		
Other related parties	-	1,001
<b>J) Revenue from operations</b>		
Advertisement income		
Subsidiaries	19	4

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	(₹ Millions)	
	2016	2015
Other related parties	60	10
<b>Subscription income</b>		
Subsidiaries	10,771	7,891
Joint venture	-	1,472
Other related parties	-	1
<b>Commission received</b>		
Subsidiaries	155	124
<b>Transmission income</b>		
Subsidiaries	248	253
Other related parties	44	36
<b>Sales - Media content</b>		
Subsidiaries	1,402	1,598
<b>Other Operating income</b>		
Other related parties	1	-
<b>K) Other income</b>		
<b>Interest income</b>		
Subsidiaries	381	349
<b>Dividend income</b>		
Subsidiaries	33	-
Other related parties	3	2
<b>Rent/Miscellaneous income</b>		
Subsidiaries	81	42
Joint venture	-	1
Other related parties	107	103
<b>Balances written back</b>		
Subsidiaries	-	6
Other related parties (P.Y. - Rs. 490,235)	-	0
<b>Recoveries / Reimbursements</b>		
Subsidiaries (net of reimbursements of Rs./Millions 92 ,P.Y. - Rs. Nil)	154	261
Joint venture	-	1
Other related parties	284	129
<b>Provision for advances and investments written back</b>		
Subsidiaries	34	-
<b>Sale of Division</b>		
Subsidiaries	93	-
<b>L) Loans, advances and deposits given</b>		
Subsidiaries	-	614
Other related parties	86	427
<b>M) Loans, advances and deposits repayment received</b>		
Subsidiaries*	6,171	-
<b>N) Purchase of Media content</b>		
Subsidiaries	2,826	1,721
Other related parties	6	49
<b>O) Purchase of services</b>		
Subsidiaries	12	28
Associates (Rs. 75,870 (P.Y. Rs. 124,424))	0	0
Other related parties	1,900	1,042
<b>P) Corporate Social Responsibility expenses</b>		
Other related parties	200	90
<b>Q) Commission Expenses</b>		

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	(₹ Millions)	
	2016	2015
Subsidiaries	11	5
R) <b>Bad debts written off</b>		
Subsidiaries	22	30
S) <b>Provision for doubtful debts and advances</b>		
Subsidiaries	12	-
T) <b>Advances and deposits received</b>		
Subsidiaries	6	31
Other related parties	24	-
U) <b>Advances and deposits refunded</b>		
Subsidiaries	1	28
V) <b>Guarantees</b>		
Corporate guarantees given		
Subsidiaries	11,506	11,049
Other related parties	800	791

\* Loan has been converted in 100,500,000 6% Cumulative Redeemable Non- Convertible Preference shares of USD 1 each.

**DISCLOSURE IN RESPECT OF MATERIAL RELATED PARTIES WHICH ACCOUNT FOR 10% OR MORE OF TRANSACTIONS DURING THE YEAR:**

- a. Fixed assets purchased during the year, Taj TV Limited ₹/Millions Nil (34); Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions Nil (13); Dish TV India Limited ₹/Millions Nil (3); Zee Learn Limited ₹/Millions Nil (11); Zee Digital Convergence Limited ₹/Millions 4 (Nil). Fixed assets sold during the year, Taj Television (India) Private Limited ₹/Millions Nil (0); Zee Media Corporation Limited ₹/Millions Nil (2).
- b. Sale of division during the year, Zee Digital Convergence Limited ₹/Millions 93 (Nil).
- c. Non-current investments - Subsidiaries, additions during the year include Sarthak Entertainment Private Limited ₹/Millions 1,068 (Nil); Preference shares in ATL Media Ltd ₹/Millions 6,527 (Nil); Debentures in Essel Vision Productions Limited ₹/Millions 1,218 (Nil). Provision for diminution in value of investments Zee Digital Convergence Limited ₹/Millions Nil (1); Aplan Limited ₹/Millions 20 (20).
- d. Loans, advances and deposits given to ATL Media Ltd ₹/Millions Nil (614); Broadcast Audience Research Council ₹/Millions Nil (50); Cyquator Media Services Private Limited ₹/Millions Nil (2); Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions Nil (340); Essel Corporate Resources Private Limited ₹/Millions 21 (Nil); Siticable Network Limited ₹/Millions 65 (Nil).
- e. Loans, advances and deposits balances outstanding at year end include ATL Media Ltd ₹/Millions Nil (6,171); Broadcast Audience Research Council ₹/Millions 45 (45); Cyquator Media Services Private Limited ₹/Millions Nil (30); Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions 340 (340); Siticable Network Limited ₹/Millions 66 (0).
- f. Other receivable balances include ATL Media Ltd ₹/Millions 352 (171); Taj Television (India) Private Limited ₹/Millions 52 (61); Taj TV Limited ₹/Millions 96 (51); Zee Digital Convergence Limited ₹/Millions 91 (33); Zee Turner Limited ₹/Millions Nil (8); Media Pro Enterprise India Private Limited ₹/Millions Nil (0); Dish Infra Services Private Limited ₹/Millions Nil (3); Essel Finance Management LLP ₹/Millions 15 (4); ITZ Cash Card Limited ₹/Millions 1 (2); Zee Media Corporation Limited ₹/Millions 96 (8); Essel Infra Projects Limited ₹/Millions 32 (Nil); Living Entertainment Enterprises Private Limited ₹/Millions 106 (Nil).
- g. Purchase of Media content includes - ATL Media Ltd ₹/Millions 70 (307); Essel Vision Productions Limited ₹/Millions 1,280 (1,312); Taj TV Limited ₹/Millions 1,133 (Nil); Zee Entertainment Middle East FZ-LLC ₹/Millions 343 (102); Zee Learn Limited ₹/Millions 6 (49).
- h. Purchase of Services includes Production expenses - Zee Entertainment Middle East FZ-LLC ₹/Millions Nil (2); Essel Shyam Communication Private Limited ₹/Millions 2 (1); Pan India Network Infravest Private Limited ₹/Millions Nil (1); Zee Learn Limited ₹/Millions Nil (2). Telecast cost - Dish TV India Limited ₹/Millions 122 (115); Essel Shyam Communication Private Limited ₹/Millions 1 (10). Rent expenses - Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions 446 (37); Essel Corporate Resources Private Limited ₹/Millions 101 (155). Communication charges - Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions 5 (4); Pan India Network Infravest Private Limited ₹/Millions 2 (2). Electricity and water Charges - Siti Cable Network Limited ₹/Millions Nil (2). Legal and Professional Charges - Essel Corporate Resources Private Limited ₹/Millions 140 (139); Hire and Service charges - Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions 49 (4) Essel Business Excellence Services Limited ₹/Millions 110 (Nil). Advertisement and Publicity expenses - Essel Vision Productions Limited ₹/Millions 5 (Nil); Zee Digital Convergence Limited ₹/Millions 6 (Nil); India Webportal Private Limited ₹/Millions 0 (2); Taj TV Limited ₹/Millions 0 (2); Dish TV India Limited ₹/Millions 10 (51); Siti Cable Network Limited ₹/Millions 146 (165); Zee Media Corporation Limited ₹/Millions 18 (32); Indian Cable Net Company Limited ₹/Millions 76 (Nil). Marketing, Distribution and Promotion expenses - Essel Vision Productions Limited ₹/Millions Nil (22); Dish TV India Limited ₹/Millions 25 (22); Indian Cable Net Company Limited ₹/Millions 80 (128); Siti Cable Network Limited ₹/Millions 209 (145); Broadcast Audience Research Council ₹/Millions 290 (Nil). Repairs and Maintenance Aplan Limited ₹/Millions 0 (0); Dish TV India Limited ₹/Millions Nil (2).

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- i. Corporate Social Responsibility expenses - Himgiri Zee University ₹/Millions Nil (90); Zee Foundation ₹/Millions 200 (Nil).
- j. Commission expenses - Taj Television (India) Private Limited ₹/Millions 11 (5).
- k. Bad debts written off - Taj Television (India) Private Limited ₹/Millions 22 (29); Zee Digital Convergence Limited ₹/Millions Nil (1).
- l. Provision for doubtful debts and advances - Taj Television (India) Private Limited ₹/Millions 12 (Nil).
- m. Provision for advances and investments written back - Zee Digital Convergence Limited ₹/Millions 34(Nil);
- n. Trade and other payables balances - ATL Media Ltd ₹/Millions 127 (120); Essel Vision Productions Limited ₹/Millions 154 (22); Zee Entertainment Middle East FZ-LLC ₹/Millions 177 (Nil); Dish TV India Limited ₹/Millions 56 (119); Indian Cable Net Company Limited ₹/Millions 27 (19); Real Media FZ-LLC ₹/Millions 16 (15); Siti Cable Network Limited ₹/Millions Nil (22); Broadcast Audience Research Council ₹/Millions 30 (Nil); Essel Business Excellence Services Limited ₹/Millions 66 (Nil). Due to Principals - Pending Remittances to ATL Media Ltd ₹/Millions 473 (432).
- o. Revenue from operations include Advertisement income - Essel Vision Productions Limited ₹/Millions 1 (4); Zee Digital Convergence Limited ₹/Millions 18 (Nil); Diligent Media Corporation Limited ₹/Millions Nil (1); Dish TV India Limited ₹/Millions 50 (8); Living Entertainment Enterprises Private Limited ₹/Millions 8 (Nil). Subscription income - Taj Television (India) Private Limited ₹/Millions 10,771 (7,891); Media Pro Enterprise India Private Limited ₹/Millions Nil (1,472); Dish TV India Limited ₹/Millions Nil (1). Commission - Space selling - ATL Media Ltd ₹/Millions 155 (124). Transmission Income - ATL Media Ltd ₹/Million 249 (253); Zee Media Corporation Limited ₹/Millions 37 (36); Living Entertainment Enterprises Private Limited ₹/Millions 7 (Nil). Sales - Media content to ATL Media Ltd ₹/Millions 1,278 (1,348); Zee Entertainment Middle East FZ-LLC ₹/Millions 77 (156). Other operating income - Dish TV India Limited ₹/Millions 1 (Nil).
- p. Other income includes Interest income - ATL Media Ltd ₹/Millions 381 (349). Dividend income - ATL Media Ltd ₹/Millions 33 (Nil); Essel Propack Limited ₹/Millions 3 (2); . Rent/Miscellaneous income includes - Taj Television (India) Private Limited ₹/Millions 22 (9); Taj TV Limited ₹/Millions 43 (32); Zee Digital Convergence Limited ₹/Millions 15 (Nil); Media Pro Enterprise India Private Limited ₹/Millions Nil (1); Dish TV India Limited ₹/Millions 16 (28); Siti Cable Network Limited ₹/Millions 7 (13); Zee Media Corporation Limited ₹/Millions 57 (51); Dish Infra Service Private Limited ₹/Millions 14 (1). Balances written back includes - ATL Media Ltd ₹/Millions Nil (1); Essel Vision Productions Limited ₹/Millions Nil (5); Intrex India Private Limited ₹/Millions Nil (0); Pan India Network Limited ₹/Millions Nil (0).
- q. Recoveries - ATL Media Ltd ₹/Millions 222 (257); Media Pro Enterprise India Private Limited ₹/Millions Nil (1); Dish TV India Limited ₹/Millions 37 (55); Siti Cable Network Limited ₹/Millions 4 (12); Zee Media Corporation Limited ₹/Millions 74 (52); Essel Infra Projects Limited ₹/Millions 30 (Nil); Living Entertainment Enterprises Private Limited ₹/Millions 95 (Nil). Reimbursements - ZEE Digital Convergence Limited - ₹/Millions 92 (Nil).
- r. Trade Receivables balances, ATL Media Ltd ₹/Millions 793 (483); Taj Television (India) Private Limited ₹/Millions 1,285 (2,071); Media Pro Enterprise India Private Limited ₹/Millions 746 (788); Veria International Limited ₹/Millions Nil (0).
- s. Interest accrued on Loans includes ATL Media Ltd ₹/Millions Nil (91).
- t. Advances and deposits received balance include Taj Television (India) Private Limited ₹/Millions 5 (Nil); Asia TV Limited ₹/Millions 1 (1); Essel Corporate Resources Private Limited ₹/ Millions 10 (Nil), Essel Infra Projects Limited ₹/ 12 Millions (Nil).
- u. Advances and deposits received during the year from Taj Television (India) Private Limited ₹/Millions 5 (Nil); Asia TV Limited ₹/Millions 1 (31); Essel Corporate Resources Private Limited ₹/ Millions 10 (Nil), Essel Infra Projects Limited ₹/Millions 12 (Nil).
- v. Advances and deposits refunded during the year includes Asia TV Limited ₹/Millions 1 (28).
- w. Short-term borrowings repaid of Tapasvi Mercantile Private Limited ₹/Millions Nil (1,001).
- x. Corporate guarantees on behalf of Taj TV Limited ₹/Millions 11,506 (11,049); Broadcast Audience Research Council ₹/Millions 170 (170); Siti Cable Network Limited ₹/Millions 630 (610); Zee Learn Limited ₹/Millions Nil (11).

Note

Details of Remuneration to directors are disclosed in Note 29.

Non-Current investments as at 31 March 2016 are disclosed in Note 9.

"0" (zero) denotes amounts less than a million.

**39. DISCLOSURES AS REQUIRED BY SCHEDULE V (A) (2) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****(A) LOANS AND ADVANCES GIVEN TO SUBSIDIARY (LOANEE)**

	(₹ Millions)			
	Balance as at 31 March		Maximum amount outstanding during the year	
	2016	2015	2016	2015
ATL Media Ltd (Formerly Asia Today Limited)*	-	6,171	6,766	6,171

\* Loan has been converted into 100,500,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1 each.

**(B) The loanee has not made investments in the shares of the Company.**

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## 40. (A) CONSUMPTION OF RAW STOCK (INCLUDED IN OPERATIONAL COST)

	2016	2015
Raw Tapes	6	12
<b>Total</b>	<b>6</b>	<b>12</b>

(₹ Millions)

## (B) DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

	2016		2015	
	%	Amount	%	Amount
Imported	-	-	-	-
Indigenous	100	6	100	12
<b>Total</b>	<b>100</b>	<b>6</b>	<b>100</b>	<b>12</b>

(₹ Millions)

## 41. EARNINGS IN FOREIGN CURRENCY

	2016	2015
FOB value of exports	1,473	1,731
Broadcasting revenue	415	301
Transmission revenue	249	253
Commission- Space Selling	155	124
Interest income	381	349
Dividend income	33	-
Others	96	81

(₹ Millions)

## 42. REMITTANCES IN FOREIGN CURRENCY

	2016	2015
<b>EQUITY</b>		
Net Dividend remitted	389	345
Number of Shareholders (Numbers)	108	112
Number of Equity Shares held (Numbers)	172,670,092	172,715,758
<b>PREFERENCE</b>		
Net Dividend remitted	130	15
Number of Shareholders (Numbers)	151	169
Number of Preference Shares held (Numbers)	2,173,093,398	3,529,988,600

(₹ Millions)

## 43. (A) EXPENDITURE IN FOREIGN CURRENCY

	2016	2015
Travelling and conveyance expenses	8	7
Telecast cost	354	317
Program Rights / Production expenses	1,618	1,460
Repairs and maintenance expenses	11	25
Marketing, distribution and promotion expenses	24	62
Legal and professional charges	1	4
Others	4	8

(₹ Millions)

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### (B) CIF VALUE OF IMPORTS

	(₹ Millions)	
	2016	2015
Capital equipment	89	174
Software - Intangible assets	-	18

44. The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2015. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

### 45. ACQUISITION OF MEDIA BUSINESS UNDERTAKING OF DILIGENT MEDIA CORPORATION LIMITED

- a) During the previous year, a Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with Section 78 and Sections 100 to 104 and other applicable provisions of the Companies Act 1956 / Companies Act 2013, between Diligent Media Corporation Limited ("DMCL" or "the Demerged Company") and the Company ("the Resulting Company") and their respective shareholders and creditors, was sanctioned by the Hon'ble High Court of Judicature at Mumbai on 12 September 2014. Pursuant to the Scheme, the Media Business Undertaking of DMCL is demerged and vested with the Company on appointed date i.e. 31 March 2014 on going concern basis.
- b) The Scheme was given effect in the financial statements for the year ended 31 March 2015 and pursuant to the Scheme:
  - i. The assets and liabilities of Media Business Undertaking of DMCL were transferred to and recorded in the books of account of the Company at their respective book values and the difference (Surplus) of ₹/Millions 1,996 was credited to the General Reserve.
  - ii. 22,273,886 6% Non-Cumulative Redeemable Preference Shares of Re. 1 each were allotted to the equity shareholders of DMCL in the previous year in the ratio of One fully paid preference shares of Re. 1 each of the Company for every four equity shares of ₹ 10 each held in DMCL.
  - iii. The aforesaid preference shares have been redeemed during the year.

### 46. EARNINGS PER SHARE (EPS)

	(₹ Millions)	
	2016	2015
a. Profit after Tax (₹/Millions)	8,593	8,318
Less: Dividend on preference shares (including tax)	1,458	1,453
Profit available for appropriation to equity shareholders (₹/Millions)	7,135	6,865
b. Weighted average number of equity shares for basic and diluted EPS (in numbers)	960,448,720	960,448,720
Nominal value of equity shares (Re.)	1	1
c. Basic and Diluted EPS (₹)	7.43	7.15

### 47. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend ₹/Millions 221 for the year against which ₹/Millions 228 has been spent on activities specified in Schedule VII of the Companies Act, 2013.

### 48. SEGMENT INFORMATION

The Company has presented Segment information on the basis of the consolidated financial statements as permitted by Accounting Standard – 17.

### 49. PRIOR YEAR COMPARATIVES

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year.

## LAST FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ending March 31	Consolidated					Standalone				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>REVENUE ACCOUNT</b>										
Income from Operations	58,515	48,837	44,217	36,996	30,405	42,065	34,262	30,757	25,659	22,040
Total Expenses	43,420	36,299	32,174	27,453	23,010	30,307	23,815	20,442	17,036	15,771
Operating Profit	15,095	12,538	12,043	9,543	7,395	11,758	10,447	10,315	8,623	6,269
% to Income from Operations	26%	26%	27%	26%	24%	28%	30%	34%	34%	28%
Other Income	2,016	2,278	1,807	1,461	1,384	2,227	2,273	1,845	1,189	1,289
PBIDT	17,111	14,816	13,850	11,004	8,779	13,985	12,720	12,160	9,812	7,558
Financial Expenses	123	103	158	86	50	28	18	72	13	5
Depreciation / Amortisation	840	673	501	399	323	676	580	338	280	215
Profit Before Tax & Exceptional Items	16,148	14,040	13,191	10,519	8,406	13,281	12,122	11,750	9,519	7,338
Exceptional Items	331	-	-	-	-	-	-	-	-	-
Taxation	5,528	4,285	4,291	3,337	2,500	4,688	3,804	4,027	3,112	2,441
Profit After Tax & exceptional items	10,289	9,755	8,900	7,182	5,906	8,593	8,318	7,723	6,407	4,897
Profit After Tax & before minority interest / share of profits/(losses) in associates	10,289	9,755	8,900	7,182	5,906	8,593	8,318	7,723	6,407	4,897
Add: Share of Results of Associates	(4)	(37)	2	(10)	2	-	-	-	-	-
Less: Minority Interest	18	(57)	(19)	(24)	17	-	-	-	-	-
Profit After Tax for the year	10,267	9,775	8,921	7,196	5,891	8,593	8,318	7,723	6,407	4,897
% to Total Income	17%	19%	19%	19%	19%	19%	23%	24%	24%	21%
Dividend	2,161	2,161	1,921	1,919	1,438	2,161	2,161	1,921	1,919	1,438
Dividend Rate	225%	225%	200%	200%	150%	225%	225%	200%	200%	150%
<b>CAPITAL ACCOUNT</b>										
Share Capital - Equity	960	960	960	954	959	960	960	960	954	959
Share Application Money	-	-	-	-	46	-	-	-	-	-
Share Capital - Preference	20,170	20,192	20,170	-	-	20,170	20,192	20,170	-	-
Reserves & Surplus	41,185	34,346	26,247	38,161	33,349	29,264	24,723	18,551	32,574	28,992
Deferred Tax Balances	(556)	(531)	(298)	(288)	(337)	(297)	(266)	(172)	(128)	(136)
Minority Interest	85	4	61	33	(32)	-	-	-	-	-
Loan Funds	9	12	17	17	12	9	12	16	15	10
<b>CAPITAL EMPLOYED</b>	<b>61,853</b>	<b>54,983</b>	<b>47,157</b>	<b>38,877</b>	<b>33,997</b>	<b>50,106</b>	<b>45,621</b>	<b>39,525</b>	<b>33,415</b>	<b>29,824</b>
Eff. Capital Employed	62,409	55,514	47,455	39,165	34,334	50,403	45,887	39,697	33,543	29,961
Eff. Networth	62,315	55,498	47,377	39,115	34,308	50,394	45,875	39,681	33,528	29,951
Fixed Assets	14,960	12,254	11,730	9,975	9,400	3,880	3,814	3,625	2,329	1,973
Investments (Including Current Investments)	10,439	9,755	8,290	7,916	7,999	21,368	11,088	10,080	10,692	10,602
Net Assets	36,454	32,974	27,137	20,986	16,598	24,858	30,719	25,820	20,394	17,249
<b>CAPITAL DEPLOYED</b>	<b>61,853</b>	<b>54,983</b>	<b>47,157</b>	<b>38,877</b>	<b>33,997</b>	<b>50,106</b>	<b>45,621</b>	<b>39,525</b>	<b>33,415</b>	<b>29,824</b>
Closing market price per share of Re.1	386	342	271	210	129	386	342	271	210	129
Market capitalisation	371,117	328,233	260,618	200,760	123,202	371,117	328,233	260,618	200,760	123,202

"0" (Zero) denotes amounts less than a million

## PERFORMANCE RATIOS - AN ANALYSIS

Year Ending March 31		Consolidated					Standalone				
		2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
FINANCIAL PERFORMANCE											
Advertisement Income/Income from Operations	(%)	58.6	54.5	53.8	53.1	52.1	68.5	65.0	65.1	63.4	61.7
Subscription Income/Income from Operations	(%)	35.2	36.7	40.8	43.9	43.6	25.6	27.6	28.3	30.6	28.3
Operating Profit/Income from Operations	(%)	25.8	25.7	27.2	25.8	24.3	28.0	30.5	33.5	33.6	28.5
Other Income/Total Income	(%)	3.3	4.5	3.9	3.8	4.4	5.0	6.2	5.7	4.4	5.5
Programming Cost/Income from Operations	(%)	42.2	41.2	38.6	37.7	37.4	42.3	38.1	41.2	40.2	43.8
Personnel Cost/Income from Operations	(%)	8.9	9.2	8.8	9.4	9.6	7.4	8.2	7.3	7.4	7.1
Selling and Admin Expenses/Income from Operations	(%)	20.7	21.3	17.1	17.7	19.0	21.1	21.9	16.6	17.3	18.4
Total Operating Cost/Income from Operations	(%)	74.2	74.3	72.8	74.2	75.7	72.0	69.5	66.5	66.4	71.5
Financial Expenses/Income from Operations	(%)	0.2	0.2	0.4	0.2	0.2	0.1	0.1	0.2	0.1	0.0
Tax/Income from Operations	(%)	9.4	8.8	9.7	9.0	8.2	11.1	11.1	13.1	12.1	11.1
PAT for the year/Total Income	(%)	17.0	19.1	19.3	18.7	18.5	19.4	22.8	23.7	23.9	21.0
Tax/PBT	(%)	34.9	30.5	32.5	31.7	29.7	35.3	31.4	34.3	32.7	33.3
Dividend Payout/PAT for the year	(%)	21.0	22.1	21.5	26.7	24.4	25.1	26.0	24.9	30.0	29.4
Dividend Payout/Effective Network	(%)	3.5	3.9	4.1	4.9	4.2	4.3	4.7	4.8	5.7	4.8
BALANCE SHEET											
Debt-Equity ratio (Total loans/Eff. Network)	(%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current ratio (Current assets/Current liabilities)	(x)	3.4	3.6	3.5	3.3	3.6	3.2	4.0	4.0	4.4	5.1
Capital Output Ratio (Inc from Ops/Eff. Capital employed)	(x)	0.9	0.9	0.9	1.0	0.9	0.8	0.7	0.8	0.8	0.7
Fixed assets Turnover (Inc from Ops/ Fixed assets)	(x)	10.1	11.2	10.8	13.0	12.1	10.8	9.0	8.5	11.0	11.2
Cash & cash equivalents/Total Eff. capital employed	(%)	15.6	13.3	11.9	13.6	9.6	7.6	6.6	4.1	7.1	2.5
RONW (PAT for the year/Eff. Network)	(%)	16.5	17.6	18.8	18.4	17.2	17.1	18.1	19.5	19.1	16.4
ROCE (PBIT/Eff. Capital employed)	(%)	25.5	25.5	28.1	27.1	24.6	26.4	26.5	29.8	28.4	24.5
PER SHARE DATA #											
Revenue per share	(₹)	63.1	53.2	47.9	40.3	33.2	46.1	38.1	34.0	28.1	24.3
Dividend per share	(₹)	2.25	2.25	2.00	2.00	1.50	2.25	2.25	2.00	2.00	1.50
Indebtedness per share	(₹)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book value per share	(₹)	64.9	57.8	49.4	41.0	35.8	52.5	47.8	41.3	35.1	31.2
Earnings per share (after prior period adjustments)	(₹)	9.2	8.7	9.3	7.5	6.1					
PE Ratio -Price/EPS Ratio (Share Price as of March 31.)	(x)	42.1	39.4	29.2	27.9	20.9					

**Note :**

Fixed Assets for the consolidated entity excludes Goodwill on consolidation of ₹ 9,150 (7,887) million

Figures for FY 2015 have been regrouped wherever necessary.

# Annualised

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Zee Entertainment Enterprises Limited**

## 1. REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Zee Entertainment Enterprises Limited** ("the Holding Company"), its subsidiaries, associates and jointly controlled company (collectively referred to as "the Group") comprising of the consolidated balance sheet as at 31 March, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## 2. MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 has been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## 3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material

misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 sub-paragraph 6 of the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## 4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

## 5. EMPHASIS OF MATTER

We draw attention to Note 12 of the consolidated financial statements, regarding receivable of ₹/millions 397 claimed from a competing broadcaster, which is under litigation. The Management on the basis of the review of the current status of this case and on the basis of opinion received from the lawyers in this legal matter are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully recovered.

Our opinion is not modified in respect of the above matter.

## 6. OTHER MATTER

- We did not audit the financial statements of twenty one subsidiaries and a jointly controlled company of the Group, whose financial statements reflect total assets of ₹/ millions 24,684 as at 31 March, 2016, total revenues of ₹/ millions 15,299 and net cash inflows of ₹/ millions 1,157 for the year then ended, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹/ millions 2 for the year ended 31 March, 2016 as considered in the consolidated financial statements, in respect of two associates, 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, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled company is based solely on the reports of the other auditors.
- The consolidated financial statements include total assets of ₹/ millions 134 as at 31 March, 2016, total revenues of ₹/ millions 24 and net cash inflows of ₹/ millions 12 for the year then ended, in respect of a subsidiary, whose unaudited financial statements have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us, these financial statements are not material to the Group.

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

- c) The consolidated financial statements also include the Group's share of loss of ₹/ millions 6 for the year ended 31 March, 2016, in respect of an associate, whose unaudited financial statements have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### 7. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and 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, 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, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and jointly controlled company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A; and
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements- Refer Note 25 and Note 26 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no such amounts which were required to be transferred by its subsidiary companies and jointly controlled company incorporated in India.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 10 May, 2016

## INDEPENDENT AUDITOR'S REPORT (CONTD.)

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(f) of the Independent Auditor's Report of even date to the members of the Zee Entertainment Enterprises Limited on the consolidated financial statements for the year ended 31 March, 2016.**

We have audited the internal financial controls over financial reporting of **Zee Entertainment Enterprises Limited** ("the Holding Company") and its subsidiary companies and jointly controlled company incorporated in India as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies and jointly controlled company which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (the "Guidance Note") 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.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 judgment, 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our 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.

### OPINION

In our opinion, the Holding Company, its subsidiary companies and jointly controlled company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, 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.

### OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies and jointly controlled company incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Mumbai, 10 May, 2016

# CONSOLIDATED BALANCE SHEET

as at 31 March, 2016

		(₹ Millions)	
	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	21,130	21,152
Reserves and surplus	4	41,185	34,346
		<b>62,315</b>	<b>55,498</b>
<b>MINORITY INTEREST</b>		85	4
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	9	12
Long-term provisions	6	550	480
Other non-current liabilities	7	304	288
		<b>863</b>	<b>780</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	7	5,194	4,204
Other current liabilities	7	6,355	4,980
Short-term provisions	6	4,129	4,592
		<b>15,678</b>	<b>13,776</b>
<b>Total</b>		<b>78,941</b>	<b>70,058</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	8		
Tangible assets		4,486	3,213
Intangible assets		9,370	8,163
Capital work-in-progress		1,104	878
		<b>14,960</b>	<b>12,254</b>
Non-current investments	9	3,048	1,464
Deferred tax assets (net)	10	556	531
Long-term loans and advances	11	5,913	5,710
Other non-current assets	12	594	380
		<b>25,071</b>	<b>20,339</b>
<b>CURRENT ASSETS</b>			
Current investments	13	7,391	8,291
Inventories	14	13,160	11,878
Trade receivables	15	13,245	10,692
Cash and bank balances	16	9,733	7,365
Short-term loans and advances	11	8,809	10,167
Other current assets	12	1,532	1,326
		<b>53,870</b>	<b>49,719</b>
<b>Total</b>		<b>78,941</b>	<b>70,058</b>
<b>Notes forming part of the consolidated financial statements</b>	1-38		

As per our attached report of even date

For **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Place: Mumbai  
Date: 10 May, 2016

For and on behalf of the Board

**Punit Goenka**  
Managing Director & CEO

**Manish Chokhani**  
Director

**Mihir Modi**  
Chief Finance & Strategy Officer

**M Lakshminarayanan**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2016

		(₹ Millions)	
	Note	2016	2015
<b>REVENUE</b>			
Revenue from operations	17	58,515	48,837
Other income	18	2,016	2,278
<b>Total</b>		<b>60,531</b>	<b>51,115</b>
<b>EXPENSES</b>			
Operational cost	19	26,049	21,393
Employee benefits expense	20	5,232	4,498
Finance costs	21	123	103
Depreciation and amortisation expense	22	840	673
Other expenses	23	12,139	10,408
<b>Total</b>		<b>44,383</b>	<b>37,075</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>		<b>16,148</b>	<b>14,040</b>
Less: Exceptional item (Refer note 37)		331	-
<b>PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS</b>		<b>15,817</b>	<b>14,040</b>
<b>LESS : TAX EXPENSE</b>			
Current tax - current year		5,546	4,737
- earlier years		-	(1,877)
Deferred tax charge / (benefit)		(18)	2,858
MAT credit entitlement - earlier year		-	(1,433)
<b>PROFIT AFTER TAX BEFORE SHARE OF RESULT OF ASSOCIATE AND MINORITY INTEREST</b>		<b>10,289</b>	<b>9,755</b>
Add/(Less): Share of results of associate		(4)	(37)
Less: Minority interest		18	(57)
<b>NET PROFIT FOR THE YEAR</b>		<b>10,267</b>	<b>9,775</b>
Earnings per equity share (face value ₹ 1 each)			
Basic and diluted	33	9.17	8.67
<b>Notes forming part of the consolidated financial statements</b>	1-38		

As per our attached report of even date

For **MGB & Co. LLP**  
Chartered Accountants  
Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**  
Partner  
Membership Number 107832

Place: Mumbai  
Date: 10 May, 2016

For and on behalf of the Board

**Punit Goenka**  
Managing Director & CEO

**Manish Chokhani**  
Director

**Mihir Modi**  
Chief Finance & Strategy Officer

**M Lakshminarayanan**  
Company Secretary

# CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March, 2016

	(₹ Millions)	
	2016	2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,148	14,040
<b>ADJUSTMENTS FOR :</b>		
Depreciation and amortisation expense	840	673
Provision for doubtful debts, advances and Investment written back (net)	(285)	286
Liabilities / excess provision written back	(63)	(251)
Loss on sale / discard of fixed assets (net)	171	61
Unrealised loss / (gain) on exchange adjustments (net)	123	6
Interest expense	28	22
Profit on sale of current investments	(194)	(363)
Profit on sale of long-term investments	-	(2)
Dividend income	(3)	(42)
Interest income	(1,052)	(1,221)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>15,713</b>	<b>13,209</b>
<b>ADJUSTMENTS FOR :</b>		
Increase in inventories	(1,257)	(142)
Increase in trade and other receivables	(3,634)	(2,693)
Increase in trade and other payables	2,259	599
<b>CASH GENERATED FROM OPERATIONS</b>	<b>13,081</b>	<b>10,973</b>
Direct taxes paid (net)	(5,827)	(4,164)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES (A)</b>	<b>7,254</b>	<b>6,809</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets / capital work in progress	(3,084)	(1,147)
Sale of fixed assets	367	56
Increase / (Decrease) in deposit accounts	980	(2,000)
Payment towards acquisition of subsidiary companies	(980)	-
Investment in associates	-	(13)
Purchase of long-term investments	(650)	(140)
Sale of long-term investments	-	339
Purchase of current investments	(35,020)	(32,110)
Sale of current investments	35,059	30,957
Loans to others	-	(1,530)
Loans repaid by others	2,500	730
Dividend received	3	42
Interest received	969	1,155
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>144</b>	<b>(3,661)</b>

	(₹ Millions)	
	2016	2015
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of preference share capital	(22)	-
Proceeds from long-term borrowings	8	10
Repayment of long-term borrowings	(12)	(17)
Repayment of short-term borrowings	-	(1,001)
Dividend paid (including dividend tax)	(4,051)	(2,348)
Contribution from minority shareholders	59	-
Interest paid	(28)	(71)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES (C)</b>	<b>(4,046)</b>	<b>(3,427)</b>
Net Cash flow during the year (A+B+C)	3,352	(279)
Cash and bank balances received pursuant to the Scheme of Arrangement (Refer note 35) (₹ 62,485)	(7)	0
Cash and Cash Equivalents at the beginning of the year	5,353	5,632
<b>NET CASH AND CASH EQUIVALENTS</b>	<b>8,698</b>	<b>5,353</b>
Add: Balance in deposit accounts	1,020	2,000
Add: Earmarked balances	15	12
<b>CASH AND BANK BALANCES AT THE END OF THE YEAR</b>	<b>9,733</b>	<b>7,365</b>

**Notes:**

1. Previous year's figures have been regrouped, recast wherever necessary.
2. During the previous year, transactions pursuant to the Scheme of Arrangement (Refer note 35(i)), being non-cash, have not been considered in the above cash flow statement.

As per our attached report of even date

For **MGB & Co. LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

**Hitendra Bhandari**

Partner

Membership Number 107832

Place: Mumbai

Date: 10 May, 2016

For and on behalf of the Board

**Punit Goenka**

Managing Director & CEO

**Manish Chokhani**

Director

**Mihir Modi**

Chief Finance & Strategy Officer

**M Lakshminarayanan**

Company Secretary

## NOTES

forming part of the Consolidated Financial Statements

### 1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material aspects with its Accounting Standards specified under relevant provisions of the Companies Act, 2013. In case of an Indian subsidiary viz. "Zee Turner Limited" the financial statements comprising 0.15% (0.14%) of the consolidated net assets, have been prepared on the basis that Company does not continue to be a going concern.

### 2 PRINCIPLES OF CONSOLIDATION

- The Consolidated Financial Statements (CFS) relate to Zee Entertainment Enterprises Limited and its subsidiary Companies, associates and jointly controlled company.
- The CFS includes the Financial Statements of the parent company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Country of Incorporation
<b>Direct Subsidiaries</b>		
ATL Media Ltd (Formerly Asia Today Limited)	100(100)	Mauritius
India Webportal Private Limited	51(51)	India
Essel Vision Productions Limited	100(100)	India
Taj Television (India) Private Limited	100(100)	India
Zee Digital Convergence Limited (Formerly Zee Sports Limited)	100(100)	India
Zee Turner Limited	74(74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100(100)	Mauritius
Sarthak Entertainment Private Limited @	100(Nil)	India
<b>Indirect Subsidiaries</b>		
Asia TV Limited	100(100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100(100)	Singapore
000 Zee CIS Holding LLC #	100(100)	Russia
000 Zee CIS LLC	100(100)	Russia
Taj TV Limited	100(100)	Mauritius
Asia Today Singapore Pte Limited *	100(Nil)	Singapore
Asia TV USA Limited, Wyoming *	100(Nil)	United States of America
Asia Today Limited (Formerly Zee Multimedia (Maurice) 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(38.61)	India
Evee Multimedia Inc.	100 (100)	United States of America

\* Incorporated during the year

# Zero capital company

@ Acquired during the year (Refer note 35(ii))

- The consolidation of financial statements of the parent company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group transactions, unrealised inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.
- The CFS are prepared using uniform accounting policies for transactions and other events in similar transactions except in case of six subsidiaries wherein the liability on account of retirement benefits is provided on estimated basis as per local laws instead of actuarial basis. This liability represents 14.79% (15.79%) of total gratuity and leave benefits of the Group as at the year end.

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### V. ASSOCIATE

The Group has adopted and accounted for Investment in Associate, using the "Equity Method" as per AS - 23 - Accounting for Investments in Associates in Consolidated Financial Statements issued by ICAI.

Name of the Associate	Percentage of Holding	Country of Incorporation
Aplab Limited #	26.42(26.42)	India
Idea Shop Web and Media Private Limited (Held through India Webportal Private Limited) \$	- (38.61)	India
Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited)	25(25)	Thailand

# No adjustments are made for difference in accounting policy for depreciation provided on fixed assets on written down value method.

\$ Acquired and became subsidiary during the year (Refer note 35(ii)).

### VI. JOINTLY CONTROLLED COMPANY

Interest in Jointly controlled company "Media Pro Enterprise India Private Limited" (MPEIPL) is accounted for using Proportionate Consolidation Method. Shareholding in MPEIPL is through a subsidiary, Zee Turner Limited.

Name of the jointly controlled company	Extent of Holding	Country of Incorporation
Media Pro Enterprise India Private Limited	50.00% (50.00%)	India

### 2.1 SIGNIFICANT ACCOUNTING POLICIES

#### a. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses for the year. Actual results could differ from those estimates. Any revision to such accounting estimate is recognised prospectively in current and future periods.

#### b. Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year. The figures for the current year are not comparable with the previous year, in view of the acquisitions as referred in note 2 above.

#### c. Fixed Assets

##### (i) Goodwill on Consolidation

Goodwill represents the difference between the Group's share in the net worth of the subsidiaries / associates / jointly controlled company and the cost of acquisition at the date on which the investment in the subsidiaries / associates / jointly controlled company is made / acquired. Capital reserve represents negative goodwill arising on consolidation.

##### (ii) Tangible fixed assets

(a) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

(b) Capital work in progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

##### (iii) Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets - channels includes expenses incurred on development of new television channels till the time it is ready for commercial launch.

#### d. Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the asset. All other borrowing costs are expensed in the period they occur.

#### e. Impairment of tangible and intangible assets

At each Balance Sheet date, the Group reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

#### f. Depreciation / Amortisation on tangible / intangible assets

Depreciable amount for tangible / intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

(i) Depreciation on tangible fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act,

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2013 except in respect of the following categories of assets, where the 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.

Aircraft - 15 years

Furniture and Fixtures - 5 years

Gas Plant - 20 years

Mobile Phones - 3 years

Plant and Machinery - 5-10 years

Vehicles - 5 years

- (ii) Premium on leasehold land and leasehold improvements are amortised over the period of lease.
- (iii) No part of goodwill arising on consolidation is amortised.
- (iv) Intangible assets are amortised over their respective individual useful lives estimated by management on a straight line basis.

### g. Investments

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments
- (ii) Current investments are stated at lower of cost and market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.
- (iii) Investment property  
Investment in land which is not intended to be occupied substantially for use by or in the operations of the Group is classified as Investment property and stated at cost. The cost comprises purchase price, borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for intended use.

### h. Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured.

- (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 is recognised on time basis on the provision of television broadcasting service to subscribers.
- (ii) Sales - Media content (including Programs, Film Rights) is recognised, when the significant risks and rewards have been transferred to the customers.

### (iii) Services

- (a) Commission-Space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.
- (b) Revenue from other services is recognised as and when such services are completed / performed.
- (c) Theatrical revenue from films is recognised on receipt of related sale reports.

(iv) Interest income is recognised on a time proportion basis taking into account amount outstanding and the applicable interest rate.

(v) Dividend income is recognised when the right to receive dividend is established.

(vi) Rental income is recognised on accrual basis as per the agreed terms.

### i. Inventories

#### (i) Media Content :

Media content i.e. Programs, Film rights, Music rights (completed ((commissioned / acquired) and under production)) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as impairment. Programs, film rights, music rights are expensed / amortised as under :

- (a) Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.
- (b) Programs (other than (a) above) are amortised over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.
- (c) Film rights are amortised on a straight-line basis over the licensed period or sixty months from the commencement of rights, whichever is shorter.
- (d) 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) Film produced and / or acquired for distribution:

Cost is allocated to each right based on management estimate of revenue. Cost of theatrical rights, satellite rights etc are amortised when sold and residual rights are carried at lower of cost or net realisable value

- (a) Theatrical rights - 80% of allocated cost is amortized immediately on theatrical release and balance allocated cost is amortised equally in following 6 months.
- (b) Satellite and other rights - Allocated cost of each right is expensed immediately on sale.

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(c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

(iii) Raw Stock : Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

### j. Foreign Currency Translations

#### i Accounting of Transactions

(a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions.

(b) 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 year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

(c) Non-monetary foreign currency items are carried at cost.

#### ii Translation and Exchange Rates

Financial Statements of overseas non-integral operations are translated as under:

(a) Assets and Liabilities at the exchange rate prevailing at the end of the year.

(b) Revenues and expenses are at yearly average rates. Off Balance Sheet items are translated into Indian Rupees at year-end rates

(c) Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation reserve until the disposal of such operations.

### k. Retirement and other employee benefits

(a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

(b) Retirement benefit plans, pensions schemes and defined contribution plans, or funds are governed by the statutes of the countries in which the companies are located and contribution to the fund, present value of the amount payable determined using actuarial techniques or liability on termination are charged to the Statement of Profit and Loss. Accrued liabilities for leave benefits are made based on unavailed leave to the credit of employees in accordance with the rules of the respective companies. In case of a subsidiary, the gratuity fund benefits are administered by a specific Trust formed and annual contributions are deposited under group policy scheme with an insurance company. In case of jointly controlled

company, the gratuity scheme is funded and managed by an insurance company.

### l. Accounting for taxes on income

(i) Current tax is determined as the amount of tax payable on the taxable income in accordance with local tax regulations.

(ii) Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years and measured using relevant enacted tax rates and laws.

(iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

### m. Leases

#### (i) Finance Lease

Assets acquired on long-term leases, which in economic term constitute investments financed on long-term basis i.e. finance leases are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

#### (ii) Operating Lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / revenue under operating leases are recognised as expense / income on accrual basis in accordance with the respective lease agreements.

### n. Earnings per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

### o. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

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## 3. SHARE CAPITAL

	(₹ Millions)	
	2016	2015
<b>AUTHORISED</b>		
2,000,000,000 (2,000,000,000) Equity Shares of ₹1 each	2,000	2,000
21,000,000,000 (21,000,000,000) Preference Shares of ₹ 1 each	21,000	21,000
	<b>23,000</b>	<b>23,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
960,448,720 (960,448,720) Equity Shares of ₹ 1 each fully paid up	960	960
20,169,423,120 (20,169,423,120) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each fully paid up - Listed	20,170	20,170
Nil (22,273,886) 6% Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each fully paid up - Unlisted	-	22
<b>Total</b>	<b>21,130</b>	<b>21,152</b>

## A) RECONCILIATION OF NUMBER OF EQUITY SHARES AND SHARE CAPITAL

	2016		2015	
	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions
At the beginning of the year	960,448,720	960	960,448,720	960
Add : Changes during the year	-	-	-	-
Outstanding at the end of the year	<b>960,448,720</b>	<b>960</b>	<b>960,448,720</b>	<b>960</b>

## B) RECONCILIATION OF NUMBER OF PREFERENCE SHARES AND SHARE CAPITAL

	2016		2015	
	Number of Preference shares	₹ Millions	Number of Preference shares	₹ Millions
At the beginning of the year	20,191,697,006	20,192	20,169,423,120	20,170
Add: Allotted pursuant to the Scheme of Arrangement (Refer d(ii) and note 35(i))	-	-	22,273,886	22
Less : Redeemed during the year (Refer d(ii) below)	22,273,886	22	-	-
Outstanding at the end of the year	<b>20,169,423,120</b>	<b>20,170</b>	<b>20,191,697,006</b>	<b>20,192</b>

## C) 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.

## D) TERMS / RIGHTS ATTACHED OF PREFERENCE SHARES

## (i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Listed

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 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.

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have 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

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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.

(ii) **6% Non-Cumulative Redeemable Non-Convertible Preference Shares - Unlisted**

During the year ended 31 March 2015, the Company had issued and allotted 22,273,886 6% Non-Cumulative Redeemable Non-Convertible Preference shares of ₹ 1 each fully paid up, pursuant to the Scheme of Arrangement

as referred in Note 35(i). The preference shareholders would be entitled to vote only on resolutions which directly affect their rights. These Preference shares were redeemable at par at any time within three years from the date of allotment and the same have been redeemed during the year.

**E) DETAILS OF AGGREGATE NUMBER OF BONUS SHARES ISSUED, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH AND SHARES BOUGHT BACK DURING FIVE YEARS PRECEDING 31 MARCH, 2016**

(₹ Millions)

	2016	2015
Equity Shares allotted as fully paid bonus shares	489,038,065	489,038,065
Preference Shares allotted as fully paid bonus shares (Refer d(i) above)	20,169,423,120	20,169,423,120
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	55,030,954	55,030,954
Preference Shares allotted as fully paid for consideration other than cash, pursuant to Scheme of Arrangement (Refer d(ii) above)	-	22,273,886
Equity Shares bought back and cancelled	24,185,210	24,185,210

**F) DETAILS OF EQUITY SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE EQUITY SHARES**

Name of the Shareholders	2016		2015	
	Number of equity shares	% Share holding	Number of equity shares	% Share holding
Cyquator Media Services Private Limited	241,402,908	25.13%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	77,074,068	8.02%	68,716,575	7.15%

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.

**G) DETAILS OF PREFERENCE SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE 6% CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES - LISTED**

Name of the Shareholders	2016		2015	
	Number of Preference shares	% Share holding	Number of Preference shares	% Share holding
Essel Landmark Private Limited	3,875,155,486	19.21%	4,120,000,000	20.43%
Essel Media Ventures Limited	-	-	2,160,654,006	10.71%
Oppenheimer Developing Markets Fund	1,895,913,054	9.40%	1,895,913,054	9.40%
ICICI Prudential Life Insurance Company Limited	1,320,809,586	6.55%	1,320,809,586	6.55%

**H) DETAILS OF PREFERENCE SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE 6% NON-CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES - UNLISTED (REDEEMED DURING THE YEAR)**

Name of Shareholder	2016		2015	
	Number of Preference shares	% Share holding	Number of Preference shares	% Share holding
Mediavest India Private Limited	-	-	22,273,836	99.99%

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## 4. RESERVES AND SURPLUS

	(₹ Millions)	
	2016	2015
<b>CAPITAL REDEMPTION RESERVE</b>		
As per last Balance Sheet	-	-
Add: Transferred from Statement of Profit and Loss, on redemption of preference shares	22	-
Capital Redemption Reserve	22	-
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>	3,163	2,539
<b>GENERAL RESERVE</b>		
As per last balance sheet	2,820	824
Add: Pursuant to the Scheme of Arrangement (Refer note 35(i))	-	1,996
	<b>2,820</b>	<b>2,820</b>
<b>SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>		
As per last balance sheet	28,987	23,360
Less: Adjustment of depreciation as per transitional provisions	-	141
Add: Deferred tax on depreciation as above	-	47
Add : Profit for the year	10,267	9,775
<b>Less : Appropriations</b>		
Transferred to Capital Redemption Reserve	22	-
Dividend on Preference Shares	1,211	1,211
Tax on dividend on Preference Shares	247	242
Proposed dividend on Equity Shares	2,161	2,161
Tax on dividend on Equity Shares	433	440
	<b>35,180</b>	<b>28,987</b>
<b>Total</b>	<b>41,185</b>	<b>34,346</b>

## 5. LONG-TERM BORROWINGS

	(₹ Millions)			
	Non-current		Current	
	2016	2015	2016	2015
<b>SECURED</b>				
Vehicle loan from banks*	9	12	10	10
	9	12	10	10
Amount disclosed under the head "Other current liabilities" (Refer Note 7)	-	-	10	10
<b>Total</b>	<b>9</b>	<b>12</b>	<b>-</b>	<b>-</b>

\* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September 2019.

## 6. PROVISIONS

	(₹ Millions)			
	Long-term		Short-term	
	2016	2015	2016	2015
Provision for employee benefits				
- Gratuity	293	256	16	28
- Leave benefits	247	222	54	49
- Incentive plans	10	2	7	-
Others				
- Dividend on Preference Shares including tax	-	-	1,458	1,453
- Proposed dividend on Equity Shares including tax	-	-	2,594	2,601
- Provision for taxation (net of advances)	-	-	-	461
<b>Total</b>	<b>550</b>	<b>480</b>	<b>4,129</b>	<b>4,592</b>

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## 7. OTHER LIABILITIES

(₹ Millions)

	Non-current		Current	
	2016	2015	2016	2015
<b>TRADE PAYABLES</b>				
Trade payables	-	-	4,727	3,600
Due to principals	-	-	467	604
	-	-	<b>5,194</b>	<b>4,204</b>
<b>OTHER CURRENT LIABILITIES</b>				
Current maturities of long-term borrowings	-	-	10	10
Unearned revenue	-	-	499	236
Advances received from customers	304	288	983	513
Deposits received - from distributors	-	-	127	118
- from others	-	-	24	-
Unclaimed dividends	-	-	15	12
Creditors for capital expenditure	-	-	196	86
Employee benefits payable	-	-	715	719
Statutory dues payable	-	-	726	689
Cheques overdrawn	-	-	31	149
Other payables	-	-	3,029	2,448
	<b>304</b>	<b>288</b>	<b>6,355</b>	<b>4,980</b>
	<b>304</b>	<b>288</b>	<b>11,549</b>	<b>9,184</b>

## NOTES

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## 8 FIXED ASSETS

Description	Gross Block				Depreciation / Amortisation				Net Block						
	As at 1 April, 2015	Additions	Transfers on acquisition (Refer note iv below)	Deductions	Translation	As at 31 March, 2016	Upto 31 March, 2015	For the year	Transfers on acquisition (Refer note iv below)	Reserve adjustment (Refer Note iii below)	Deductions	Translation	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
TANGIBLE ASSETS															
Leasehold land	66	-	-	-	-	66	10	1	-	-	-	-	11	55	56
Leasehold improvements	157	334	-	2	5	494	106	60	-	-	2	0	164	330	51
Buildings	801	396	20		13	1,230	234	25	21	-	-	10	290	940	567
Computers	325	111	7	6	1	438	189	68	4	-	3	1	259	179	136
Plant and machinery	3,506	1,189	13	152	67	4,623	1,721	442	10	-	86	42	2,129	2,494	1,785
Equipments	292	167	7	5	1	462	128	61	4	-	3	1	191	271	164
Furniture and fixtures	166	89	2	1	2	258	89	28	1	-	1	1	118	140	77
Aircraft	368	-	-	368	-	-	66	14	-	-	80	-	-	-	302
Vehicles	172	41	2	36	2	181	97	30	1	-	26	2	104	77	75
Total	5,853	2,327	51	570	91	7,752	2,640	729	41	-	202	58	3,266	4,486	3,213
PREVIOUS YEAR	5,613	1,024	-	847	63	5,853	2,588	604	-	141	740	47	2,640	3,213	
INTANGIBLE ASSETS															
Goodwill - on consolidation	7,887	928	-	-	335	9,150	-	-	-	-	-	-	-	9,150	7,887
Software	428	56	2	5	-	481	279	84	1	-	2	-	362	119	149
Intangibles - Channels	133	-	-	-	-	133	6	27	-	-	-	-	33	100	127
Trademark	0	5	-	4	-	1	0	-	-	-	-	-	0	1	0
Total	8,448	989	2	9	335	9,765	285	111	1	-	2	-	395	9,370	8,163
PREVIOUS YEAR	7,933	272	-	19	262	8,448	225	69	-	-	9	0	285	8,163	
CAPITAL WORK-IN-PROGRESS (REFER V BELOW)														1,104	878

"0" (zero) denotes amounts less than a million.

## Notes:

- Buildings include ₹/Million 0 (0), ₹ 114,100 (₹ 114,100) the value of share in a co-operative society.
- Part of building and certain fixed assets has been given on operating lease
- During the previous year, the Company had adopted the useful life as per the Schedule II of the Companies Act, 2013. Consequently, ₹/Millions 141 representing the written down value of fixed assets whose lives had expired as at 1 April 2014 had been adjusted in the Surplus in Statement of Profit and Loss, net of deferred tax effect of ₹/Millions 47 (Note 4). The unamortised carrying value is depreciated / amortised over the revised / remaining useful lives.
- On acquisition of Sarthak Entertainment Private Limited (Refer note 35(ii)).
- Capital work in progress is net of impairment loss of ₹/Millions 164 (Nil), charged to the Statement of Profit and Loss.

## NOTES

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## 9 NON-CURRENT INVESTMENTS

(₹ Millions)

	2016	2015
<b>(I) TRADE INVESTMENTS (VALUED AT COST, UNLESS STATED OTHERWISE)</b>		
<b>In Associate - Unquoted</b>		
5,000 (5,000) Equity shares of Baht 100/- each of Asia Today Thailand Limited (Extent of holding 25.00%)	1	1
Add : Share of profit for current year (P.Y. ₹ 441,858)	2	0
	3	1
<b>In Others - Unquoted</b>		
202,894,105 (202,894,105) Ordinary shares of GBP 0.01 each of MirriAD Limited (Refer Note 37)	-	313
30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited (₹ 300,000 (₹ 300,000))	0	0
	0	313
<b>(II) OTHER INVESTMENTS</b>		
<b>In Associate - Quoted</b>		
1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47
Add : Share of loss upto previous years	(42)	(5)
Add : Share of loss for current year	(5)	(37)
	-	5
<b>Others - Quoted</b>		
1,822,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	2	2
50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited	50	50
<b>Others - Unquoted</b>		
1,069.6 (419.6) units of ₹ 1,000,000/- each of Morpheus Media Fund	1,070	420
50,000 (50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000/- each of IFCI Limited	50	50
50,000 (50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000/- each of IFCI Limited	50	50
12,500 (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited	1,250	1,250
Less: Amount disclosed under the head "Current investments" (Refer note 13)	-	(1,250)
<b>Investment Property</b>		
Land at Hyderabad	573	573
	3,048	1,464
Less: Provision for diminution in value of investments (₹ 300,000 (₹ 300,000))	0	0
<b>Total</b>	<b>3,048</b>	<b>1,464</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 372 (369)]	52	57
Aggregate amount of unquoted Investments	2,423	834
Value of investment property	573	573
Diminution in the value of investments	0	0

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### 10. DEFERRED TAX ASSETS (NET)

The components of deferred tax balances as at 31 March, 2016 are as under:

	(₹ Millions)	
	2016	2015
<b>DEFERRED TAX ASSETS</b>		
Arising on account of timing differences in Employee retirement benefits	166	158
Provision for doubtful debts and advances	337	418
Unabsorbed fiscal allowances	62	57
Other provisions	11	20
	<b>576</b>	<b>653</b>
<b>DEFERRED TAX LIABILITIES</b>		
Depreciation	20	122
	<b>20</b>	<b>122</b>
<b>DEFERRED TAX ASSETS (NET)</b>	<b>556</b>	<b>531</b>

### 11. LOANS AND ADVANCES

	(₹ Millions)			
	Long-term		Short-term	
	2016	2015	2016	2015
Capital advances	421	105	-	-
Deposits (unsecured, considered good)	508	343	370	194
Advances and deposits to related parties*	421	421	156	35
<b>OTHER LOANS AND ADVANCES (unsecured)</b>				
Loans - Others	-	-	1,750	4,250
Other advances				
- Considered good	455	556	5,470	4,754
- Considered doubtful	-	-	251	251
	455	556	5,721	5,005
Less: Provision for doubtful advances	-	-	251	251
	455	556	5,470	4,754
Prepaid expenses	16	11	411	346
Balance with Government Authorities -				
- Advance income tax (net of provisions)	4,090	4,271	-	-
- Advance indirect taxes	2	3	666	599
Less: Provision for doubtful advances - Service tax	-	-	14	11
	2	3	652	588
<b>Total</b>	<b>5,913</b>	<b>5,710</b>	<b>8,809</b>	<b>10,167</b>

\* Advances include ₹/Millions 45 (45) due from a Company in which one of the directors is interested as director

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## 12. OTHER ASSETS

(₹ Millions)

	Non-current		Current	
	2016	2015	2016	2015
Unbilled revenue	-	-	1,220	1,143
Balances with banks - in deposit accounts (Refer Note 16)	2	2	-	-
Interest accrued on -				
Long term investments	195	2	34	115
Current investments	-	-	-	3
Loans - others	-	-	1	-
Bank deposits	-	-	8	34
Other receivables - related parties	-	-	259	30
Other receivables #	397	376	10	1
<b>Total</b>	<b>594</b>	<b>380</b>	<b>1,532</b>	<b>1,326</b>

# The Group has recognised a receivable of ₹/Millions 397 (376) claimed from competing broadcaster for recovery of the telecast rights money relating to the sports event, which is under litigation. The management on the basis of review of the current status of this case and on the basis of opinion received from the lawyers representing in this matter, are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully realised.

## 13. CURRENT INVESTMENTS

(₹ Millions)

	2016	2015
<b>TRADE INVESTMENTS (VALUED AT COST, UNLESS STATED OTHERWISE)</b>		
<b>In Associate - Unquoted</b>		
522 (522) Equity shares of ₹100/-each of Idea Shop Web and Media Private Limited (Extent of holding 38.61%)	21	21
(Includes goodwill arising on consolidation ₹/Millions (19))	1	-
Add : Share of profit / (loss) upto previous years (Nil (₹ 236,240))	-	(0)
Less: Acquired during the year (Refer note 35(ii))	(22)	-
	-	21
<b>Others - Unquoted</b>		
Nil (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Refer note 9)	-	1,250
Certificate of Deposits (Non-Transferable) - Unquoted		
11.25% (Nil) of SICOM Limited	3,000	-
Nil (11.75%) of SICOM Limited	-	1,000
Nil (12%) of SICOM Limited	-	1,000
	3,000	2,000
<b>Commercial Paper - Quoted</b>		
Nil (2,500) units of ₹ 500,000/- each of Axis Finance Limited	-	1,245
<b>Mutual Funds - Quoted</b>		
57,989.9 (57,989.9) units of USD 1,000 each of Poseidon Opportunities Fund Limited	3,991	3,775
126,881 (Nil) units (of ₹ 1,000/- each) of HDFC Cash Management Fund - Savings plan	400	-
	4,391	3,775
<b>Total</b>	<b>7,391</b>	<b>8,291</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 4,393 (5,073)]	4,391	5,020
Aggregate amount of unquoted Investments	3,000	3,271

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### 14. INVENTORIES#

	(₹ Millions)	
	2016	2015
Raw stock - tapes	10	10
Media content*	12,972	11,747
Under production - programs	178	121
<b>Total</b>	<b>13,160</b>	<b>11,878</b>

\* Includes rights ₹/Millions 1,665 (1,462) which will commence at a future date.

# valued at lower of cost / unamortised cost or realisable value.

### 15. TRADE RECEIVABLES (UNSECURED)

	(₹ Millions)	
	2016	2015
Over six months		
- Considered good	983	439
- Considered doubtful	1,626	1,825
Others		
- Considered good	12,262	10,253
- Considered doubtful	-	94
	14,871	12,611
Less: Provision for doubtful debts	1,626	1,919
<b>Total</b>	<b>13,245</b>	<b>10,692</b>

### 16. CASH AND BANK BALANCES

	(₹ Millions)			
	Non-current		Current	
	2016	2015	2016	2015
<b>CASH AND CASH EQUIVALENTS</b>				
Balances with Banks -				
In Current accounts	-	-	4,328	3,126
In Deposit accounts	-	-	2,260	740
Cheques in hand / remittance in transit	-	-	2,106	1,481
Cash in hand	-	-	4	6
	-	-	<b>8,698</b>	<b>5,353</b>
<b>OTHER BANK BALANCES</b>				
Balances with Banks				
In Deposit accounts	2	2	1,020	2,000
In Unclaimed dividend accounts	-	-	15	12
	2	2	1,035	2,012
Less: Amount disclosed under "Other Assets" (Refer Note 12)	2	2	-	-
	-	-	<b>1,035</b>	<b>2,012</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,733</b>	<b>7,365</b>

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## 17. REVENUE FROM OPERATIONS

(₹ Millions)

	2016	2015
Services - Broadcasting revenue		
Advertisement	34,297	26,603
Subscription	20,579	17,935
- Commission - broadcasters	282	175
- Theatrical revenue	553	268
Sales - Media content	2,739	3,749
Other operating income	65	107
<b>Total</b>	<b>58,515</b>	<b>48,837</b>

## 18. OTHER INCOME

(₹ Millions)

	2016	2015
Interest income from		
- long-term investments	228	240
- current investments	247	268
- bank deposits	67	105
- others	510	608
Dividend income from		
- current investments	-	40
- long-term investments	3	2
Rent income	246	104
Gain / (loss) on exchange difference (net)	383	186
Liabilities / excess provision written back	63	251
Profit on sale of		
- current investments	194	363
- long-term investments	-	2
Insurance claim received	26	30
Miscellaneous income	49	79
<b>Total</b>	<b>2,016</b>	<b>2,278</b>

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### 19. OPERATIONAL COST

	(₹ Millions)	
	2016	2015
<b>a) MEDIA CONTENT<sup>#</sup></b>		
Opening - Inventory *	11,747	11,707
- Under production - programs	121	23
Add: Commissioned / acquisition **	19,594	14,395
Add: Production Expenses		
- Location hire and set charges	601	427
- Equipment hire charges	764	628
- Professional / artist fees	2,556	2,393
- License fees	290	200
- Other production expenses	2,197	2,230
Less: Closing - Inventory *	12,972	11,747
- Under production - programs	178	121
	<b>24,720</b>	<b>20,135</b>
<b>b) OTHER OPERATIONAL EXPENSES</b>		
Subscription management services	-	28
Telecast cost	1,329	1,230
	<b>1,329</b>	<b>1,258</b>
<b>Total (a) + (b)</b>	<b>26,049</b>	<b>21,393</b>

\* Includes cost / unamortised cost.

\*\* Includes rights acquired ₹/Millions 961 (834), which will commence at a future date.

# Media content of ₹/Millions 817 (668) are impaired during the year.

### 20. EMPLOYEE BENEFITS EXPENSE

	(₹ Millions)	
	2016	2015
Salaries and allowances	4,889	4,200
Contribution to provident and other funds	210	180
Staff welfare expenses	133	118
<b>Total</b>	<b>5,232</b>	<b>4,498</b>

### 21. FINANCE COST

	(₹ Millions)	
	2016	2015
Interest on - vehicle loans	4	3
- others	24	19
Other financial charges	95	81
<b>Total</b>	<b>123</b>	<b>103</b>

### 22. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ Millions)	
	2016	2015
Depreciation on tangible fixed assets	729	604
Amortisation of intangible assets	111	69
<b>Total</b>	<b>840</b>	<b>673</b>

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## 23. OTHER EXPENSES

	(₹ Millions)	
	2016	2015
Rent	798	446
Repairs and maintenance - Building	8	15
- Plant and Machinery	109	135
- Others	69	61
Insurance	21	16
Rates and taxes	139	63
Electricity and water charges	166	155
Communication charges	162	171
Printing and stationery	40	35
Travelling and conveyance expenses	512	449
Legal and professional charges	687	538
Payment to auditors (Refer Note 32)	41	41
Corporate Social Responsibility expenses	230	168
Donation	10	3
Hire and Service Charges	529	164
Miscellaneous expenses	61	49
Advertisement and publicity expenses	4,673	3,722
Commission expenses	524	460
Marketing, distribution and promotion expenses	3,006	2,853
Conference expenses	130	124
Provision for doubtful debts, advances and investment written back (net)	(285)	302
Bad debts and advances written off	338	393
Provision for diminution in value of investments	-	(16)
Loss on sale / discard / impairment of fixed assets (net)	171	61
<b>Total</b>	<b>12,139</b>	<b>10,408</b>

## 24. LEASES

## (I) OPERATING LEASES:

## (a) In respect of assets taken under operating lease

Leasing liabilities primarily relate to lease of certain offices, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally for 7 to 120 months.

	(₹ Millions)	
	2016	2015
Lease rental charges for the year	1,748	1,174
<b>Future Lease rental obligation payable (under non-cancellable lease)</b>		
Not later than one year	1,131	770
Later than one year but not later than five years	1,224	804
Later than five years	152	150

- (b) The Group has given part of its buildings under cancellable operating lease agreement. The initial term of the lease is for 11 to 36 months. The rental revenue for the year is ₹/Millions 246 (104).

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- (c) The Group has also sub-leased part of 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)	
	2016	2015
Sub lease rent income (including netted against rent expenses)	85	-
Future sub lease rental receivable (under non-cancellable lease)		
Not later than one year	191	-

## 25. CONTINGENT LIABILITIES

	(₹ Millions)	
	2016	2015
a) Corporate Guarantees		
-For subsidiaries, loans outstanding ₹/Millions Nil (Nil)	21,374	11,049
-For other related parties, loans outstanding ₹/Millions 800 (791) <sup>^</sup>	800	791
b) Disputed Indirect Taxes	497	539
c) Disputed Direct Taxes *	5,985	6,474
d) Claim against the Group not acknowledged as debts #	948	631
e) Legal cases against the Group @	Not Ascertainable	Not Ascertainable

<sup>^</sup> Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.

\* Income tax demands mainly include appeals filed by the Group 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 will be decided in its favour and hence no provision is considered necessary at this stage.

# 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.

26. 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 ₹/Millions 1,236 (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. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

## 27. CAPITAL AND OTHER COMMITMENTS

- (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹/Millions 217 (394).  
(ii) Other Commitments towards media content and license fees for live future broadcasting and for non live / tape events ₹/Millions 35,213 (34,555).  
(iii) Uncalled Liability on investments committed ₹/Millions 180 (392).

28. The Group has been deploying its surplus funds by way of inter corporate deposits, debt instruments etc. and the parties are regular in the payment of interest and hence considered good.

## 29. RELATED PARTY DISCLOSURE

## (I) A. ASSOCIATE

Name of the Associate	Extent of Holdings	Country of Incorporation
Aplab Limited	26.42% (26.42%)	India
Idea Shop Web and Media Private Limited (held through India Webportal Private Limited) upto 30 September, 2015	Nil (38.61%)	India
Asia Today Thailand Limited (held through Asia Today PTE Singapore Limited)	25.00% (25.00%)	Thailand

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## (I) B. JOINT VENTURE (HELD THROUGH ZEE TURNER LIMITED)

Name of the Jointly Controlled Entity	Extent of Holdings	Country of Incorporation
Media Pro Enterprise India Private Limited	50.00%	India

## (II) OTHER RELATED PARTIES WITH WHOM TRANSACTIONS HAVE TAKEN PLACE DURING THE YEAR AND BALANCES OUTSTANDING AS ON THE LAST DAY OF THE YEAR:

Procall Infra & Utilities Private Limited (Formerly Agrani Wireless Services Limited); Bombay Mobile Softwares Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Essel Business Excellence Services Limited; Essel Propack Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel InfraProjects Limited; Essel Shyam Communication Private Limited; Essel Solar Energy Private Limited; Himgiri Zee University; Indian Cable Net Company Limited; Intrex India Limited; ITZ Cash Card Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Pri Media Services Private Limited; Real Media FZ-LLC; Siti Cable Network Limited; Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communications Private Limited; Siti Karnal Digital Media Network Private Limited; Siti Maurya Cable Net Private Limited; Siti Vision Digital Media Private Limited; Siti Bhatia Network Entertainment Private Limited; Smart Wireless Private Limited; Tapasvi Mercantile Private Limited; Veria International Limited; Zee Akash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited, ZEE Foundation.

## DIRECTORS/ KEY MANAGEMENT PERSONNEL

Dr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director & CEO), Mr. Subodh Kumar (Executive Vice Chairman) (upto 15 October, 2015).

## RELATIVE OF KEY MANAGEMENT PERSONNEL

Mr. Amit Goenka

## TRANSACTIONS WITH RELATED PARTIES

	(₹ Millions)	
	2016	2015
<b>A) Non-Current Investments as at 31 March</b>		
Associates	3	6
Other related parties	2	2
<b>Current Investments as at 31 March</b>		
Associate	-	21
<b>B) Trade Receivables as at 31 March</b>		
Joint Venture	747	788
Other related parties	727	574
<b>C) Loans, Advances and Deposits given as at 31 March</b>		
Other related parties	577	455
<b>D) Other Receivable / Unbilled Revenue</b>		
Joint Venture	-	26
Other related parties	436	175
<b>E) Trade Payables / Other Payables as at 31 March</b>		
Joint Venture (P. Y. ₹ 124,886)	-	0
Associates	2	4
Other related parties	265	455
<b>F) Loans, Advances and Deposits Received as at 31 March</b>		
Other related parties	24	22
<b>G) Revenue from Operations</b>		
Advertisement Income		
Other related parties	67	10
Subscription Income		
Joint Venture	-	1,703
Associate	12	1
Other related parties	2,515	1,703

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	(₹ Millions)	
	2016	2015
<b>Commission received</b>		
Other related parties	2	3
<b>Other Operating Income</b>		
Other related parties	45	41
<b>H) Other Income</b>		
<b>Dividend Income</b>		
Other related parties	3	2
Joint Venture	-	1
Other related parties	106	104
<b>Balances written back</b>		
Other related parties (P. Y. Rs. 490,235)	-	0
<b>I) Reimbursements / Recoveries</b>		
Joint Venture	1	26
Other related parties	331	129
<b>J) Sale of Fixed Assets</b>		
Other related parties	-	2
<b>Purchase of Fixed Assets / Capital Advances</b>		
Other related parties	-	28
<b>K) Purchase of Media Content and Services</b>		
Associates	24	13
Other related parties	3,062	2,279
<b>L) Corporate Social Responsibility expenses</b>		
Other related parties	200	90
<b>M) Remuneration paid</b>		
Key Management Personnel	91	87
Relative of Key Management Personnel	3	-
<b>N) Loans, Advances and Deposits given</b>		
Other related parties	86	427
<b>O) Loans, Advances and Deposits repayment received</b>		
Other related parties	-	11
<b>P) Advances and Deposits received</b>		
Other related parties	24	22
<b>Q) Advances and Deposits refunded</b>		
Other related parties	22	-
<b>R) Repayment of Short Term Borrowings</b>		
Other related parties	-	1,001
<b>S) Corporate Guarantees given</b>		
Subsidiaries	21,374	11,049
Other related parties	800	791

\* Transactions with Joint Venture has been reported at full value.

## NOTES

forming part of the Consolidated Financial Statements

**NOTE : DISCLOSURE IN RESPECT OF MATERIAL RELATED PARTY WHO ACCOUNT FOR 10% OR MORE OF THE TRANSACTIONS DURING THE YEAR :**

- a. Investments at year end includes investment in equity of Apla Limited ₹/Millions Nil (5), Idea Shop Web and Media Private Limited ₹/Millions Nil (21), Asia Today Thailand Limited ₹/Millions 3 (1), Essel Propack Limited ₹/Millions 2 (2).
- b. Trade Receivables balances outstanding include receivable from Media Pro Enterprise India Private Limited ₹/Millions 747 (788), Dish TV India Limited ₹/Millions 28 (22), Siti Cable Network Limited ₹/Millions 144 (184), Veria International Limited Rs/Millions 513 (368).
- c. Loans, Advances and Deposits balances outstanding includes Cyquator Media Services Private Limited ₹/Millions Nil (30), Broadcast Audience Research Council ₹/Millions 45 (45), Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions 340 (340), Siti Cable Network Limited ₹/Millions 66 (0), ZEE Media Corporation Limited ₹ / Millions 61 (Nil).
- d. Other Receivable balances include Media Pro Enterprise India Private Limited ₹/Millions Nil (26), Dish TV India Limited ₹/Millions 177 (158 ), Dish Infra Services Private Limited ₹/Millions Nil (3); Essel Finance Management LLP ₹/Millions 15 (4), ITZ Cash Card Limited ₹/Millions 1 (2), Zee Media Corporation Limited ₹/Millions 96 (8), Living Entertainment Enterprises Private Limited ₹/Millions 106 (Nil).
- e. Trade Payables / Other Payables balances - Asia Today Thailand Limited ₹/Millions 2 (4), Dish TV India Limited Rs/Millions 58 (121), Zee Media Corporation Limited ₹/Millions 35 (248), Indian Cable Net Company Limited ₹/Millions 27 (Nil), Broadcast Audience Research Council ₹/Millions 30 (Nil), Essel Business Excellence Services Limited ₹/Millions 66 (Nil).
- f. Advances and Deposits Received outstanding includes Essel Corporate Resources Private Limited ₹/Millions 10 (Nil), Essel Infra Projects Limited ₹ /Million 12 (Nil), Dish TV India Limited ₹/Millions Nil (22).
- g. Revenue from Operations includes Advertisement Income - Diligent Media Corporation Limited ₹/Millions Nil (1), Dish TV India Limited ₹/Millions 53 (8), Living Entertainment Enterprises Private Limited ₹/Millions 8 (Nil). Subscription Income - Media Pro Enterprise India Private Limited ₹/Millions Nil (1,703 ), Asia Today Thailand Limited ₹/Millions 12 (1), Dish TV India Limited ₹/Millions 1,839 (1,212 ), Siti Cable Network Limited ₹/Millions 676 (491). Commission received include Veria International Limited ₹/Millions 1 (3), Zee Media Corporation Limited ₹/Millions 1 (Nil), Other Operating Income - Zee Media Corporation Limited ₹/Millions 37 (41), Living Entertainment Enterprises Private Limited ₹/Millions 7 (Nil).
- h. Other Income Include Dividend received from Essel Propack Limited ₹/Millions 3 (2). Rent/Miscellaneous Income from Media Pro Enterprise India Private Limited ₹/Millions Nil (1), Dish TV India Limited ₹/Millions 16 (28), Siti Cable Network Limited ₹/Millions 7 (13), Zee Media Corporation Limited ₹/Millions 57 (51), Dish Infra Services Private Limited ₹/Millions 14 (2). Balance written back includes Intrex India Limited ₹/Millions Nil (0), Pan India Network Limited ₹/Millions Nil (0).
- i. Reimbursements / Recoveries from Media Pro Enterprise India Private Limited ₹/Millions 1 (26), Dish TV India Limited ₹/Millions 37 (55), Siti Cable Network Limited ₹/Millions 4 (12), Zee Media Corporation Limited ₹/Millions 121 (52), Living Entertainment Enterprises Private Limited ₹/Millions 95 (Nil).
- j. Purchase of Fixed Assets from Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions Nil (13), Dish TV India Limited Rs/Millions Nil (3), Zee Learn Limited ₹/Millions Nil (11). Sale of Fixed Assets to Zee Media Corporation Limited ₹/Millions Nil (2).
- k. Purchase of Media Content and Services include from Asia Today Thailand Limited ₹/Millions 24 (13), Digital Subscriber Management and Consultancy Services Private Limited ₹/ Million 503 (46), Dish TV India Limited ₹/Millions 176 (203), Essel Corporate Resources Private Limited ₹/Millions 240 (294), Siti Cable Network Limited ₹/Millions 356 (315), Zee Learn Limited ₹/Millions 6 (51), Zee Media Corporation Limited ₹/Millions 1080 (1,196).
- l. Remuneration paid to Key Management Personnel Mr. Punit Goenka ₹/Millions 67 (51) and Mr. Subodh Kumar ₹/Millions 24 (36).  
  
Remuneration paid to Relative of Key Management Personnel ₹/Millions 3 (Nil).
- m. Corporate Social Responsibility activities includes Himgiri Zee University ₹/Millions Nil (90), Zee Foundation ₹/Millions 200 (Nil).
- n. Loans, Advances and Deposits given includes Broadcast Audience Research Council ₹/Millions Nil (50), Cyquator Media Services Private Limited ₹/Millions Nil (2), Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions Nil (340), Siti Cable Network Limited ₹/Millions 65 (Nil), Essel Corporate Resources Private Limited ₹/Millions 21 (Nil).
- o. Loans, Advances and Deposits repayment received includes Real Media FZ-LLC ₹/Millions Nil (11).
- p. Advances and Deposits received includes Dish TV India Limited ₹/Millions Nil (22), Essel Corporate Resources Private Limited ₹/Millions 10 (Nil), Essel Infra Projects Limited ₹ /Million 12 (Nil).
- q. Advances and Deposits refunded includes Dish TV India Limited ₹/Millions 22 (Nil).
- r. Short Term Borrowings repaid include Tapasvi Mercantile Private Limited ₹/Millions Nil (1,001).
- s. Corporate guarantees on behalf of Taj TV Limited ₹/Millions 21,374 (11,049), Broadcast Audience Research Council ₹/Millions 170 (170), Siti Cable Network Limited ₹/Millions 630 (610), Zee Learn Limited ₹/Millions Nil (11).

"0" (zero) denotes amounts less than a million.

## NOTES

forming part of the Consolidated Financial Statements

30. Operational cost and other expenses are net off recoveries ₹/Millions 332 (155).

### 31 SEGMENT INFORMATION

#### (A) BUSINESS SEGMENT

The Group operates only in one Segment namely 'Content and Broadcasting' and hence business segment disclosure as per AS-17 - Segment Reporting are not applicable.

#### (B) REVENUE FROM GEOGRAPHICAL MARKET

The geographical segments considered for disclosure are India and Rest of the World.

The revenues are attributable to countries based on location of customers.

(₹ Millions)

	Revenues	
	2016	2015
India	43,978	35,228
Rest of World	14,537	13,609

Segment assets and liabilities are disclosed based on the countries of incorporation of respective companies.

(₹ Millions)

	Segment Assets		Capital Expenditures	
	2016	2015	2016	2015
India	50,094	44,479	3,001	1,010
Rest of World	24,201	20,778	758	184

### 32 PAYMENT TO AUDITORS

(₹ Millions)

For Standalone	2016	2015
Audit fees	8	7
Tax audit fees	1	1
Certification and tax representation	6	7
Reimbursement of expenses (₹ 395,824 (₹ 427,135))	0	0
<b>Total</b>	<b>15</b>	<b>15</b>

(₹ Millions)

For Subsidiaries and Jointly controlled entity	2016	2015
Audit fees	23	23
Tax audit fees	1	3
Certification and tax representation (P.Y. ₹ 490,000)	2	0
Reimbursement of expenses (₹ 122,713 (₹ 144,865))	0	0
<b>Total</b>	<b>26</b>	<b>26</b>

## NOTES

forming part of the Consolidated Financial Statements

## 33. EARNINGS PER SHARE (EPS)

(₹ Millions)

	2016	2015
a. Profit after Tax (₹/Millions)	10,267	9,775
Less: Dividend on preference shares (₹/Millions) (including tax)	1,458	1,453
b. Profit available for appropriation to Equity Shareholders (₹/Millions)	8,809	8,322
c. Weighted average number of equity shares for basic and diluted EPS (in numbers)	960,448,720	960,448,720
Nominal value of equity shares (₹)	1	1
d. Basic and diluted EPS (₹)	9.17	8.67

34. The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2015. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

## 35. (I) ACQUISITION OF MEDIA BUSINESS UNDERTAKING OF DILIGENT MEDIA CORPORATION LIMITED

- During the previous year, a Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with Section 78 and Sections 100 to 104 and other applicable provisions of the Companies Act 1956 / Companies Act 2013, between Diligent Media Corporation Limited ("DMCL" or "the Demerged Company") and the Company ("the Resulting Company") and their respective shareholders and creditors, was sanctioned by the Hon'ble High Court of Judicature at Mumbai on 12 September 2014. Pursuant to the Scheme, the Media Business Undertaking of DMCL is demerged and vested with the Company on appointed date i.e. 31 March 2014 on going concern basis.
- The Scheme was given effect in the financial statements for the year ended 31 March 2015 and pursuant to the Scheme:
  - The assets and liabilities of Media Business Undertaking of DMCL were transferred to and recorded in the books of account of the Company at their respective book values and the difference (Surplus) of ₹/Millions 1,996 was credited to the General Reserve.
  - 22,273,886 6% Non-Cumulative Redeemable Preference Shares of ₹ 1 each were allotted to the equity shareholders of DMCL in the previous year in the ratio of One fully paid preference shares of ₹ 1 each of the Company for every four equity shares of ₹ 10 each held in DMCL.
  - The aforesaid preference shares have been redeemed during the year.

## (II) ACQUISITION OF SARTHAK ENTERTAINMENT PRIVATE LIMITED AND IDEA SHOP WEB AND MEDIA PRIVATE LIMITED

During the year, the Company has acquired the entire 450,000 equity shares of ₹ 10 each of Sarthak Entertainment Private Limited. Upon completion of acquisition of "Sarthak TV" an Odiya language general entertainment channel, Sarthak Entertainment Private Limited has become wholly owned subsidiary of the Company on and from 4 December, 2015. Also, the Company has increased its shareholding in Idea Shop Web and Media Private Limited through its Subsidiary India Web Portal Private Limited. The effect of acquisition of subsidiaries on the financial position and results as included in the consolidated financial statements as at and for the year ended 31 March, 2016 are given below:

(₹ Millions)

	Sarthak Entertainment Private Limited	Idea Shop Web and Media Private Limited
Net assets acquired	170	4
Goodwill on consolidation	898	30
Impact on Profit / (loss) before tax	67	(5)

## 36. DISCLOSURE IN RESPECT OF JOINT VENTURE COMPANIES

In Compliance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures", the Group's share of each of the assets, liabilities, income and expenses, etc. in respect of jointly controlled entities are as follows :

(₹ Millions)

Name of the Joint Ventures	Country of Incorporation	Ownership Interest
Media Pro Enterprises India Private Limited	India	50% (50%)

## NOTES

forming part of the Consolidated Financial Statements

(₹ Millions)		
Particulars	2016	2015
<b>ASSETS</b>		
Long-term loans and advances	851	849
Trade receivables	0	18
Cash and bank balance	74	122
Short-term loans and advances	10	11
Other current assets	3	1
<b>LIABILITIES</b>		
Trade payables	810	882
Other current liabilities	19	24
<b>INCOME</b>	29	281
<b>EXPENSES</b>	16	243

## 37. EXCEPTIONAL ITEM

Exceptional item represents write off of investment in MirriAD Limited, UK of ₹/Millions 331 (Nil) by ATL Media Ltd (Formerly Asia Today Limited), a wholly owned overseas subsidiary of the Company on account of contingent losses and capital reduction / restructuring in MirriAD Limited, UK.

## 38. Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

(₹ Millions)				
Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Zee Entertainment Enterprises Limited				
<b>SUBSIDIARIES</b>	81%	50,394	84%	8,593
<b>Indian</b>				
1 Zee Turner Limited	0%	95	0%	19
2 India Webportal Private Limited	0%	78	0%	26
3 Essel Vision Productions Limited	1%	492	1%	72
4 Taj Television (India) Private Limited	3%	1,998	12%	1,232
5 Zee Digital Convergence Limited (Formerly Zee Sports Limited)	0%	(78)	(3%)	(323)
6 Sarthak Entertainment Private Limited	0%	211	0%	41
7 Idea Shop Web and Media Private Limited	0%	(0)	0%	(5)
<b>Foreign</b>				
1 ATL Media Ltd (Formerly Asia Today Limited)	16%	9,730	4%	435
2 Zee Multimedia Worldwide (Mauritius) Limited	8%	5,118	1%	91
3 Asia TV Limited (UK)	1%	832	0%	22
4 Expand Fast Holdings (Singapore) Pte Limited	0%	126	0%	10
5 OOO Zee CIS Holding LLC	0%	-	0%	-
6 OOO Zee CIS LLC	0%	5	0%	16
7 Taj TV Limited	0%	(250)	(3%)	(318)
8 Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	0%	(29)	0%	(17)
9 Zee Technologies (Guangzhou) Limited	0%	(45)	0%	(21)
10 Zee Entertainment Middle East FZ-LLC	2%	1,146	6%	653
11 ATL Media FZ-LLC	0%	(151)	(1%)	(115)
12 Zee TV South Africa (Proprietary) Limited	0%	(263)	1%	69
13 Zee TV USA Inc.	0%	-	0%	-
14 Asia Multimedia Distribution Inc.	0%	3	0%	3

## 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	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
15 Eevee Multimedia Inc.	0%	(45)	0%	(37)
16 Asia Today Singapore Pte Limited	0%	(99)	(1%)	(98)
17 Asia TV USA Limited	0%	(3)	0%	(3)
<b>Minority Interests in all subsidiaries</b>	0%	85	0%	18
<b>ASSOCIATES (INVESTMENT AS PER THE EQUITY METHOD)</b>				
<b>Indian</b>				
1 Aplab Limited	0%	-	0%	(6)
2 Idea Shop Web and Media Private Limited#	0%	-	0%	1
<b>Foreign</b>				
1 Asia Today Thailand Limited	0%	3	0%	2
<b>JOINT VENTURES (AS PER PROPORTIONATE CONSOLIDATION)</b>				
<b>Indian</b>				
1 Media Pro Enterprise India Private Limited	0%	109	0%	13

**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.

# Became subsidiary during the year

## ROUTE MAP FOR VENUE OF AGM





|| VASUDHAIVA KUTUMBAKAM ||  
THE WORLD IS MY FAMILY

## Zee Entertainment Enterprises Limited

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  
CIN: L92132MH1982PLC028767 • Website: [www.zeetelevision.com](http://www.zeetelevision.com)

### ATTENDANCE SLIP

#### 34th Annual General Meeting

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Tuesday the 26th day of July 2016 at 11.00 a.m.

\_\_\_\_\_  
Name of Shareholder/Proxy: (IN BLOCK LETTERS)

\_\_\_\_\_  
Signature of Shareholder/Proxy

Folio No. \_\_\_\_\_

Client ID No.# \_\_\_\_\_

DP ID No. \_\_\_\_\_

No. of Shares \_\_\_\_\_

# (Applicable for shareholders holding shares in dematerialized form)





|| VASUDHAIVA KUTUMBAKAM ||  
THE WORLD IS MY FAMILY

## Zee Entertainment Enterprises Limited

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  
CIN: L92132MH1982PLC028767 • Website: [www.zeetelevision.com](http://www.zeetelevision.com)

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

### 34th Annual General Meeting

Name of Member(s) \_\_\_\_\_  
Registered address \_\_\_\_\_  
E-mail Id \_\_\_\_\_  
Folio No./ Client ID No. \_\_\_\_\_

I/We, being the member(s) holding \_\_\_\_\_ Equity Shares of Zee Entertainment Enterprises Limited, hereby appoint

1. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_

or failing him

2. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_

or failing him

3. Name: \_\_\_\_\_ E-mail Id: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Fourth Annual General Meeting of the Company to be held on Tuesday the 26th day of July 2016 at 11.00 a.m. at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Audited Financial Statements of the Company on a standalone and consolidated basis for the financial year ended March 31, 2016 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2. Confirmation of Dividend paid on the Preference Shares of the Company for the financial year/ period ended March 31, 2016.		
3. Declaration of Dividend of ₹ 2.25 per Equity Share for the financial year ended March 31, 2016.		
4. Re-appointment of Dr. Subhash Chandra as a Director of the Company		
5. Appointment of Auditors		
6. Appointment of Mr. Adesh Kumar Gupta as Independent Director		
7. Re-appointment of Prof. Sunil Sharma as Independent Director for second term.		
8. Re-appointment of Prof. (Mrs.) Neharika Vohra as Independent Director for second term.		
9. Maintenance of register of members at the office of Registrar & Share Transfer Agent instead of Registered office of the Company.		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, not less than 48 hours before the commencement of the Meeting.



# OUR PRESENCE

## REGISTERED AND CORPORATE OFFICE

18th Floor, A-Wing, Marathon Futurex,  
N.M. Joshi Marg, Lower Parel,  
Mumbai – 400013.  
Tel. +91 22 7106 1234.

## DOMESTIC

Continental Building,  
135, Dr. Annie Besant Road, Worli,  
Mumbai – 400018.

At- Swetana Residency,  
New Kanika Colony,  
Kanika Chhak, Cuttack,  
Orissa – 753008.

B-10, Essel House,  
Lawrence Road Industrial Area,  
New Delhi – 110035.

Filmcity 19, Sector 16 - A,  
Noida – 201301.

5 A/1 & 5 A/2,  
5<sup>th</sup> Floor, Park Plaza,  
71 Park Street, Kolkata – 700016.

6-2-929 DB Enclave,  
Raj Bhavan Road, Khairtabad,  
Hyderabad – 500004.

Olympia Platina, No. 33B,  
2nd Floor, Sidco Industrial Estate Guindy,  
Chennai – 600032.

3rd Floor, United Mantions,  
39 M. G. Road,  
Bengaluru – 560001.

7B, Shah Industrial Estate,  
Off. Veera Desai Road,  
Andheri (W),  
Mumbai – 400053.

## INTERNATIONAL

10 Collyer Quay #10-01,  
Ocean Financial Centre,  
Singapore.

2nd Floor, Building B,  
Ballyoaks Office Park 35 Ballyclare Drive,  
Bryanston, Johannesburg,  
South Africa, 2021.

Office 202 & 204,  
Zee Tower, DMC,  
Dubai, UAE.

Hygeia Building, 3rd Floor,  
66/68 College Road, Harrow,  
Greater London HA1 BE.

Nizhnyaya Krasnosel'skaya St. Build.  
40/12, Korp.2 Office 330,  
Moscow Russia, 105066.

1999 Bryan St.,  
Ste.900, Dallas/TX/75201-3136.

693 Queen Street East,  
Toronto, Canada M4M1G6.

200 Middlesex Essex Turnpike Suite 202,  
Iselin, NJ 08830.

2nd Floor, Ebene House,  
33, Cybercity Ebene,  
Mauritius.

Unite 306, 26th Floor,  
No.103, B Tower,  
Tianhe Sports West Road,  
Guangzhou, GuangDong,  
P.R. China 510620.

**ZEE ENTERTAINMENT ENTERPRISES LIMITED**  
CIN: L92132MH1982PLC028767

**REGISTERED & CORPORATE OFFICE**  
18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013  
Tel. +91 22 7106 1234

[www.zeetelevision.com](http://www.zeetelevision.com) |    /ZeeCorporate