ZEE

Extraordinary Together

July 4, 2019

BSE Limited
National Stock Exchange of India Limited

Scrip Code: Equity - BSE – 505537 / NSE - ZEEL EQ
Preference – BSE 717503 / NSE – ZEEL P2

Kind Attn: Manager- Corporate Relationship Department

Dear Sir,

Sub: Annual Report of the Company for the year ended March 31, 2019

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, enclosed please find Annual Report of the Company for the Financial Year 2018-19 along with the Notice of the Annual General Meeting scheduled on Tuesday, July 23, 2019 at 4.00 p.m. at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018.

In this regard, it may be noted that, as detailed in the Notes to Notice of AGM:

- the Company has provided, Equity Shareholders with facility to exercise their right to vote on all business proposed at the AGM by electronic means by using remote e-voting facility provided by National Securities Depositories Ltd (NSDL). The remote e-voting period shall commence from Friday, July 19, 2019 at 9.00 a.m. and will end on Monday, July 22, 2019 at 5.00 p.m., and the Shareholders of the Company as at the Cut-off date of July 16, 2019 shall be eligible to vote using the remote e-voting facility;

- As required under the Listing Regulations, the Company is pleased to provide a one-way Webcast facility through NSDL to enable Equity Shareholders of the Company as at the cut-off date, to view the live streaming of the proceedings of the AGM by logging on to www.evoting.nsdl.com.

The attached Annual Report (included Notice of AGM) of the Company can also be accessed on the website of the Company www.zeeentertainment.com.

For Zee Entertainment Enterprises Limited

Zee Entertainment Enterprises Limited Mumbai

M Lakshminarayanan
Chief Compliance Officer and Company Secretary

Encl: As above

EVOKING EMOTIONS.
TOUCHING LIVES.

ANNUAL REPORT
2018-19

Zee Entertainment Enterprises Limited

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STANDALONE

CONSOLIDATED

Forward-looking statement

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

View Annual and Quarterly financials:
https://www.zeeentertainment.com/investors/financials/

Entertainment has been an integral part of human life since the dawn of civilisation. It rejuvenates people by relieving them from the tedium of their routine. Viewers vicariously experience the lives of their favourite characters by getting transposed to imaginative places and situations. Entertainment fires peoples' imagination, makes them appreciate the nuances of a situation, and helps them to understand the complexities of relationships. Emotion, the common thread that runs across entertainment content, enriches it and makes it relevant. By evoking emotions that people live each day, entertainment has been able to touch their lives with hues of joy and sorrow, hope and despair, pride and inferiority, awe and contempt, confidence and fear. A film, a play, a show, a symphony or a concert, it moves hearts when emotions take the foreground.

People seek entertainment primarily for instant gratification, but it greatly influences every aspect of human life and plays a vital role in shaping cultures. The stories and the characters weaved in content give an expression to the experiences of the viewers. As if looking in a mirror, they see their part being acted out in narratives and are inspired to overcome challenges and chase their dreams. Content often delves into unfamiliar subjects, customs and cultures. By exploring their different perspectives, it helps build bridges and spur solidarity. Entertainment consistently questions traditions, provokes new thoughts and gives a voice to the unheard. It brings about a gradual change by tacitly seeding fresh ideas and helping them become acceptable. ZEEL absorbs the intricacies of life by observing it unfold at several levels and tells stories that evoke a range of emotions and touch lives.

STORIES THAT INSPIRE

There is no individual who is not capable of doing more than he thinks he can do. However, this potential, more often than not, is not utilized due to the fear of adversities, inadequate realisation of talent, or other priorities. In the humdrum of daily life, it is difficult to take a pause, reflect and shed these inhibitions. In such situations, inspiration strengthens us to transcend limitations and awakens us to extraordinary possibilities. It helps discover latent talent, rekindle long-forgotten ambitions, and muster courage to overcome challenges. While sometimes people are able to channel their inner voice for motivation, they look for external impetus at other times

Inspiring stories form an important part of entertainment themes all over the world, providing stimulus to people to think beyond the apparent. They evoke emotions and encourage actions to unleash their full potential. When the protagonists of these stories withstand untold hardships and sufferings to achieve their goals, they become heroes whom spectators look up to. Their energy, courage, resilience, determination, and fighting spirit fascinate audiences and they emerge as their role models. A story of an individual realising her dreams spawns a million new aspirations. Humanity has withstood real-life tribulations by drawing motivation from inspirational entertainment.

In its storytelling journey, ZEEL has rendered tales of inspiration, picked from the lives of real people or inspired by their stories. The characters of these narratives have personified positivity, passion, single-minded pursuit of goals, zeal to excel, selfless dedication to a cause, resilience, and many other such positive emotions. These abstract elements of inspiration have reached the audience as tangible messages of motivation – house-maid of a music maestro rises to national fame through her sheer desire to succeed, a strong-willed plus-size young lady shows the youth how to achieve big things in life by overcoming limitations, and a girl with a passion for studies and Kabaddi overcomes adversities to become a real-life role model. ZEEL reaches out to audiences across the country with such stories, showcasing possibilities outside the realm of the ordinary.

STORIES THAT
CONNECT

In today's world, reality is seen through one's own prism. Like refraction of light into various colors, humans have significantly varied perspectives of personalities, events and cultures. These perspectives pervade ideas, ideals and thought processes, making people what they are. This individuality, posited against uniformity, brings a conflict between uniqueness and diversity. Family, the micro-unit of society, is today a group of individuals living under one roof but pursuing different goals, ideologies, and lifestyles. As this phenomenon expands and reaches the outer circles of the socio-cultural order, we come across disconnect and differences which end up in discontent. The lack of time and willingness to understand each other's positions worsen the situation, until mutual disapproval becomes the norm.

It is only when people get a fair perspective of each other's lives, that it becomes possible to convert mutual disapproval into mutual understanding. When one understands the other, even differences become amicable. What follows is settlement, a state of harmonious co-existence where the difference in thoughts, actions, practices, and customs are met with respectful deference. It helps people to celebrate the differences and meet half-way on the bridge that stands firm on the foundation of mutual understanding. Confluence of thoughts from varied backgrounds has been the driving force for the evolution of any society. This idea is even more relevant for a diverse country like India with a multitude of sub-cultures.

The central idea that mutual understanding helps people from disparate backgrounds connect finds vivid forms of expressions in creative stories ranging from poetry to plays. In fact, entertainment has played an important role in subliminally reconciling differences. Through its content, ZEEL portrays wide-ranging concepts which capture the diversity of cultures, explore lives of people in minority and tell stories that look inconsequential at first glance - a community with non-conformant sexual preferences fighting for their rights, a young girl from a village starting life in a big city without giving up on her core values amidst external influences, and an understanding and supportive husband helping his wife to overcome a traumatic past tinged by sexual assault. As an entertainment content company with pan-India presence, ZEEL brings these stories from every corner of the country.

STORIES THAT
BRING CHANGE

Individuals, societies and cultures are constantly shaped by new ideas. What seems like a norm today might have been a rebellious concept in the past. The constant churning of customs, beliefs and convictions with fresh ideas brings about a change in a subtle manner. The process of change is gradual, and even a revolution which unsettles time-tested notions in a single stroke, is a culmination of thoughts built up over years or even generations. Change is the constant driver for evolution and progress of societies and cultures. In a connected and dynamic environment, an inspired individual sets in motion the process of change which gains momentum and becomes a collective movement.

Entertainers have always made earnest efforts to understand change first-hand and prepare palatable narratives that help drive it. Through its portrayal of contemporary social mores and norms, entertainment has triggered small but gradual changes in attitudes, beliefs and convictions. It has also played a very effective role of holding a mirror to society and continuously shaped the list of what is considered 'acceptable'. Incessantly chipping away at the ideas that have become irrelevant and presenting the ones that are not yet mature for adoption by the masses, entertainment subtly introduces its audiences to change.
Be it women empowerment, gender equality, same-sex relationships, unconventional career choices, or unusual lifestyles, entertainment personifies progressive thinking in its true spirit.

Unparalleled cultural exchange, blurring of geographic borders, boundary-less knowledge, and technological revolutions in everyday life have triggered new individualistic trends. As an entertainer, ZEEL has been cognizant of these trends and it creates stories that give change a people's perspective. A young girl who strongly believes in financial independence and equal rights for women enters a business-line considered a male bastion, a female continuously rejected in life because of her looks inspires a whole generation of women to appreciate their talents and not the appearances, and a surrogate mother tackles society's prejudices and gender stereotypes. To some these might look trivial, but for a country like India with a varied socio-cultural milieu, these represent a big leap.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Media & Entertainment industry is going through an exciting phase. We are seeing discontinuous changes in all aspects of entertainment and for the consumer, freedom of choice, enhanced connectivity and multiple screens, have given new dimensions to overall entertainment consumption. The attention spans of the consumers have shortened, and the conventional boundaries of content creation have been breached. In this competitive environment, the need for innovation and creativity is certainly at its peak. In our journey of delivering extraordinary entertainment content across platforms, our Company has been at the forefront of driving change and setting trends for the industry and we are gearing-up for success in this evolving landscape. Our strong and consistent operating and financial performance give us room to invest in future growth opportunities.

India continues to be the fastest growing economy despite the volatile conditions. While the impact of structural reforms will take the required time to settle, a few issues in select sectors of the economy are affecting the growth in the short-term. That said, with the new government at the centre, backed by a strong mandate and positive outlook, there is an expectation that the implementation of the steps needed to rectify these issues will lead to a quick reversion to the earlier growth trajectory.

Content consumption continued to showcase an accelerated growth, irrespective of the momentary slow-down in macro-economic growth. India's spends on entertainment are insignificant compared to the overall size of the economy and the income levels, which explains the limited impact on content consumption growth, despite the mentioned slow-down. Our per capita content consumption is still comparatively lower, with a substantial room for growth. India's Media & Entertainment industry is growing at more than twice the global average, driven by the long-term narrative of the content growth story.

The Media & Entertainment industry has always been a dynamic one, fueled by the innovation and imagination of creative fraternity. However, the pace of evolution has accelerated due to the changes in technology which have diminished boundaries for creators and democratized access to content. This has given a huge boost to both content creation and consumers' access to content. While video has always been the dominant medium for entertainment, thanks to technology, it is finding new use cases and taking share from other media. The consumers are now exposed to a surfeit of video content across new formats which is driving strong consumption growth and leaving them yearning for more. This growth in demand and content creation has set in motion a virtuous cycle.

Content consumption experience has been another key driver for the overall exponential growth. Series of technological developments and innovations have made it easy for consumers to access content while also enabling interactivity and personalization. The viewers are no longer restricted to consume content within the confines of time and place. They are empowered with multiple options from around the world, at a device, place and time of their choice. This has given 'content discovery' a whole new meaning, paving way for multiple solutions to emerge which are making it further easier for consumers to access relevant and customized content. The immersive content viewing experience enables the viewers to not just view, but to also interact and share, enhancing the overall engagement levels. Technology is not only enabling a personalized experience but is also making it possible to serve customized content to smaller audience segments.

"The Media & Entertainment industry has always been a dynamic one, fueled by the innovation and imagination of creative fraternity. However, the pace of evolution has accelerated due to the changes in technology which have diminished boundaries for creators and democratized access to content."

As this evolution continues, we will not only be limited to creating content for mass audience but it will be imperative for us to give a personalized entertainment experience to the viewers.

In the evolving media landscape, along with the changing relationship between the viewers, content creators, and distributors, we are also seeing a set of new players emerge. While the existing players will cede some ground to the new entrants, the explosive growth in content consumption is providing enough growth opportunities for all players in the value chain. The incumbents are able to expand their addressable market by creating new touch-points while the new players are thriving on niche or untapped opportunities. While content will remain fundamental to the proposition of entertainment, technology is playing a much more influential role. As an industry, we will have to be agile to adapt to changes, develop new skills, and accelerate the pace of innovation to benefit from these new opportunities. Consolidation will certainly follow this phase of hyper-growth. Constant innovation and incessant efforts to satisfy the consumers' needs will be critical for survival in this new landscape.

Financial Year 2018-19 has been successful for our Company. Our strong operating performance is in line with the trend over last several years. The investments we made over a period of time are showing results, helping us grow ahead of the market. Our decision to strengthen our focus on regional television markets has yielded results, reflected in our strong competitive position in each of the territories. Zee Keralam is our latest step in this direction which would help us consolidate our position. In a short time, ZEE5 has been able to establish itself as one of the leading digital entertainment platforms in the country. It has learnt from the success of our television business, and has a really sharp focus on regional markets. ZEE5 will certainly be the vanguard of our growth in the coming years. Our movie production and music publishing businesses are getting strengthened every year. While Zee Studios continues to build on the success of the last two years, Zee Music Company is rapidly scaling-up its music library. The International Business is entering a new phase of growth with the addition of ZEE5 to its portfolio. While ZEE5 will be launched across the globe in coming months, the broadcast business will continue to focus on increasing its reach. Zee Live is now expanding its footprint in the organised events space and we expect it to become a strong player in this segment. Our strong operating performance is reflecting in our financials. 12% revenue CAGR and 16% EBITDA CAGR over the last five years is a result of the careful execution of our strategy.

At ZEEL, we have been always cognizant about our responsibilities towards the society. Our content revolves around stories from the varied social, cultural and economic milieu of our great nation. These stories not only serve to entertain, but also help our audience subliminally find inspiration to achieve the extraordinary, build empathy for fellow human beings, and bring about a positive change in the society. Extending our brand philosophy of 'Extraordinary Together', we launched the *Dibba Lautao* and *Revive Odisha* campaigns to encourage citizens across the country to contribute to relief efforts for the natural calamity affected states of Kerala and Orissa. Our programming initiatives and on-ground activities are making a conscious effort to mitigate the impact of drought in some parts of Maharashtra. With *Project Prerna* and the *Kisan Abhiman* initiative, we are constantly working to bring small improvements in their lives of the farming community. As a responsible organization, driven by a rich value system, we remain committed to bringing a positive change in the lives of our audience.

I am grateful to all our stakeholders for their constant support and the trust reposed in us. We are working to strengthen our value proposition and I hope that we will be able to bank on your support in the future as well.

Sincerely,

Subhash Chandra

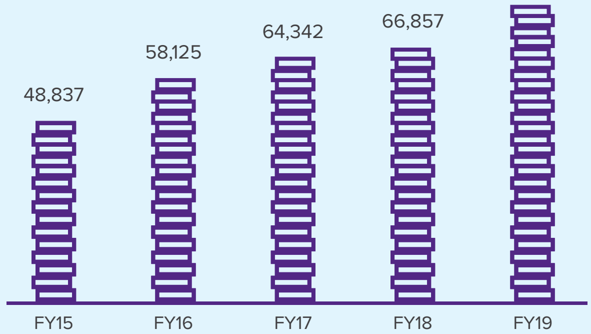
KEY PERFORMANCE INDICATORS

GROWING STEADILY

Revenues

₹ Million

FY14-19 CAGR **12.4%**

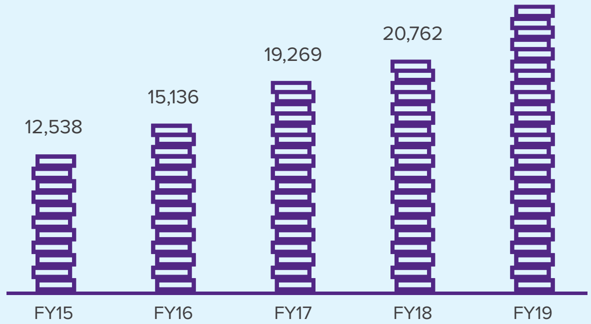


ZEEL's revenues have grown at 12.4% CAGR over the past five years. However, excluding the Sports business, which was divested in FY17, revenues grew at 16.1% CAGR over FY14-19. This has been driven by improvement in our TV network share and digitization of analogue subscriber base. During FY19, our domestic advertising and subscription grew by 20.9% and 17.4% YoY, respectively.

EBITDA

₹ Million

FY14-19 CAGR **16.3%**

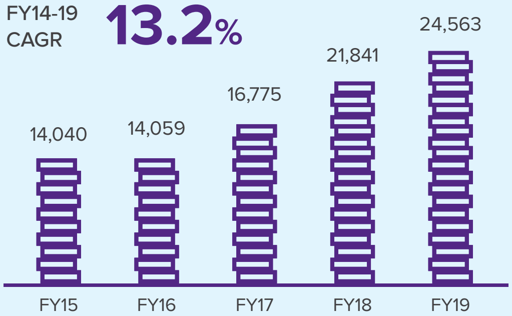


Our EBITDA CAGR of 16.3% over the last five years is ahead of revenue growth. EBITDA margins improved from 27.2% in FY14 to 32.3% in FY19 driven by operating leverage. In FY19, despite investments in digital, EBITDA margins improved by 120bps YoY. Monetization of phase III subscribers and market share gains in our Domestic Broadcast aided margins.

PBT Before Exceptional Items

₹ Million

FY14-19 CAGR **13.2%**

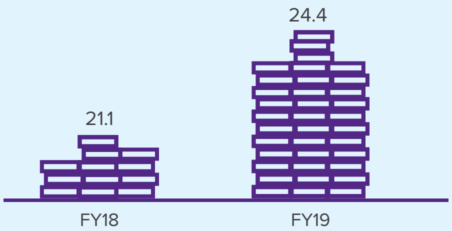


Our Profit before tax has grown at a 13.2% CAGR over the past five years led by robust revenue growth and improving margins. During FY19, PBT (before exceptional items) increased by 12.5% YoY, tad lower than the five-year average, due to lower other income and higher fair value adjustments.

Return on Capital Employed

%

FY19 (YoY) **+330bps**

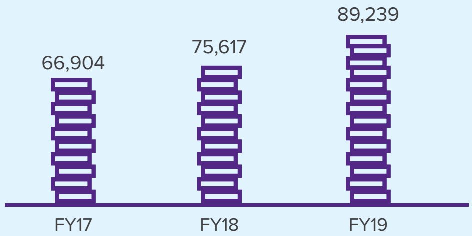


ZEEL's return on capital employed (ROCE) improved by 330bps YoY to 24.4%. The increase was primarily led by higher EBIT margins which increased from 28.3% in FY18 to 29.4% in FY19. Partial redemption of preference shares led to a slower growth in capital employed.

Networth

₹ Million

FY19 (YoY) **18.0%**

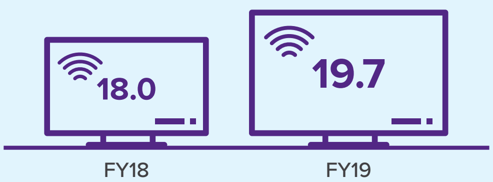


In FY19, ZEEL's networth increased by 18%. This is primarily due to profit from operations.

Television Network Share

%

FY19 (YoY) **+170bps**

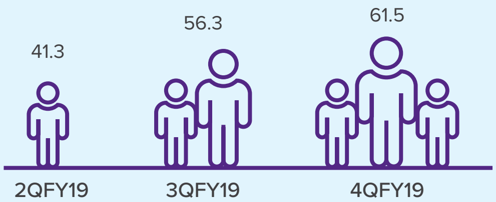


ZEEL further strengthened its leadership position as the #1 non-sports entertainment television network during the year with an all-India viewership share of 19.7%. Strong performance of our regional channels and movie cluster helped viewership share improvement.

ZEE5 – Monthly Active Users

Million

FY19 (vs. Apr-18) **190%**



In its first year of operations, ZEE5 was one of the fastest growing digital entertainment platforms in India. ZEE5 witnessed 190% increase in MAUs since April'18 driven by *ZEE5 Originals*, an expansive movie catalogue and the strong content library of broadcast business.

Movie Business Revenue

₹ Million

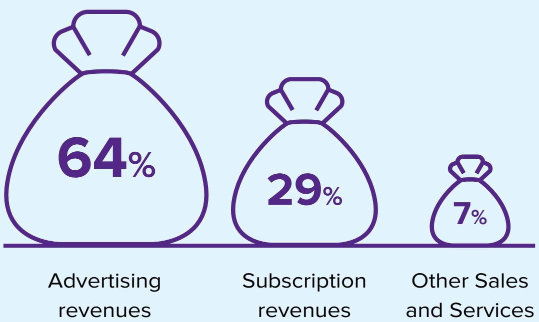
FY19 (YoY) **80.5%**

Zee Studios' produced seven and distributed six movies across Hindi, Marathi and Punjabi languages. The significant increase in movie business revenue during the year was led by the success of three Hindi movies – *Manikarnika, Dhadak and Parmanu.*

* The revenues of Movie business is before inter-company elimination

Revenue Breakdown

FY19 Revenue: ₹ **79,339 million**



Distribution of Expenses

FY19 Total Expenses: ₹ **53,700 million**

MESSAGE FROM THE MD & CEO

Dear Shareholders,

FY19 was another year of strong all-round performance. ZEE5 achieved phenomenal growth in a short span and our Domestic Broadcast business further strengthened its leadership position. Movies & music business scaled-up on the strong foundation it has established. International and Live businesses took steps to prepare for a new phase of growth. The operating performance translated into a strong financial result. We have delivered extraordinary growth over the last several years, but we are cognizant of the changes happening around us and the opportunities it present. We are preparing ourselves to stay on the growth path and succeed in this evolving landscape.

Gearing-up for next phase of growth

Over the years, ZEEL has evolved from a single-channel network into a multi-faceted entertainment content company by consistently expanding its content offering. Till recently, television was the primary medium for taking new content to audience. However, our emerging businesses – digital, movies & music, and live events, provide us new touchpoints for reaching consumers as well as access to audience which was out of reach. This has added new dimensions to content consumption and is allowing us to experiment with new genres of content and create formats which are suited for smaller audience segments. We have significantly ramped up our content investments to capitalize on this new opportunity. Along with an evolving content repertoire, the distribution landscape is also changing with audience using multiple devices and platforms for consuming content. To enhance the reach and engagement of our products, we are stitching partnerships with new age content distributors, device manufacturers and other digital players.

In this changing landscape, we also need to modify our processes and develop new capabilities to sustain growth and take advantage of emerging opportunities. Increase in share of direct to consumer businesses, especially digital, and changes in television distribution space give us greater insights into consumer preferences. While consumers have always been the focal point for content creation, these insights will enable us to serve them better. We are investing in data and analytics capabilities to use consumer insights for content creation and product design. Even traditional functions like marketing and customer service are undergoing significant changes and we are equipping our workforce for success in this new environment.

The year gone by

Digital video viewership continues to see tremendous growth as the reach of internet increases and people spend more time watching content. Till now, the growth has been primarily driven by user-generated and TV content which is monetized through advertising. I believe that the next phase of growth would be driven by content that the digital platforms are creating. The themes, talent ensemble and production value of these shows make it markedly different and have caught the fancy of a set of audience which found TV shows too slow. Once digital platforms scale-up their production of original content, it will enable them to drive subscription model. Younger audience, primarily from urban areas, have been the early adopter of SVOD, and digital content reflects the sensibilities of this segment. As more consumers join the pay bandwagon, the content offerings will explode to cater to varied user segments. In a market characterized by low ARPU and aversion to online payments, bundling of SVOD with telecom and other services, tiered pricing and innovation in payments would be key to growth of the paid subscriber base. Though advertising is the mainstay for digital revenues currently, I believe subscription would develop as a long-term revenue driver.

I am pleased to see ZEE5 emerge as one of the fastest growing OTT platforms in a crowded Indian market, reaching 61mn monthly users within a year of launch. The main driver for growth of ZEE5 has been the strength of its content catalogue. Powered by India's leading TV network, the platform is visited by millions to catch up on their favorite shows and movies. To establish SVOD leadership, ZEE5 is committed to investing in content, and with over 60 original shows and movies, it has already become the biggest producer of digital content in India. Our expanding library of commercial and niche movies in 12 languages gives consumers another reason to regularly visit ZEE5. A diverse and differentiated content catalogue has enabled ZEE5 to establish itself as the go-to destination for entertainment. ZEE5's extensive collaborations with key players in digital eco-system will help it further strengthen its position.

Television remains the mainstay for entertainment in India and continues to see growth in reach and engagement. Over the last 4 years, 50mn households have bought a TV set, but still a third of Indians (~100 million households) do not own one, and this provides a long run-way for growth. Constantly improving choices and quality of content across languages have led to growth in time spent. The new tariff order has further improved television's value proposition for consumers by empowering them to select and pay for content of their choice. It also gives broadcasters flexibility to price their content which would incentivize innovation. The radical change in content distribution dynamics brought with it several challenges which made the transition to new regime uneven. However, once the transition is complete, it will benefit all the stakeholders.

Digitisation of distribution space led to proper accounting of subscriber base and this tariff order provides for fair distribution of revenue across the value chain. This increase in transparency would accelerate growth of subscription market in India.

Our Domestic Broadcast business delivered another year of strong performance. Strengthening the network viewership share, it consolidated its position as India's #1 entertainment network. The performance was led by the regional and movie channels portfolio. In line with our strategy of expanding the regional portfolio by entering new markets, we launched Zee Keralam, making our language footprint the biggest in the country. We continued our investments in acquisition of movie rights which will help us launch exclusive movie channels in regional markets and bolster our existing portfolio. There were two major business developments during the year – getting into distribution contracts as per the new tariff order and conversion of our two FTA channels to pay. Both impacted our revenue growth in the short-term, but we are confident that once the transitory challenges settle down, they will help us further improve our competitive position across markets. The strength of our pan-India network is a result of our understanding of consumers and the processes built around it, enabling us to replicate success in multiple markets.

Our International business continued its focus on building reach and improving engagement across geographies. Launch of channels on new platforms helped our linear portfolio increase reach and local programming initiatives in some of the markets helped us engage more with the audience. The performance of our Indian and local language channels continues to be strong across markets. In addition to strengthening our linear business, we also started rolling out ZEE5 in select markets starting with APAC countries. We are working on a market by market strategy and selecting partners for taking our product to consumers. I believe that the revenue opportunity for ZEE5 in international markets is substantial.

Zee Studios built further on the success of last year. In FY19, it not only witnessed success at box-office, but its varied portfolio of films also received critical acclaim. It continues to focus on building a robust slate with a mix of in-house productions, co-productions and acquisitions across languages. Zee Music Company (ZMC) has now firmly established itself as one of the leading music labels. Its extensive music catalogue across 11 languages is essential for the success of any Indian music streaming platform. With new players still entering the digital streaming space, ZMC is really well-placed to succeed. Zee Live is taking small steps towards establishing its credibility in the live events space. With the launch of two new properties last year and two already rolled out in the current fiscal, it is quickly moving towards exploiting the opportunity presented by organised events industry.

Our consolidated revenue grew by 18.7% in FY19 to ₹79,339 million. This strong growth was led by 19.8% and 13.9% growth in advertising and subscription revenues, respectively. Movies, music and content syndication businesses registered an impressive 29.7% growth. The EBITDA margin for the year stood at 32.3% and our EBITDA grew by 23.5% to ₹25,639 million. The strong EBITDA growth for the year, despite increased investments in digital and other new initiatives and impact on revenue in fourth quarter, reflects the strong underlying performance of the business.

Together with people

To stay on our fast-growth path in an evolving environment, we are strengthening our people processes. We are continuously working to improving the quality of our employee's experience which inspires them to deliver their best. Our efforts to improve the quality of internal service standards, wellness initiatives and employee engagement have enabled us to be recognized as amongst the Top 100 Great Places to Work in India by the GPTW Institute. Capability building is a key focus area for the Company and we have tied up with global institutions for learning programs that will enhance and sharpen the skillset of our people. Through our initiatives we want to make ZEEL the preferred choice for talent and give them a platform which enables them to unleash their potential.

Vote of thanks

I would like to express my sincere thanks to all our people and partners whose unrelenting efforts have taken ZEEL to the position it is at today. I would also like to convey my gratitude to all our shareholders for their continued trust and support in our endeavor of making ZEEL India's best content company.

> **I am pleased to see ZEE5 emerge as one of the fastest growing OTT platforms in a crowded Indian market, reaching 61mn monthly users within a year of launch.**

Sincerely,

Punit Goenka

STRATEGY & BUSINESS MODEL

STRATEGY

Diversify and strengthen content offering

Having established leadership in television, the company is focused on scaling-up its digital, movies & music, and live events businesses. We are significantly increasing our investments in content offerings beyond television with an objective to attract new viewers and increase engagement with the existing ones.

Enhanced consumer focus

The emergence of direct-to-consumer businesses (digital, movies, live events) and the new tariff regulation for television that allows consumers to choose content, give us greater insights into their preferences and behaviors. We are building processes which can leverage these insights to create engaging content and improve the viewing experience.

Increase reach

Viewers access content through multiple distribution channels and devices. With a commitment to be available on every possible platform, ZEEL is striking partnerships with content distributors, aggregators and device manufacturers, giving more viewers an opportunity to consume its content.

Build capabilities

To succeed in an ever-evolving media landscape, the organization needs to build capabilities for the future. ZEEL is focused on upskilling its workforce, investing in data analytics, and upgrading production facilities and IT infrastructure to deliver extraordinary entertainment experience.

COMPETITIVE ADVANTAGES

01 Content creation capabilities

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

We produce ~500 hours of content every week

We produce original content in 12 languages

We own the IP rights of all the content we produce

02 Synergies across businesses

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

All 39 channels in International markets run on content produced for our Indian channels

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

03 Reach

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

750mn+ individuals reached in India every month

Presence in over 170 countries

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

STRATEGIC ASSETS

Library
Intellectual Property rights of over 250,000 hours of content

Strong brand
Built over 26 years

People
Extraordinary Together

REVENUE STREAMS

01 Advertising

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

02 Subscription

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

03 Syndication

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

04 Theatrical

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

05 Music licensing

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

06 Others

Movie distribution:
Revenues earned from distribution of movies.

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

CREATING VALUE

For audiences

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

For advertisers

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

For distribution partners

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

For talent

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

For shareholders

Through a track record of consistent financial performance and delivering significant shareholder value.

For our people

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

BUSINESS OVERVIEW

Since inception, ZEEL has been entertaining its viewers by showcasing stories set in varied cultural backdrops. Over the years, it has grown from one channel to a multi-faceted entertainment content company. However, at its core, it still strives with the same enthusiasm to create content that evokes a range of emotions, provokes viewers to think beyond conventions and mirrors the cultural and societal aspects, driving a gradual change. Our five businesses – Domestic Broadcast, Digital, International, Movies & Music and Live Events – are designed to cover a vast spectrum of entertainment needs of the consumers. These businesses produce around 500 hours of original content across formats every week which is distributed through multiple platforms. Our content reaches audiences around the world in 20 languages. We continually strive to understand our viewers' evolving socio-cultural profiles to add more products and create new content to satisfy their ever-changing entertainment needs and preferences.

EXTRAORDINARY. ENTERTAINMENT.

CONTENT SYNERGY

Content is the common thread that runs across all our five business verticals. All these verticals create entertainment content which is first monetized by the respective businesses. As the Intellectual Property Rights of the content produced rest with us, we have an opportunity to monetize the same content across other verticals as well. We also leverage our presence across different verticals for effective promotion of content.

DOMESTIC BROADCAST

Our Domestic Broadcast business has grown from strength to strength over the last 25 years and is the #1 television entertainment network in the country. Having established a strong presence in the Hindi market in the early years, the network has gradually expanded into regional markets and fortified its position. Our portfolio of 41 channels across 10 languages covers all major genres of entertainment in India. We offer engaging content to our audiences in each of these markets, creating iconic shows which have become an integral part of our audience's lives. While we continuously launch new shows to widen our content catalogue, some of our shows run for years owing to their immense popularity. The business is focused on increasing reach by launching new channels and improving engagement through innovation in content.

ENGLISH AND MUSIC CHANNELS

ZEE CAFÉ
ZEE CAFÉ HD
ZEE ETC BOLLYWOOD
&flix
&flix HD
&privé HD

HINDI MOVIE CLUSTER

ZEE अनमोल CINEMA
&pictures
&pictures HD
ZEE CINEMA
ZEE CLASSIC
ZEE ACTION
ZEE CINEMA HD
ZEE BOLLYWOOD

REGIONAL ENTERTAINMENT CHANNELS

ZEE தமிழ்
ZEE தமிழ் HD
ZEE বাংলা
ZEE తెలుగు
ZEE मराठी
ZEE मराठी HD
ZEE বাংলা HD
ZEE ସାର୍ଥକ
ZEE తెలుగు HD
ZEE युवा
ZEE ಕನ್ನಡ
ZEE ಕನ್ನಡ HD
ZEE കേരളം
ZEE കേരളം HD

HINDI GENERAL ENTERTAINMENT CHANNELS

&tv
&tv HD
ZEE TV
ZEE TV HD
ZEE अनमोल
big magic

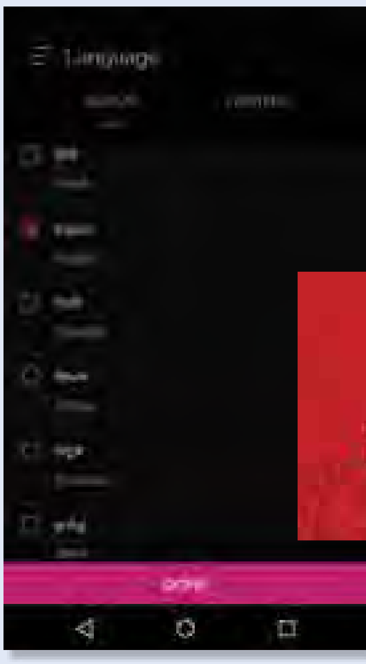
REGIONAL MOVIES

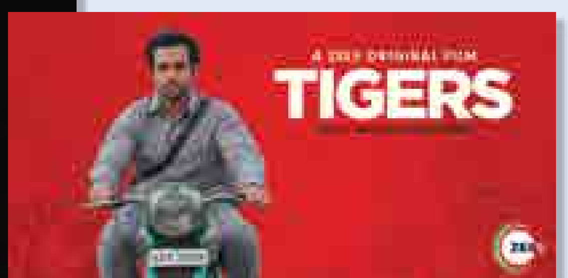
ZEE సినిమాలు
ZEE సినిమాలు HD
ZEE বাংলা সিনেমা
ZEE टॉकीज
ZEE टॉकीज HD

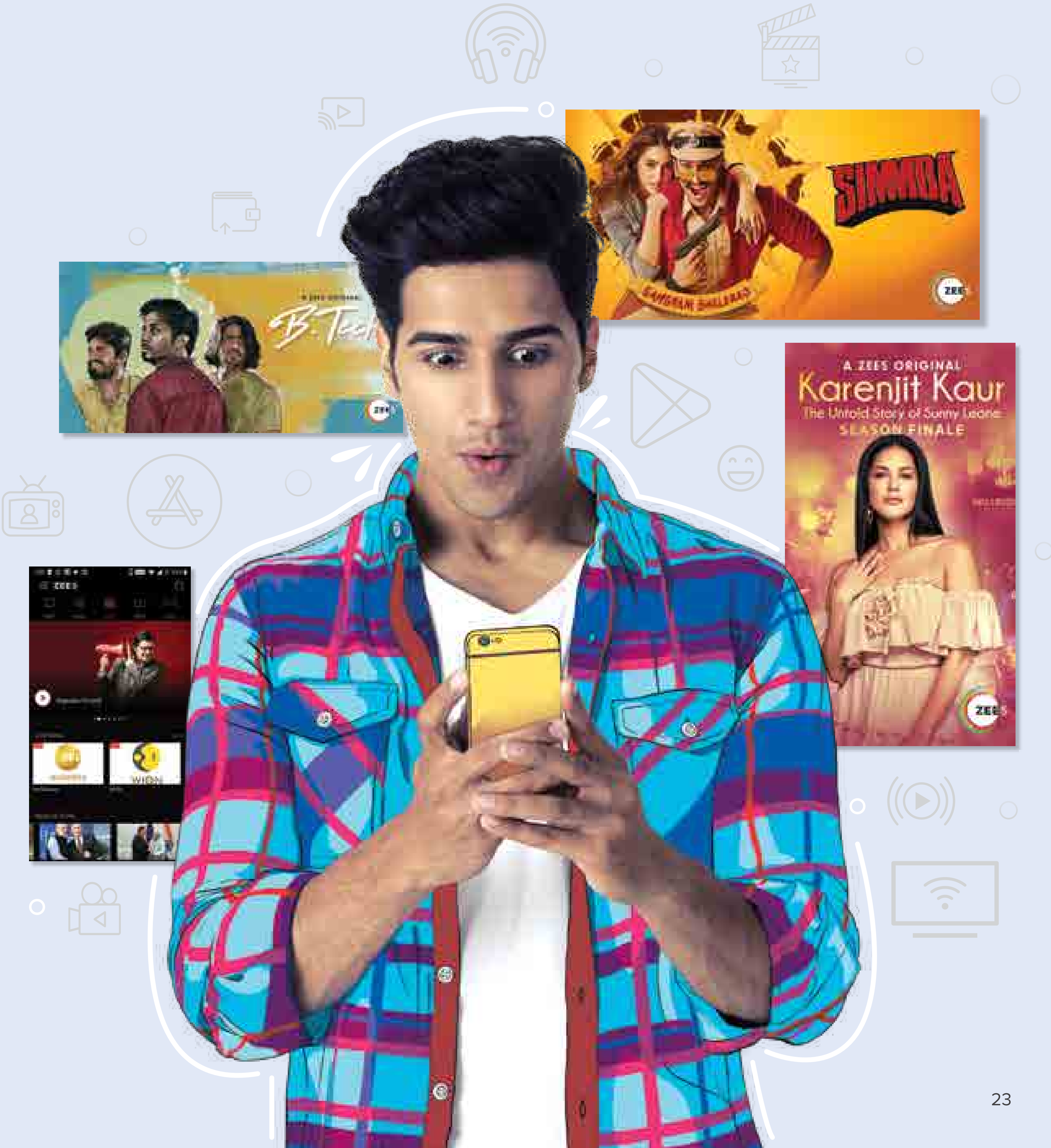
DIGITAL

61.5 million Monthly Active Users | **60+ Original** shows and movies **in 6 languages** | Content in **12 Indian languages**

ZEE5 is one of the fastest growing video-on-demand entertainment platforms in India. With original content in 6 languages, one of the largest Indian movie libraries, catch-up content and live TV, engaging shows and movies from around the world, news, music, live events and much more, ZEE5's content offering makes it a one-stop entertainment destination for Indian consumers. To cater to India's multi-lingual audience, ZEE5 offers content in 12 Indian languages. In its first year of launch, ZEE5 has become the largest producer of digital original content in the country. To make its content available to a wider audience and make it convenient for users, ZEE5 is partnering with key stakeholders in the digital eco-system. ZEE5 has achieved an impressive start and it will build on this strong foundation by offering diverse, high quality content, expanding its reach through partnerships, and using technology to enhance user experience.







SIMMBA
A ZEE5 ORIGINAL
Karenjit Kaur
The Untold Story of Sunny Leone
SEASON FINALE

INTERNATIONAL

Apart from being the first private entertainment broadcaster in India, ZEEL also has the distinction of being the first Indian M&E company to start overseas operations. Over the years, we have expanded our operations across the world, serving the Indian and south-Asian diaspora. Our channels in foreign languages help us take our popular shows and Indian movies to local audience in their languages. While the International business leverages our rich Indian content library, we also produce content in some of the markets to help us create a stronger connect with our consumers.

To strengthen our global presence, we are launching ZEE5 across countries in a phased manner, beginning with the APAC region. ZEE5 will enable the international business to stay relevant in countries where digital is emerging as the primary medium for consuming content and will help establish additional point of connect with consumers in other markets.

AMERICA
21 Channels

EUROPE
4 Channels

APAC
6 Channels

MENA
5 Channels

AFRICA
3 Channels

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

39 channels in international markets

ZEE5 available in **190+** countries

Content available in **9** non-Indian languages

MOVIES & MUSIC

ZEE STUDIOS

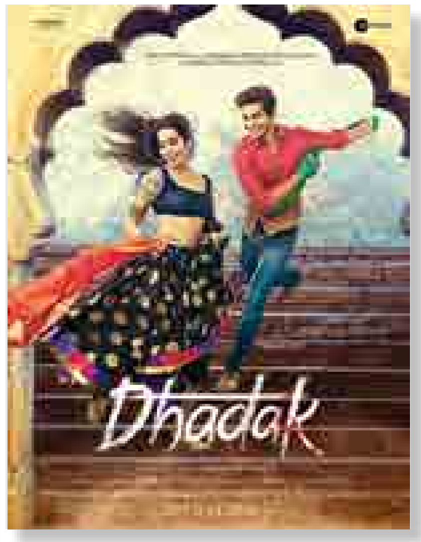
13 movies released in 3 languages

50+ geographies where our movies were showcased

Manikarnika and Kesari were among top-15 movies of FY19

ZEE STUDIOS

Zee Studios, the movie production and distribution arm of ZEEL, strives to delight consumers with differentiated and high-impact movies. Its focus on clutter-breaking scripts with socio-cultural or historical contexts has enabled Zee Studios to make a mark in the crowded movie production space. It has established a strong presence in the Hindi and Marathi markets with a string of successful movies over the last few years. It has also produced movies in other regional languages like Punjabi and Kannada. Zee Studios mostly operates in the low-to-mid budget category movies with a co-production model. Zee Studios' distribution business has been gradually scaling up successfully in both domestic and international markets. Zee Studios leverages the cross-platform strengths and institutional learnings of the parent network for conceptualising and marketing of movies.

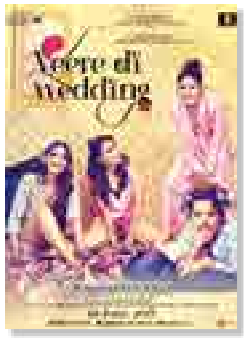


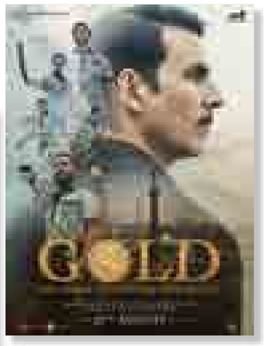
ZEE MUSIC CO.

2nd most subscribed Indian music channel on YouTube

Pan-India music label with presence across 11 languages

20.3 billion video views on YouTube, growth of ~80% YoY





ZEE MUSIC COMPANY

Zee Music Company (ZMC) is India's fastest growing music label and the only one with a pan-India reach. With a music library in 11 languages, ZMC caters to music lovers across the country. Its eclectic catalogue of music from Bollywood, regional movies and independent artists, makes it indispensable for any streaming platform. ZMC has become the second biggest music label in the country and it has been strengthening its position with aggressive acquisition of music rights. ZMC's growth has been driven by its selection of titles, a well-diversified catalogue across languages, and the use of network strength for marketing. ZMC also promotes independent and upcoming artists through Zee Music Originals.

LIVE BUSINESS

ZEE LIVE

ZEE THEATRE

Arth, India's largest multi-regional cultural festival hosted 250 speakers from 11 countries

LF91, a heritage food festival presented 250+ different dishes from 5 states

Zee Live is ZEEL's entertainment offering for the consumers in the live events space. Launched two years ago, it has taken small steps towards establishing itself as a credible player in the organized live events segment. With a focus on creating IP for music, food, stand-up, theatre, culture, and education events, Zee Live aims to be the gateway to the world for Indian live experiences, while simultaneously bringing the best concepts from around the globe to India. During the year, Zee Live launched two properties – Arth, India's first multi-regional cultural festival and LF91, a heritage food festival. Leveraging the strength of the parent network, it also brings some of the events to consumers through ZEEL's television network or ZEE5.

BOARD OF **DIRECTORS**

Subhash Chandra
Non-Executive Chairman

Mr Subhash Chandra, Chairman of Essel Group of companies, is an educationist, philanthropist and a parliamentarian (Member of Rajya Sabha). Rightly referred as 'The Father of Indian Television', Mr Chandra's pioneering vision has gifted India, not just its first private satellite television company but an entire industry in itself. ZEE now caters to over 1.3 billion viewers from 173 countries in more than 19 languages.

As the Chairman of Ekal Global, which works for the under-privileged children, especially in the tribal areas, he had enabled 86,000 schools in 22 Indian states and in Nepal, educating over 2.3 Mn children and working towards rural development in many villages. Mr Chandra has been contributing towards society in association with various NGOs including TALEEM Foundation, Ekal Vidyalaya, Global Vipassana Foundation, Global Foundation for Civilisation Harmony and Subhash Chandra Foundation. For his contributions to the industry, Mr Chandra has been awarded the 2011 International Emmy Directorate Award at their 39th International Emmy Awards in New York. He became the first Indian ever to receive a Directorate Award recognizing excellence in television programming outside the United States.

Subodh Kumar
Non-Executive Director

Mr. Subodh Kumar (IAS-Retd.) holds an M.Sc in Physics and several diplomas and management certificates from IIM-A, IIM-B, IIM-C, Harvard Business School, IDS Sussex, and IMF amongst other Ivy League institutions. Mr. Kumar has 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 also served as Municipal Commissioner of Greater Mumbai Municipal Corporation.

C4 C5 C2

Ashok Kurien
Non-Executive Director

Mr. Ashok Kurien is one of the founders of ZEEL. He has been in the business of building brands for over 35 years, particularly in the fields of media and communications and now menstrual hygiene and water filters (without electricity) for the poor and the marginalized. He has a keen eye for driving start-ups in emerging businesses and guiding them to size and scale.
He is the founder and promoter of various business ventures including Ambience Advertising (sold to Publicis Groupe); Hanmer & Partners, one of India's top-3 PR agencies; Livinguard Technologies (India), the world's first self-disinfecting textiles; and a few other internet ventures. He is also a Director at Livinguard AG, Switzerland.

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. Prof. Sharma's specialization lies in strategic thinking under uncertainty, innovation management, and organizational capabilities.
He teaches courses on strategic planning, implementation, consulting and professional service firms, and innovation at IIM-A. He was the Chairperson of IIM-A one-year program in Management from 2016-18. His most recent consulting assignments were with Competition Commission of India, BBNL, and a leading professional service firm on vision setting, organization structure, strategy implementation, business model, and partner governance.

C1 C5

Committee Chairmanship

Committee Membership

Prof. (Mrs.) Neharika Vohra
Independent Director

Prof. Neharika Vohra, Professor of Organizational Behavior 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 Organization.

C2

Manish Chokhani
Independent Director

A Chartered Accountant and MBA from the London Business School, Mr. Manish Chokhani is one of India's most respected financial experts and investors. He was CEO of Enam Securities, and led its $400 million merger in 2011 with Axis Bank to create Axis Capital Ltd., which he led as MD & CEO until the end of 2013. From 2014 to 2016, he served as Chairman of TPG Growth in India and is a Senior Advisor to TPG Group, one of the world's largest PE firms. He also serves on the Governing Board of Flame University. He is a Board Member of Livinguard AG, a healthcare technology company based in Switzerland. Mr. Chokhani is a member of the Young Presidents' Organization. He has served as a member of SEBI's Alternative Investment Promotion Advisory Committee and also as Co-Chairman of the Capital Markets Committee at the IMC. He has been a visiting faculty member at IIM-Kozhikode and has served on the International Alumni Board and scholarship panels of the London Business School.

C1

Adesh Kumar Gupta
Independent Director

Mr. Adesh Kumar Gupta is a Chartered Accountant, Company Secretary and AMP from Harvard. He has a rich experience of almost four decades in corporate strategy, M&A, business restructuring, fund raising, taxation etc. During his 35 years at Aditya Birla Group, he held various senior positions in companies with varied businesses (including the position of whole time Director & CFO). He was awarded the 'Best CFO' award by ICAI, IMA and Business Today. He helps corporates and business units to implement growth, turnaround or performance strategies. He is also an independent director in several listed companies which include Care Ratings Ltd., Vinati Organics Ltd., Essel Mutual Fund and some Aditya Birla Group companies. Presently Mr. Gupta is working as a qualified Insolvency professional and is a partner in DMKH Insolvency Resolutions Services LLP, an Insolvency Professional Entity registered with Insolvency & Bankruptcy Board of India.

C1 C2 C3 C4

Punit Goenka
Managing Director & CEO

As MD and CEO of Zee Entertainment Enterprises Ltd., Mr Punit Goenka has been extremely successful in enhancing the company's performance and in driving the company towards its set goals. His futuristic vision and sharp acumen in the new media domain, has led the company to a global stature today. Punit is also responsible for expanding the company's international presence across 173 countries, and its reach to over 1.3 billion viewers.

Mr Punit Goenka is also listed amongst the top 100 CEOs of India, in a study published by Business Today. He was conferred the 'Outstanding Contribution to Media' award at the Managing India Awards hosted by AIMA & bagged the prestigious IAA Leadership Award under the category of "Media Person of the Year". Punit has also been awarded the esteemed Medaille d'Honneur Award at MIPTV. He plays an active role in shaping the future of the M&E industry as the President of IAA India Chapter, Chairman of BARC India and Director on the Board of IBF.

C6 C3 C4 C5

Board Committees

C1- Audit
C2- Nomination & Remuneration
C3- Stakeholders Relationship
C4- Risk Management
C5- Corporate Social Responsibility
C6- Finance Sub-Committee

Q&A

Amit Goenka

CEO – International Broadcast Business and ZEE5 Global

DIGITAL

ZEE5 was launched in a crowded OTT space. How would you rate its performance after 15 months of launch?

We have been pleasantly surprised by the overwhelming response ZEE5 has received. Reaching 61 million monthly active users within a year of launch is a great start. In the first year itself, we have significantly expanded our original content offering and have become the number-one producer for digital exclusive content. ZEE5 has rolled out several new features for its consumers and is also offering differentiated solutions to advertisers. Although the progress in year one has been satisfactory, we would have liked to launch ZEE5 a little earlier. We always believed that the right product with a compelling content catalogue would be able to make its mark. This is just the beginning and ZEE5 will continue to scale up on the 3 pillars of content, technology and partnerships.

An Indian consumer has multiple OTT options for entertainment. What in your opinion makes a consumer choose ZEE5 over the others?

Over the past two and half decades we have observed that viewers in India prefer to consume content in their own language. With content across 12 languages, that has been the focus of ZEE5 since launch. We also understand that viewers' needs are diverse and therefore we offer a wide range of content. That is where our expansive movie library, *ZEE5 Originals*, TV shows, curated news, music videos, live events and cine-plays come into the picture. While ZEEL's extensive library of catch-up TV is driving organic growth on our AVOD offering, the taut storytelling of our original content has appealed to viewers and is driving SVOD adoption. ZEE5's features like navigation in 11 languages, voice search, and option to download and consume offline have been designed considering the realities of the Indian market. ZEE5 is committed to offering enough choices and improving convenience for consumers to make it the go-to destination for entertainment.

Could you share your philosophy for selection of stories for original content?

Based on the insights from our extensive research of OTT's target audience, we have devised a philosophy for original content that is based on 3Rs – Real, Relevant, and Resonant. It helps us to select stories from across the country's diverse cultural and linguistic backgrounds. Over the last 15 months, we have created content across several genres - biopics, thrillers, horror, comedy, and action. In India, young audiences (18-35 years) have been the early adopters of digital platforms and these genres have seen great success with this segment. Our shows like *Karenjit Kaur: The Untold Story of Sunny Leone, Rangbaaz, Parchayee: Ghost stories by Ruskin Bond, Babbar ka Tabbar,* or movies such as *Tigers* and the line-up of *ZEE5 Film Festival* have seen immense success. Our FY20 slate of original content is building up well and we are on track to launch over 70 original shows and movies across 6 languages.

ZEE5 has built a sizeable user base in a short time. How are you monetizing this base and how do you see the split between advertising and subscription revenues?

India is a unique market when it comes to OTT, especially with respect to advertising and subscription. At present, television and free content dominate viewership on OTT platforms and on ZEE5 as well, catch-up TV attracts a large proportion of eyeballs. We are monetizing this viewership through advertising, and this is driving acceleration in the Company's overall ad revenue growth. In the price-sensitive Indian market, digital has to compete with a very economical television offering to build a subscriber base.

While the digital subscription is seeing good initial traction, for a sustained growth it needs to establish a strong value proposition by offering a large catalogue of differentiated content. ZEE5 is focused on creating content that caters to needs not addressed by television. ZEE5's revenues will be dominated by advertising initially but as we populate our platform with more original and premium content, we expect the subscriber base to scale up faster. In the longer term, digital subscription could be as big an opportunity as advertising in India.

ZEE5 has struck several partnerships over the last one year. What is the framework for selection of partners and how do you evaluate the performance of a partnership?

We are evaluating partnerships primarily with two objectives in mind – reaching untapped audiences and improving the viewing experience. Digital video consumption in the country is being driven by mobile, accounting for over 90% of viewership. Telecom players are playing an important role in driving this growth by bundling content with their services and have become natural partners for content producers. Our partnerships with all the leading telcos boost the consumption of our AVOD content and also helps to drive our subscription service by offering SVOD content for their premium consumers. We are also partnering with device manufacturers to benefit from the rising penetration of smartphones and smart TVs. Some of our partnerships in the digital ecosystem are with businesses that already have an established user base in our target segments. In addition to providing additional touchpoints for reaching consumers, these partnerships also enable better content discovery and viewing experience.

With so many players investing in their OTT offerings, how do you see the landscape evolving?

The data and technology revolution has considerably changed the media landscape, bringing new players into the entertainment industry and enabling the existing ones to explore new opportunities. Several technology-first companies that started off with licensed or user-generated content are now producing original content. On the other hand, the incumbents are also upgrading their technological capabilities along with expanding their content offering. Integration of technology will have several lasting impacts on the way content is created and consumed. However, I believe that in the long run, technology led differentiation will diminish, and the only key differentiator for any platform will be content. While some platforms will find and operate in a niche, only a few will be able to reach a pan-India scale. ZEE5 remains focused on becoming a one-stop digital entertainment destination for Indian audiences by creating content that resonates with them and by continually expanding its content offering.

INTERNATIONAL

What is the opportunity for ZEE5 outside India?

International opportunity for ZEE5 is sizable and we are very excited about it. Our linear network of 39 channels in over 170 countries gives us a good understanding of the relevance of our content in overseas markets. Indian and South-Asian diaspora are the primary consumers of our content and they would be the first adopters of ZEE5. It can significantly expand the addressable market amongst the diaspora as it is priced much lower than similar content available on traditional platforms. Additionally, *ZEE5 Originals* will help attract the younger diaspora which does not relate to Indian television content. There is an affinity for our content even beyond the Indian diaspora in several markets and ZEE5 will reach out to this audience in the next phase. We have begun the staggered roll-out of ZEE5 globally with launches in APAC countries and the response has been encouraging so far. In coming quarters, ZEE5 will be launched in markets like the MENA region, Africa, Europe and Canada.

Could you give a brief update on the performance of the international business in FY19?

In FY19, advertising and other revenues saw double-digit growth, but subscription revenues were flat. In one of the markets, our channels were converted to FTA which impacted the subscription growth. Over the last 12 months, we have taken some initiatives which will start yielding results in the near term. We ramped up our local programming for Indian audiences in the US, started co-production of shows in native languages for Africa and the Middle East markets, and significantly expanded the international movie distribution business. We also faced challenges in some of the markets, like shutting down of a distribution platform in Africa and changes in local regulations restricting access to some markets. In the second half, ZEE5 roll-out in priority markets commenced in partnership with key players in those countries.

Q&A

Rohit Gupta

CFO

How was ZEEL's financial performance in FY19?

We are happy to deliver yet another year of industry leading performance. During the previous fiscal, our revenues grew by 18.7% YoY, led by strong operating performance across all businesses. Advertising revenues for the year grew by 19.8% driven by the viewership share gains in domestic broadcast business and monetization of ZEE5's fast-growing user base. Subscription revenues grew by 13.9% during the year. While international subscription remained largely stable, domestic pay revenues witnessed a growth of 17.4%, led by improved monetization of phase-III markets. Our movie production and distribution vertical drove a strong 30% growth in other revenues. During the year, our cost base was elevated due to higher content investments and increase in marketing spends for our digital and broadcast businesses. Despite these investments, our EBITDA margins expanded to 32.3%, highlighting the underlying profitability of our business. Our FY19 results are consistent with the performance over the past five years. We have registered 16% CAGR in both revenues and EBITDA during this period on the back of strong operating performance.

Could you elaborate on factors driving strong growth in domestic advertising revenues in FY19? What is your outlook for advertising growth?

During FY19, domestic advertising revenues witnessed a growth of 20.9% led by traction in both television and digital businesses. Our domestic broadcast business gained another 170bps viewership share led by the regional and movie channels. We became the leader in Bangla and Kannada markets and further strengthened our share in Tamil Nadu. This helped us to improve our monetization and grow ahead of the industry. Additionally, advertising revenues from ZEE5 contributed to growth. During the first three quarters, growth was relatively stronger at 22%, helped by a low base and increase in ad-spends by consumer companies. However, in the fourth quarter, the growth moderated as the advertisers reduced spends due to uncertainty related to implementation of the tariff order. We believe that once the disruption is behind us, the ad growth will return to its normal growth trajectory. As ZEE5 continues to scale up, it would witness a concomitant increase in ad revenues as well. The movement of two of our FTA channels out of DD Freedish will have some impact on ad growth in the near-term but we are working with our strategy to compensate for that revenue loss through other channels. Our endeavour is to continue growing ahead of the industry.

What led to the acceleration in domestic subscription revenue growth in FY19? What are the implications of the TRAI tariff order on subscription revenue growth?

Our domestic subscription revenue growth stood at 17.4% in FY19, a significant acceleration from the previous year. The growth during the year can be divided into two parts – strong 22.5% growth during the first nine-months and a muted fourth quarter. During the first nine-months, we benefitted from monetization of the newly digitized phase-III markets. However, during the fourth quarter, implementation of the long-awaited TRAI tariff order negatively impacted the growth. Given that this regulation allows the consumers to choose and select individual channels or bouquets, the distributors' infrastructure was put under immense pressure as the back-end had to cope with implementing millions of combinations. This led to execution challenges and disruptions on the ground. That said, ZEEL has seen satisfactory uptake of its channels and bouquets. We are positive that once the impact of the regulation settles, subscription growth will revert to its normal course. Our medium-term guidance on domestic subscription revenues remain unchanged.

Content costs have seen an increase in FY19. Is the company seeing content cost inflation, especially in the digital business?

In FY19, our content cost increased by 21.7% YoY, slightly ahead of revenue growth, resulting in our content cost-to-revenue ratio going up by 100bps to 38.8%. Three factors contributed to this increase – ramp up of ZEE5 Originals, higher movie amortization costs, and increase in content cost of Zee Studios. To understand the cost inflation, we can divide ZEEL's content in three categories. First, fiction and non-fiction shows for our television audience, which accounts for a substantial portion of our total content cost. Cost per hour for this category is growing in line with inflation. Second, original content for our digital platform, ZEE5. Cost of *ZEE5 Originals* is increasing significantly as we are ramping up production across 6 languages. In the digital business, higher talent cost and amortisation of fixed costs over fewer episodes push up the cost per hour. Though ZEE5 produced 50+ original series/films till Mar-2019, it is still a small proportion of our total content bouquet. Lastly, the acquisition of movie rights for both broadcast and digital businesses contributed to cost inflation. While the cost of satellite rights has not witnessed a substantial change, price of digital rights, especially for blockbuster movies, has seen a steep increase. We are using our network strength to optimise cost of buying movies by entering in consolidated deals that include music, satellite, digital and international rights. Keeping in mind the increase in competitive intensity for movie acquisition and our stated focus on this genre, we have stepped up our investments in this space. During the year, we entered into several new contracts for output deals and future rights with movie producers and content aggregators.

What is the growth and investment outlook for new businesses and initiatives?

At ZEEL, we continue to invest and scale up new businesses to widen our content offering. Our new businesses – digital, movies and music, and live entertainment have gained traction during FY19 and are heading in the planned direction. ZEE5 completed its first year of operations and the platform has witnessed very encouraging response. ZEE5 released 50+ original series/movies to become the largest digital content producer in India. Investments in digital will further increase as we ramp-up production of ZEE5 Originals and movie offering across languages. These content investments will be complemented by marketing spends. Zee Studios, our movie production and distribution business, had a good run at box-office with the release of thirteen movies during the year. The team has built a strong slate of movies across languages for FY20. Zee Music Company, our music publishing business, further strengthened its position by expanding its catalogue across languages. Our Movies & Music businesses are now past their investment phase. Zee Live, our live entertainment business, is at a nascent stage and is experimenting with concepts. Investments in Zee Live will be modest relative to the size of the company. Our domestic broadcast business is preparing to launch movie channels in regional markets for which we have been building a library for some time. Incremental investments in the domestic broadcast would be limited. These content and marketing investments are expensed above EBITDA. Despite these investments, the company expects to maintain healthy margins.

ZEEL has stepped up its investments in movie buying. Could you please explain the rationale behind this strategy?

We have identified movies as an integral part of our entertainment bouquet and have been increasing our investments in this genre over the past two years. The rising viewership of movies and their ability to attract youth and male audiences make it an attractive investment proposition. A strong movie library helps four of our five businesses - domestic broadcast, digital, movies & music, and international. During the past year, our movie channels in India have garnered highest viewership share and registered a strong revenue growth. We will expand our movie offering by adding three channels to the existing bouquet of thirteen. Movies are also one of the key drivers for ZEE5. Digital premiere of movies like *Simmba* and *Uri: The Surgical Strike* has led to an increase in paid subscriber base. Our strategy of investing in movies is panning out as per our expectations and is strengthening our value proposition for the consumers. Accordingly, we have decided to further ramp-up investments to consolidate our strong position in this genre. With a view to quickly expand our movie library, we have increased our engagement with content aggregators and movie producers. These arrangements will enable us to lock-in movie libraries coming up for renewal at a future date and movies which are currently under production. At ZEEL, we see our vast movie library as a sustainable competitive advantage.

Working capital saw a sharp increase in the past three years which has negatively impacted free cash flow. When do you expect cash generation to improve?

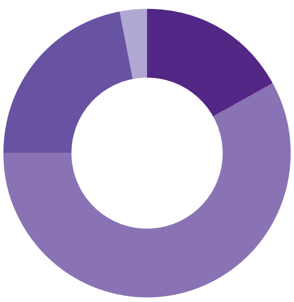
The increase in working capital is primarily attributable to our strategy of building a strong movie library and scaling up of original content production for ZEE5. On the movie front, as indicated earlier, we have been aggressive in buying rights across languages and platforms. While these investments impacted working capital immediately, the revenues will accrue over a period once we start exploiting these rights. As a part of these investments is for rights that will come up in future, it would reduce our need to spend on content acquisition in the coming years. On the digital original content front, we have built a strong slate with plans to release over 70 series/films across six languages in FY20. Investments in movies and original content for ZEE5 will continue, however, as revenues from these businesses grow, we will start seeing an improvement in cash generation.

LEADING **WITH PEOPLE**

ZEEL's people strategy is founded on three pillars – creating an organizational context that inspires employees to do their best, enhancing organization effectiveness through capability building, and improving our employer brand. These pillars have been derived from the strategic planning exercise for the Company's human resource function conducted during FY19. All the people initiatives are focused on driving one or more of these pillars identified as critical to achieve the broader strategic plan of the Company.

CREATING AN ORGANIZATIONAL CONTEXT

Improving the quality of employee experience is key, not just to improve our employer brand but more importantly, to deliver an organizational context where each individual is inspired to do their best. We have launched a series of initiatives that will improve the quality of internal service standards. Key among them are, implementation of Success Factors, a leading cloud-based HR tech platform that will help automate the employee-organization interface and deliver faster turnaround times; strengthening employee wellness offering and improving the quality and consistency of employee engagement. All these initiatives have resulted in ZEEL being once again recognized as one of the **Top 100 Great Places to Work in India by the GPTW Institute.**



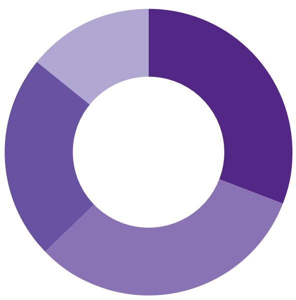
Age Profile

17% Below 30 years

58% Between 30-40 years

22% Between 40-50 years

3% Above 50 years



Average time spent at ZEEL

31% 0-2 years

32% 2-5 years

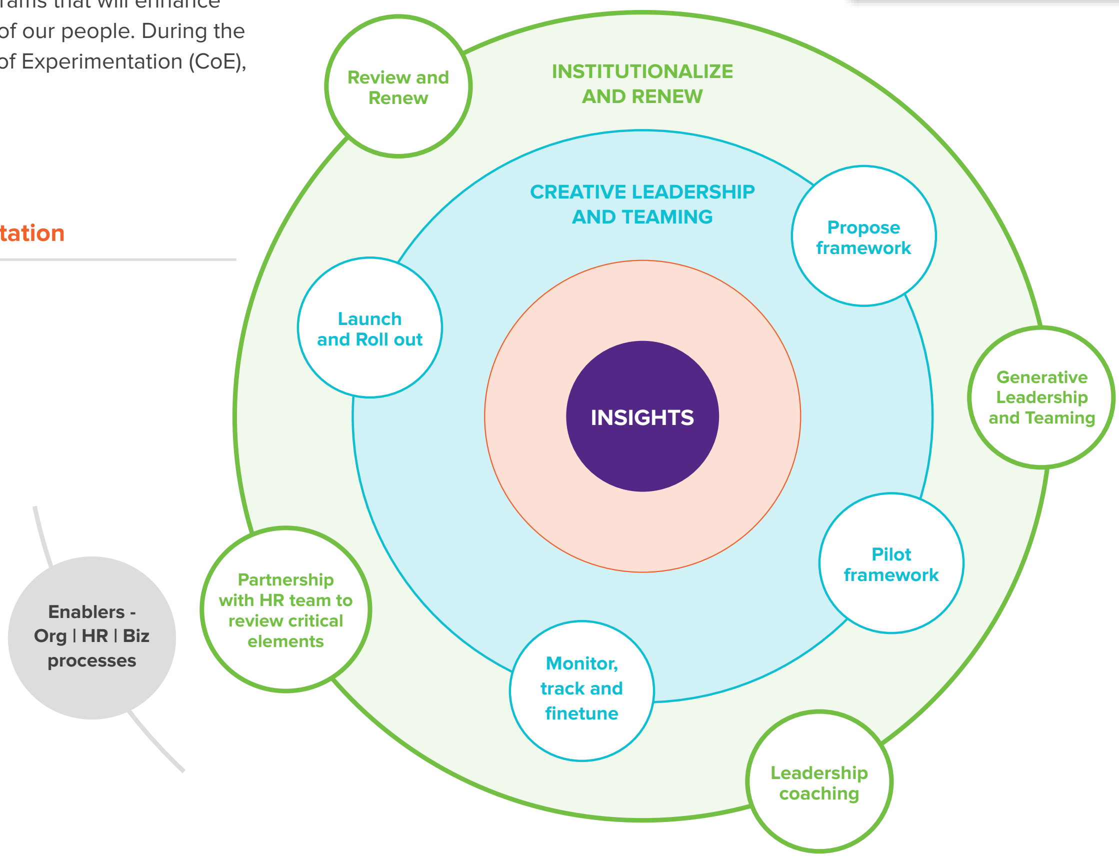
23% 5-10 years

14% >10 years

CAPABILITY BUILDING

Improving talent quality and talent pipeline is an imperative, not just for sustaining the performance that we have delivered in the last few years but more importantly, to ensure that the organization is prepared to successfully manage the disruptions that industry is witnessing. Capability building is a key focus area for the Company and in FY19, we have substantively increased the coverage and quantum of our learning initiatives. We have inked strategic partnerships with Coursera, KPMG Global Academy and other global institutions to create a pipeline of programs that will enhance and sharpen the skillset of our people. During the year, we piloted Culture of Experimentation (CoE), a program that enables teams to build systems and rhythms that encourage and demonstrate innovative thinking. CoE works on increasing the 'generativity quotient' in teams which leads to increased experimentation and therefore superior innovation. For an organization like ours, initiatives like these are of strategic importance and given the success of the pilot, a wider rollout is planned for the next fiscal.

Culture of Experimentation



EMPLOYER BRAND

As these initiatives gather traction and achieve internal salience, they have and will continue to collectively shape our employer brand and drive the external positioning of ZEEL as one the best companies to work in the M&E industry. To reinforce our positioning as an employer of choice, we are rolling out a campaign which integrates our corporate values and brand into a seamless narrative. It will articulate our brand offering to the potential workforce. We are continuously working to improve our employer brand through campus connect, integrated social & digital communication and Leaderspeak at important fora.

1,327 employees covered under training programs

12,272+ hours of training

COMMUNITY **OUTREACH**

ZEE'S SUSTAINABILITY INITIATIVES

All of ZEEL's sustainability initiatives are covered under the philosophy of 'Zee Is Green.' They have a mission to raise awareness, build capacity, and enable widespread adoption of economically viable, environmentally restorative and socially constructive practices. We have been taking some key initiatives in this direction to create a more sustainable world.

Dibba Lautao Campaign

Rooted in the company's corporate brand philosophy of 'Extraordinary Together,' the *Dibba Lautao* campaign helped to restore life in the flood-affected state of Kerala by utilizing the strength of its network across television, digital and social media platforms. The campaign succeeded in sensitizing viewers towards the need to continue providing aid to the state as it began its rehabilitation process. The campaign was based around the Indian spirit of giving back. It encouraged people to donate to the Kerala Chief Minister's Distress Relief Fund (CMDRF) to help Kerala recuperate from the natural disaster.

Project Prerna -
A joint initiative between Mahindra Group and ZEEL

In collaboration with Mahindra & Mahindra Ltd., ZEEL released a nationwide campaign on 'Project Prerna' on the occasion of International Women's Day. Designed to highlight the challenges faced by women farmers and to empower them as change-makers in agriculture, the campaign was harped on the spirit of *Prerna* or inspiration.

Launched in March 2018, Project Prerna had the core objective of transforming the lives of women farmers and providing them with better social status and respect in society. So far, it has been activated in 60 villages in partnership with BAIF Institute for Sustainable Livelihoods and Development (BISLD). It aims to empower over 6,000 women farmers in these villages to herald major changes in agricultural practices.

SARTHI - EMPOWERING INDIA

ZEEL lends support to Subhash Chandra Foundation's flagship program *Sarthi*, a platform to sensitize people and make them aware of their rights and duties along with government entitlements. *Sarthi* enables people to bridge the gap between the beneficiary and the solution provider. So far, the program has empowered 292k lives from the marginalized communities in Madhya Pradesh, Chhattisgarh, Bihar and Jharkhand.

IMPACT 2018-19:

192,403 voices empowered

5,052 women empowered on their rights for government schemes and programmes to help live a better life

14,182 children empowered as part of Right to Education Act, 2009

'Best CSR programme of the year' in media category by UBS Forum in CSR Summit & Awards 2018

FIGHTING DROUGHT IN MAHARASHTRA

Toofan Aalaya by Zee Marathi

Water scarcity remains the biggest problem in rural Maharashtra. To tackle perennial water scarcity, Zee Marathi aired Toofaan Aalaya, a show hosted by Aamir Khan and Kiran Rao, which highlighted their organization, Paani Foundation's work in rural Maharashtra to fight drought. The show aims to motivate, train and empower people to create drought-free Maharashtra. Zee Marathi, with the highest reach in Maharashtra, helped the show to reach a sizeable audience and encouraged countless volunteers to either join this cause or support it monetarily. The resulting movement is redefining the norms of water conservation and bringing a radical change in rural Maharashtra.

'Khushi Ki Boondein' by Zee Anmol

Zee Anmol provided relief to 240 of the most severely drought-affected villages in Maharashtra with its initiative 'Khushi Ki Boondein.' Launched in 2015, the fourth edition of this initiative had 'Zee Anmol Khushi Ki Boondein' tankers distributing 2.7 million liters of water to various districts, including Osmanabad, Latur, Nanded, Jalna, Jalgaon, Beed, Akola, and Buldhana. Through this initiative, Zee Anmol attempted to bring relief to some of the most water-deficient parts of the state.

KISAAN ABHIMAAN – DIGITAL PLATFORM FOR SOCIAL WELFARE

For Zee Marathi, farmer community is one of the loyal audience segments and it takes pride in facilitating change in their lives. To enable farmers to get better prices for their produce, Zee Marathi launched a digital platform, 'Kisaan Abhimaan.' This free platform brings together all related stakeholders – farmers, wholesalers, retailers, and customers, and allows them to register as sellers or buyers. Besides facilitating better prices for farm produce, Kisaan Abhimaan also provides easy access to information from local to national markets. The platform is available in 10 regional languages, which helps people across India to benefit from it. The app now has a registered base of over 50,000 farmers.

THOUGHT **LEADERSHIP**

ZEEL'S INTELLECTUAL PROPERTIES

ZEE MELT

ZEE MELT is a festival of creativity and innovations in the field of marketing and communications, in partnership with Kyoorius. The 2018 edition was a two-day festival focused on 'Disruption in Marketing and Communications' with a heightened focus on innovation and technology. Bringing together some of the biggest names in marketing, media and creativity, the event saw over 1,400 unique visitors. It brought together ideas that connect marketing, communication, technology, leaders and brand marketers from across the globe. The event hosted 50+ speakers including Sir Martin Sorrell (Executive Chairman, S4 Capital), Tom Fishburne (Founder, Marketoonist), Fernando Machado (Global CMO, Burger King), Anindya Ghose (Heinz Riehl Chair Professor of Business and Director of Masters in Business Analytics at New York University) among others.

DRIVING STRONG BRAND ASSOCIATIONS

ZEE JLF 2019

Zee Jaipur Literature Festival is one of the most celebrated literary events of the country. It attracts writers, historians, humanitarians, politicians, business leaders, sportspersons and entertainers to the Pink City of Jaipur. This year's ZEE JLF edition touched upon a multitude of ideas and themes, including Artificial Intelligence, Climate Change & Environment, Marginalized Voices, and Poetry. The festival hosted over 300 speakers and registered over 400,000 footfalls in five days. Key speakers included Andrea di Robilant, Anuradha Roy, Jeffrey Archer, Gulzar, Germaine Greer, Venki Ramakrishna, Ashwin Sanghi, Javed Akhtar, and Marc Quinn, among others. To strengthen ZEEL's brand connect with JLF, a Twitter crowdsourcing contest, 'ZEE JLF Mini Stories' was conceptualized bringing authors and readers together. It also offered budding writers an opportunity to write stories with authors attending the Festival.

ZEE KYOORIUS DESIGNYATRA

Zee Kyoorius Designyatra celebrates all aspects of creative communication and marketing, providing a platform to empower the creative industry in India and secure its rightful place in shaping the growth of the country. The theme for Designyatra 2018 was 'Mind the Gap' celebrating the ability of designers to choose the gaps that have been filled with design. Over the years, the event has been attended by over 16,500 delegates from across Asia and has featured some of the biggest names in global creative and communications industry. The 13th edition of the design festival witnessed attendance from industry leaders like Chuck Porter (Partner, CP+B), Billie Whitehouse (CEO, Wearables X), Kazuhiro Shimura (Creative Director, Dentsu Inc.) among others. Sustainability, a marquee theme of the event, featured a stand-up comedy performance to create awareness about sustainability. Over 300 trees were also planted by ZEEL to celebrate sustainability.

IAA LEADERSHIP AWARDS

With an objective to reinforce the power of television, ZEEL partnered with key industry associations like IAA and Ad Club for their flagship properties. IAA's flagship property, IAA Leadership Awards saw the CXO's of the media and entertainment industry attend the gathering. ZEEL's senior management spoke about the pole position and command that television still has over other mediums in terms of its share in the advertising revenue pie. The properties also saw the integration of ZEEL's newest brands like *&Flix* and *&Prive*.

AWARDS AND **MILESTONES**

AWARDS AND ACCOLADES

- ZEEL was ranked amongst the Top-25 brands in Interbrand's Best Indian Brands 2019 list - the only media brand to feature in the list of Top 40 most valuable brands in the country.
- ZEEL was felicitated as the only Indian brand in the Satellite TV category by the World Branding Awards (WBA), a globally renowned award hosted by World Branding forum (WBF).
- ZEE Entertainment was recognized as one of 'India's Best Companies to Work For – 2018'. The organization was acknowledged as being amongst the best in Media & Entertainment by the 'Great Place to Work' survey.
- Zee TV bagged the top marketing honors at the 5th edition of the Indian Marketing Awards 2018, picking up four gold awards under the 'Brand Building and Communications' categories.
- ZEE5 won the Gold medal at Goafest 2019 for 'Best Innovative use of digital search'.picking up four gold awards under the 'Brand Building and Communications' category.
- ZEE5 won the Gold medal at Neons OOH Conference Awards for 'Creative Awards, Entertainment and Media, Rangbaaz'.
- Prathyusha Agarwal, (CMO, ZEEL) and Aparna Bhosle (Business Head, Zee TV & FTA) featured in 'IMPACT's 50 Most Influential Women in Media, Marketing and Advertising List, 2019'.
- Zee Marathi's *'Hamlet'* and *'Aaranyak'* bagged top prizes respectively for Best Drama & Best Director at Maharashtra State's Awards for Commercial Theatre.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Subhash Chandra
Non-Executive Chairman

Subodh Kumar
Non-Executive Director

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 & CEO

SENIOR MANAGEMENT

Amit Goenka
CEO – International Broadcast Business and ZEE5 Global

Punit Misra
CEO – Domestic Broadcast

Tarun Katial
CEO – ZEE5 India

Shariq Patel
CEO – Zee Studios

Anurag Bedi
Business Head – Zee Music Co.

Swaroop Banerjee
COO – Zee Live

Rohit Gupta
Chief Finance Officer

Animesh Kumar
Chief People Officer

COMPANY SECRETARY

M. Lakshminarayanan

AUDITORS

M/s Deloitte Haskins & Sells, LLP

BANKERS

BNP Paribas
Deutsche Bank
HDFC Bank Ltd.
Kotak Mahindra Bank Ltd.
Yes Bank Ltd.

REGISTERED OFFICE

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

STATUTORY REPORTS

FINANCIAL STATEMENTS

STANDALONE

CONSOLIDATED

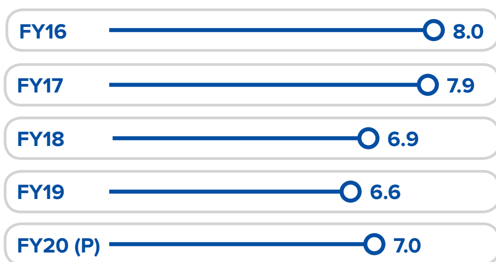
MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN MACROECONOMIC OUTLOOK

India continued to be the fastest growing major economy despite the challenges faced during the year. In FY19, the GDP of the country grew by 6.6% on GVA basis, a marginal deceleration from the previous year. While the growth in the first half of the fiscal was strong, it moderated during the second half due to liquidity concerns and stress in the agriculture sector. This impacted consumption and discretionary spending, especially in the rural markets, during the latter half of the year. However, after a strong mandate, the expectation is that the new government will address these concerns on priority and inject stimulus to revive economic activity. Three consecutive interest rate cuts by the Reserve Bank of India and their accommodative stance will help revive consumption and growth in the near term. Forecast of a normal monsoon in 2019 also bodes well for the agriculture sector and is expected to drive rural consumption.
From a medium-term perspective, the government's focus on infrastructure development, job creation and banking reforms will support growth. One of the biggest structural reforms, Goods and Services Tax (GST), despite transient issues, is already helping formalize the economy and will go a long way in improving the business environment in the country.

While the Indian economy has expanded at an average annualized growth rate of around 7% over the past several years, there have been patches of slower growth in-between.

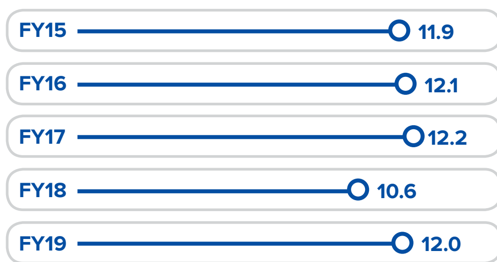
India's GDP growth GVA basis (%)



Source: CSO and RBI

However, consumption growth has remained quite resilient throughout this period. During FY19, despite a slowdown in overall GDP growth, private final consumption (PFCE) accelerated to 12.0% from 10.6% in FY18. Over the last five-year period, PFCE has grown at a CAGR of 11.8% in nominal terms. This, along with the trend of organized businesses gradually gaining market share in various sectors, augurs well for the growth of the media industry.

Nominal growth in private final consumption (%)



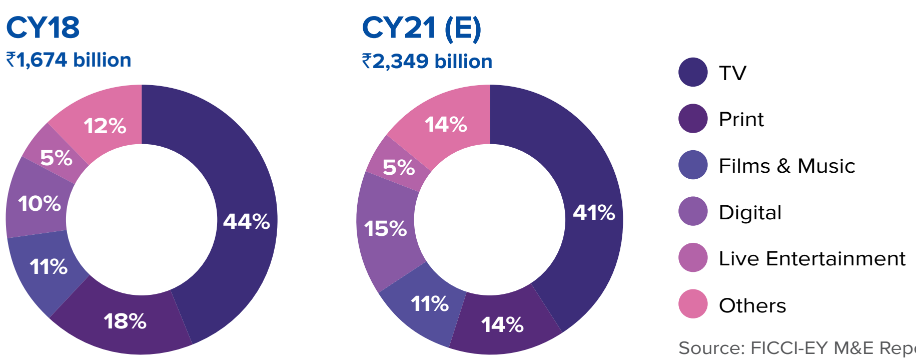
Source: CSO

INDIA'S MEDIA & ENTERTAINMENT INDUSTRY

The Indian media and entertainment (M&E) industry witnessed another year of all-round growth. The pace of growth accelerated marginally in CY18 despite the challenges faced by the economy towards the end of the year. According to the FICCI-EY Report 2019, (the Report), the M&E industry grew by 13.4% YoY in CY18, to ₹1,674 billion. India is witnessing a significant increase in content consumption due to increase in availability and improvement in affordability. Be it the growing number of mobile and television sets, improving multiplex penetration or smaller cities getting their own radio stations, availability of content is improving across platforms and is expected to get better going ahead. However, India's per capita entertainment consumption is still lower than most of its peers, representing a significant room for sustained growth which would be driven by rising disposable incomes and increasing access to content. According to the Report, the Indian M&E industry is expected to grow at a CAGR of 12.0% to ₹2,349 billion over the next three years, with growth in all the segments.

During the year, television increased its reach and engagement with the audience, retaining its position as the default entertainment medium for Indian consumers. Growth in online video consumption accelerated, helped by the increased availability of affordable data and content on digital platforms. Print media continued to grow, albeit at a much slower pace. The movie industry surpassed all the previous box-office records on the back of strong performances in both domestic and international markets. Radio, in addition to entering new cities, is diversifying into new business offerings like concerts and activations. Growth in live events was led by premium properties, sports events and digital integration.

M&E Industry Composition



Source: FICCI-EY M&E Report 2019

TV AND DIGITAL TO LEAD INDIAN M&E GROWTH

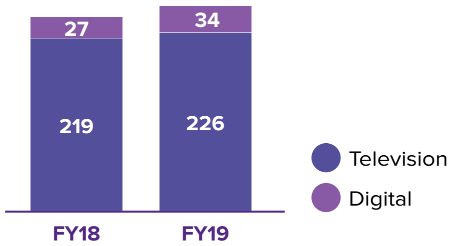
Of all the entertainment options at Indian consumer's disposal, content consumption scores high on two important parameters - availability and affordability. With these two aspects becoming increasingly consumer-friendly, we are witnessing an exponential growth in content consumption, driven by increasing choices and easy access. As consumption rises, more content producers are coming forward to meet the demand. This virtuous cycle is fuelling India's content consumption story.

In India, due to low levels of penetration, all forms of media are seeing an increase in consumption. That said, television and digital are appropriating an overwhelming proportion of this incremental growth. Television continues to witness an increase in subscriber base as well as time spent, and remains the mainstay for family entertainment. Digital, on the other hand, is becoming the default second screen for many in the predominantly single TV household environment of India. Consumption on television as well as digital is on a secular growth path.

ACCELERATED GROWTH IN CONTENT CONSUMPTION TO CONTINUE

In India, television viewership has been steadily growing for several years. The emergence of digital platforms has added another dimension to content consumption growth and is driving up the total video viewership. While television provides entertainment for every member of a family at an affordable price, digital offers convenience and differentiated content. Both the mediums have unique value propositions to the users and are well placed to grow. It is estimated that by 2021, India will have around 5 million digital-only consumers, which is less than 1% of India's viewer base. Improving ease of access and production of more content will drive consumption on both platforms, albeit at different rates.

Average daily time spent on video (minutes)

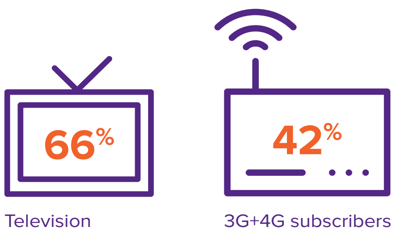


Source: BARC All India (U+R) 2+, wk14'17 to wk13'19; Time spent on Digital video is based on data of a leading telco.

Improving ease of access

India's device penetration is low. With 66% TV penetration and 35% smartphone penetration, a large population has not even started consuming content on a regular basis. As income levels in India increase and prices of these devices fall, penetration will improve, leading to higher content consumption. Digital also makes it possible to consume content anywhere and anytime. As such, it is taking away time from other activities like reading or making it possible to consume content while travelling. Separately, increasing power availability in small towns and rural India is giving a boost to television viewership.

Penetration of TV and Broadband (March-19)



Source: BARC, IIFL

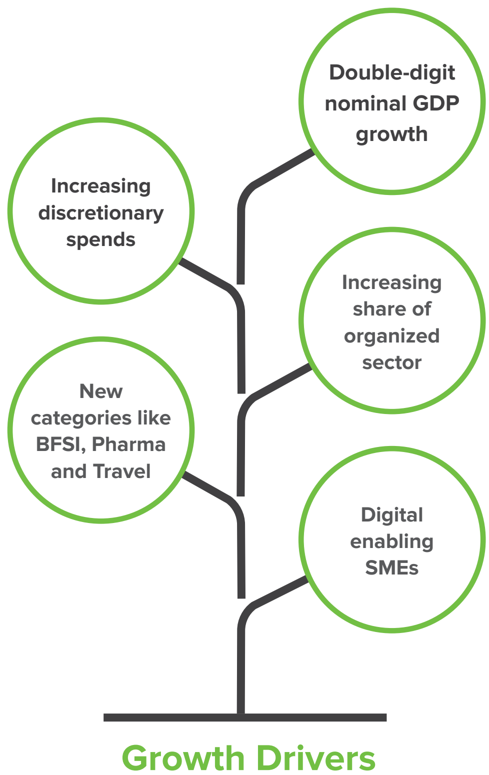
More content equals more viewership

In the entertainment industry, offering more choices to consumer leads to higher sampling followed by a sustained increase in viewership. Content production in India is growing at an ever-increasing pace. On television, more original content is being telecasted, especially in regional languages. Indian television content is primarily family oriented and caters to the masses, leaving some of the entertainment needs unfulfilled. Digital is now filling this gap by providing differentiated content and catering to audiences not well served on television. Digital platforms are also syndicating popular content from international markets. This expansion of content bouquet is bringing in new viewers as well as raising content consumption of existing audiences.

ADVERTISING: TV AND DIGITAL VIDEO TO DRIVE GROWTH

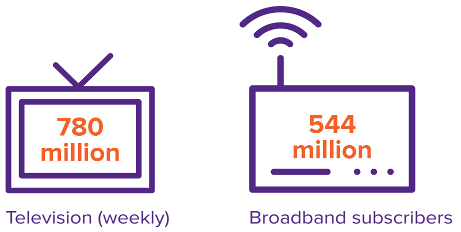
India's advertising spends grew by 13% in CY18 and as per the Report, it is expected to grow at a CAGR of 11.4% over the next 3 years. Despite the double-digit growth over several years, India's ad-spends are significantly low relative to the size of the economy. India's strong economic growth, rising income levels, and consequent increase in consumption provide a solid foundation for advertising growth. In this conducive macro environment, the emergence of new advertising categories, increasing share of organized sector, and tapping of SME advertisers will drive sustained growth in ad-spends.

India's Ad Spend - Growth Drivers



Television and digital offer different propositions to advertisers. Television's high engagement levels and a weekly reach of 780 million individuals makes it the default medium for reaching out to a large consumer base. This makes television the preferred media for brand-building. On the other hand, digital's ability to target consumers based on their profile and interests is more suited for a certain set of brands and transaction-based advertising. Digital also enables small enterprises to advertise, thereby expanding the advertiser base significantly. It is estimated that over 300,000 businesses advertised on digital as compared to 12,000 advertisers on television and 180,000 on print. Advertisers are leveraging the power of both the mediums together to meet their marketing objectives.

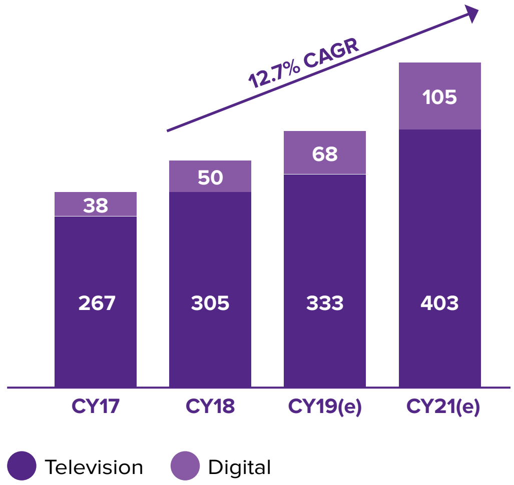
Reach of TV and Broadband (March-19)



Source: BARC, IIFL

Globally, video is gaining share from all other forms of content consumption. This, in turn is driving higher share of ad spends to television and digital video. India is also witnessing similar trends, and over the next three years television and digital video are likely to capture 53% of incremental ad spends.

Advertising spends (₹ billion)



Source: FICCI-EY M&E Report 2019

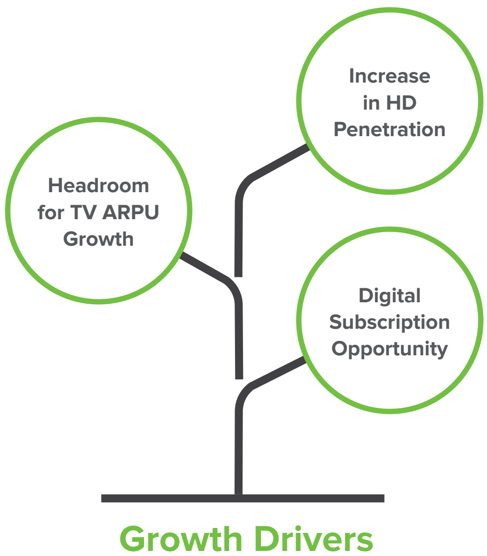
SUBSCRIPTION: DIGITAL OPPORTUNITY SUPPLEMENTING TELEVISION

Historically, India's subscription revenues have been significantly small relative to the size of the market and the amount of premium content on offer. A fragmented distribution space and analogue delivery of content hampered the growth. However, structural improvements in television distribution space and the emergence of digital opportunity will drive subscription revenue growth for the industry.

Television subscription has multiple growth drivers in place. The digitisation of Indian distribution space over the past few years has improved transparency in the value chain. Implementation of the new tariff order gives consumers an option to choose and pay for content while simultaneously allowing pricing flexibility to broadcasters. These initiatives have laid down a solid foundation for growth in the coming years. Rising penetration of television and high-definition channels will further add to the subscription growth for the industry.

Digital opportunity is expected to become sizable, driven by the rapidly growing number of smartphones and broadband penetration. So far, advertising video on demand (AVOD) has dominated online content consumption due to low television ARPUs, a price-sensitive consumer base and aversion to online payments. To capitalize on the subscription opportunity, the platforms will have to establish a strong value proposition by offering a vast array of differentiated content. This will need to be complemented with innovation in pricing and bundling of content with other services, especially telecom. We are already witnessing a lot of activities on both these fronts which will help develop the subscription market gradually.

Subscription Revenue - Growth Drivers



TELEVISION

After multiple disruptions which marred the growth in the previous fiscal, FY19 began on a strong note. Advertising as well as subscription growth accelerated during the first nine months. However, the momentum was impacted in the last quarter due to the implementation of the long-awaited tariff order. It required migration of over 160 million pay-TV subscribers to new subscription packages. The challenges posed by the enormity of this exercise were amplified by multiple shifts in deadline. This hurt the reach and viewership of pay channels in the transitory period, impacting revenues in the last quarter. As per the Report, in CY18 the television industry grew by 12% to ₹740 billion.

After a couple of years of slow growth, India's ad-spends reverted to its normal growth trajectory. The advertisers who had temporarily held back their campaigns and product launches due to demonetization and the implementation of GST started reinvesting in their brands. The rebound in consumer companies' volume growth and a reinvigorated launch pipeline led to a surge in ad-spends. In the fourth quarter, the uncertainty related to implementation of tariff order and its immediate impact on viewership forced advertisers to curtail spends. They also allocated a part of their ad-spends to sporting events which offered a better reach compared to entertainment channels during the implementation phase. The impact of tariff order on ad-spend growth is transient and the underlying demand remains strong.

During the year, the industry witnessed acceleration in subscription revenue growth. This was primarily driven by the improved monetisation of digitised subscribers in phase-III markets, which account for around 50 million households. These markets saw an increase in ARPU after digitisation, which benefitted all the stakeholders in the media value chain. Besides digitization, increasing uptake of high definition channels, growth in households, and rising TV penetration continue to drive subscription revenue growth. In the fourth quarter, the implementation of tariff order led to a slower growth, which in our view is transient.

Tariff order – overcoming implementation challenges

After two and a half years of consultations,

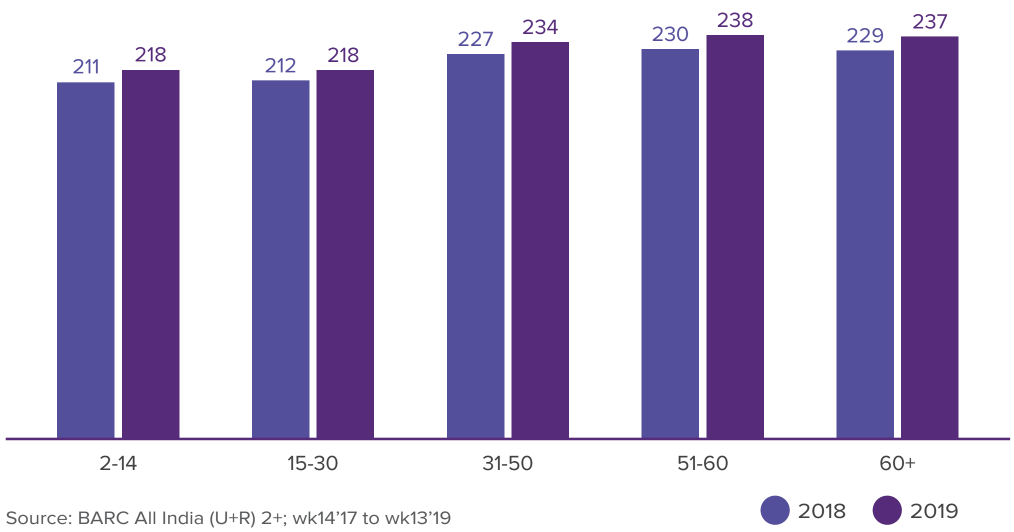
litigation and shifts in timelines, the new tariff order was finally implemented in March'19. Given that India's pay-TV market has over 160 million subscribers, it was a herculean task to migrate every subscriber to new packages created by distributors or customers. The enormity of this exercise was worsened by the inability of distributors' infrastructure to handle such a quantum of requests, resulting in multiple shifts in timelines. As per the TRAI guidelines to avoid inconvenience to consumers, a large proportion of subscribers were shifted to 'best-fit packages' as a stopgap arrangement. The 'best-fit package' was designed in a way that kept consumers' monthly outgo largely unchanged. In most cases, these packages had a lesser number of channels compared to earlier plans. The distributors are gradually migrating subscribers from 'best-fit plans' to bouquets and channels of their choice and this exercise is expected to get completed over the next few months.

We believe that once the implementation issues are overcome, this regulation will be beneficial for all the stakeholders. The consumer will have the ability to choose and pay for the content they like, making pay-TV service more relevant to them. For the first time, broadcasters have the power to price their products directly for the consumers. It also ensures uniform pricing of content for all distributors. The improved value proposition for consumers and increased transparency in the system will accelerate the growth of the overall subscription pie.

Time spent continues to move upward

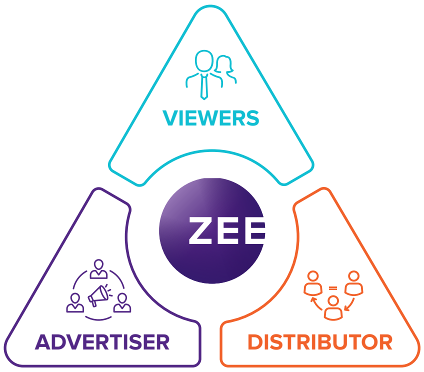
Television in India remains by far the most popular medium for entertainment in terms of reach and engagement. During 2018, it reached 780 million viewers on a weekly basis with an average daily time-spent of 226 minutes per individual. Continuous innovation, more content and new formats are driving up the engagement levels. In the year gone by, the television universe added 56 million viewers and the time-spend registered a marginal growth. More importantly, time-spend on television is on a growth trajectory across all age-groups, geographies, socio-economic classes and gender. With a viewership of 989 billion man-minutes a week, TV continues to lead video consumption with 93% share.

Daily time spent across age groups (minutes)



Source: BARC All India (U+R) 2+; wk14'17 to wk13'19

Domestic Broadcast Business Performance Review



In FY19, our Domestic Broadcast Business continued its viewership share gains and further strengthened its position as India's #1 entertainment network. Over the past two years, we have improved our viewership share by an average ~200 bps every year as against 100 bps increase for several preceding years. This strong growth was driven by the success in regional markets and movie genre while the performance of our Hindi entertainment portfolio continued to be robust. Consistent improvement in viewership share has enabled us to grow our advertising and subscription revenues higher than the industry. This performance is the result of our commitment to deliver all-encompassing entertainment to viewers, offering cost-effective reach and brand solutions to advertisers, and driving innovation in distribution through value pricing. These key tenets of our strategy have enabled us to expand our network gradually and be amongst the top-two players in most of the markets we operate in.

Viewers

At ZEEL, understanding the consumer is central to the process of content creation. We have devised a systematic process to comprehend the socio-cultural milieu and day-to-day lives of our viewers. This process starts with selecting people for content teams belonging to similar socio-cultural backgrounds. We use insights from cultural profiling to select storylines, build characters and render engaging narratives that connect with our viewers subliminally. Our content is complemented with several on-ground events and customer outreach initiatives. We get continuous feedback on our content from viewership data, social listening, and focused group studies, amongst others. This meticulous process has enabled us to replicate success in multiple markets as evidenced by the current strength of our network in Hindi as well as regional genres.

Advertisers

Our wide bouquet of 41 entertainment channels attracts viewers of all demographics across India. Coupled with the viewership strength of our portfolio, it enables us to offer our advertisers a cost-effective reach and share of voice in each of the markets. Over the years, companies have used our platforms to create brands and build recall. Our programming range allows us to offer our customers a mix of a sustained and short-term spike in reach. Our strong value proposition to advertisers has helped us grow even during the phases of disruption or slow growth, and to consistently improve our revenue market share.

Distribution

Our channels have been an integral part of cable and DTH offerings for over 25 years. Our long-standing relationship with our distribution partners enables us to reach consumers and monetize our viewership effectively. As an important stakeholder in the development of Indian broadcast and distribution industry, ZEEL has an in-depth understanding of consumers and intricacies of distribution. We used these learnings to lead the implementation of the new tariff regime and created cost-effective consumer packs which set the benchmark for the industry. We also led the way in initiating consumer communication and educating our distribution partners about this radical change.

Our focus on consumers, advertisers and distribution eco-system has been rewarding which is reflected in our viewership and revenues. As we intend to fortify our position, we are working to further improve our core skills and build new capabilities. To refine our consumer understanding, we have identified 53 distinct socio-cultural groups, and we are trying to understand and document their important aspects. These insights will be extensively used for content creation and experimentation. To enhance our value proposition to the advertisers, we are focusing on native solutions by integrating brands seamlessly within storylines. We are also using technology for comprehensive meta-tagging of the shows, which in combination with ratings' data, can be used to analyse show performance in greater detail. It will also help in offering customized brand integration opportunities to our advertisers. We are confident that our initiatives will help us in further consolidating our leadership position.

Cluster - wise Operational Review

Hindi General Entertainment

ZEEL's Hindi general entertainment bouquet of 6 channels caters to the Hindi-Speaking Markets (HSM) that make up around 70% of the overall TV market.

Zee TV, our flagship channel, witnessed a marginal increase in viewership share and maintained its #1 position in the Hindi GEC genre during the year. The channel's line-up of fiction shows, a mix of new launches and shows running for over 12 months, performed well and helped strengthen its lead in the weekday prime time. Weekend non-fiction shows launched in FY19 did not perform as well as in the previous year.

&TV's market share declined marginally during the year due to the increased competitive intensity and the below-par performance of the newly launched shows. The channel aims to increase loyalty among the urban audience with its differentiated programming initiatives.

Zee Anmol remained the #1 channel in the FTA genre till February'19. From 1st March, the channel was converted to a pay channel and was taken off from the DD Freedish platform which impacted its reach and viewership. The channel continues to run on the network's library content and is available on all the pay-TV platforms.

Big Magic, the FTA channel, is focused on kids' content and improved its market share during FY19.

Hindi Movie Cluster

ZEEL's Hindi Movie cluster of 8 channels – Zee Cinema, &pictures, Zee Bollywood, Zee Action, Zee Classic, Zee Anmol Cinema, Zee Cinema HD and &pictures HD, reached its highest ever viewership share and retained its leadership position.

Zee Bollywood was launched during the year with the tagline, '*101% Shuddh Bollywood.*' The channel's core proposition is blockbuster Bollywood movies of the past. It has received positive response from both the viewers and the advertisers.

Zee Anmol Cinema was converted to a pay channel on 1st March'19. It was pulled off from DD Freedish platform and is now available on all pay-TV platforms.

The success of movie portfolio was driven by premieres of hit Bollywood movies such as *Padman, Dhadak, Parmanu, Gold, and Veere Di Wedding*, amongst others, and the performance of its library titles. With the acquisition of movie library rights, including future rights and the rights of movies under production, the Hindi Movie cluster continues to expand its catalogue, which will provide an impetus for future growth.

Regional Entertainment Channels

Regional GECs further strengthened their competitive positions in respective markets and were the key drivers for improving the overall network share. ZEEL's regional portfolio caters to 8 linguistically diverse markets – Marathi, Bengali, Tamil, Kannada, Telugu, Malayalam, Oriya, and Bhojpuri.

Zee Marathi continued to be the #1 channel in the Marathi speaking markets with leadership in all prime-time slots. The brand visibility of the channel continued to improve through on-ground consumer connect programs. **Zee Yuva**, the only Marathi channel in the youth entertainment space, was the channel with the third highest reach.

Zee Bangla became the #1 channel during the year in the Bengali speaking markets. The channel gained significant viewership share and widened the gap with its nearest competitor. It undertook ground connect events to increase its rural base which is yielding results.

Zee Tamil continued its growth trajectory of the past two years and was a close #3 channel in the Tamil market. The channel's fiction shows showed a significant improvement in ratings and for the first time, three of its core prime-time shows attained

leadership. The #1 show in the Tamil market during the year belonged to Zee Tamil.

Zee Telugu maintained its position as the #2 channel despite a significant increase in competitive intensity in the market. The channel gained traction in the fiction genre and consolidated its share in this space during the year.

Zee Kannada became the #1 channel in the Kannada market towards the end of the year. The channel refreshed its brand with the new proposition of 'Open Doors to Possibilities' to inspire viewers, especially women. It also launched new shows to reflect this proposition which helped it to achieve the leadership position. Zee Kannada HD was also launched for premium subscribers.

Zee Keralam was launched in the Malayalam speaking market in November'18. With this launch, ZEEL expanded its presence across all the four southern states and became the only television network with presence in 9 Indian languages. The channel received a good response in a highly competitive market. Comparing the first 20 weeks' performance of new channels launched over the last two years in India, Zee Keralam garnered the highest market share.

Zee Sarthak witnessed a marginal decline in market share towards the fourth quarter, largely due to distribution challenges faced post the implementation of TRAI tariff order.

Big Ganga was the #2 Bhojpuri entertainment channel.

Regional Movie Cluster

ZEEL has a portfolio of five movie channels in the regional markets. As part of our stated strategy, we have been aggressively building a sizable movie library across languages over the past couple of years. In addition to helping the existing channels improve their viewership share, it will help us launch movie channels in three regional markets during FY20.

Zee Talkies continued to be the #1 movie destination for the Marathi audience. Along with premiering the best Marathi movies, the channel launched a first-ever professional-level wrestling league in India, *Zee Maharashtra Kusti Dangal.*

Zee Bangla Cinema maintained its position as the #2 channel in the Bengali movie genre. In addition to premiering movies and *ZBC Originals*, the channel worked on building its reach through 360° campaigns.

Zee Cinemalu, in its third year of operations, gained viewership share during the year and became the second most-watched Telugu movie channel. With a strong movie catalogue, the channel is quickly ramping up to challenge the established players.

English and Music channels

The English cluster witnessed a tepid performance during the year. This is partly due to a lower reach of the channels after the implementation of the new tariff order. Our English cluster channels - **Zee Café, &prive HD** and **&flix** continued to bring the latest English shows and movies from around the world to the audiences.

Zing, our youth entertainment channel, airs a mix of music and Bollywood-based shows. From 1st March'19, the channel has been converted to free-to-air (FTA) and is available on DD Freedish.

DIGITAL VIDEO

In 2018, India's digital media revenues grew by 42%, significantly ahead of the M&E growth, and this trend is likely to continue. With a device connected to a high-speed network perennially at viewers' disposal, the opportunity to consume content has multiplied. Video has emerged as the biggest beneficiary of data availability and is the largest growing segment within digital. This presents an additional avenue to connect with the existing audience and also to reach viewers not accessible on other platforms. The fast-growing video consumption represents a sizeable opportunity for OTT platforms, content creators, content aggregators, and advertisers.

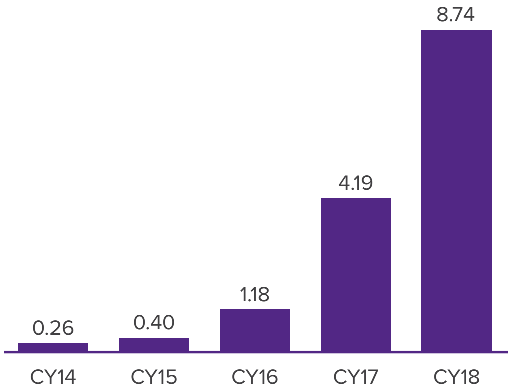
Digital video opportunity to double

In 2018, internet users grew by 28% to 570 million and online video viewers increased by 25% to 325 million. India currently has around 400 million smartphone users and this number is expected to more than double by 2022. With a projected 60% smartphone penetration and close to 70% high-speed network coverage, total data consumption is set to grow ~5x during this period. Online video viewing will be the main driver for this increase and will account for 75% of data consumption. This will be led by new users, primarily from rural markets, and an increase in per-capita time-spend. As consumers prefer to watch content on big screens, the availability of wired broadband at an affordable price would be critical for the next phase of growth.

Digital original content set to explode

At present, all major digital platforms offer TV content for free, which accounts for 70-90% of digital content consumption. Simultaneously, there is a big push for original content for the digital audience. In 2018, the industry produced around 1,200 hours of digital exclusive content, exploring new formats and concepts. Though this number is a fraction of the 100,000+ hours of content produced for TV every year, it caters to audience segments that are not served adequately by television. Original content on digital is primarily comprised of finite series based on topical and sometimes controversial themes, with relatively high production value and well-known talent, which makes it more like movies than TV shows. Given that ~90% of digital content is consumed in Indian languages, a bulk of India's online opportunity resides in regional markets. While most of the platforms are focused on the Hindi-speaking audience, some have started creating content for regional markets. With a multitude of OTT platforms vying for consumer timeshare, the pace of content creation and innovation is set to explode.

Average Data Usage per user per month (in GB)



Source: TRAI

Video to lead digital ad growth

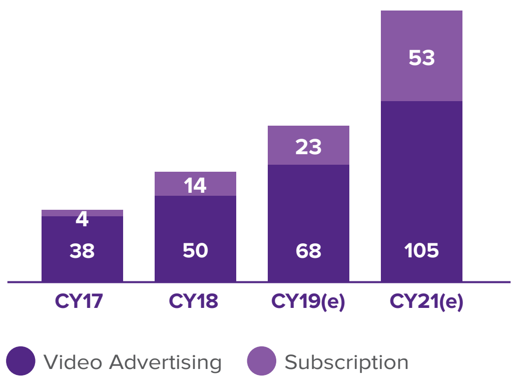
Advertising is the primary revenue stream for digital, with a share of over 90%. In 2018, digital advertising grew by 34% to ₹ 154 billion and increased its share in the overall advertising pie to 21%. Digital advertising is becoming integral to marketing plans for all brands. It enables small businesses to advertise on affordable budgets, thereby expanding the market. While some small and localised advertisers might spend their entire marketing budget on digital, several large advertisers are using it to complement their television campaigns. Among the large advertisers, BFSI, telecom, consumer durables and e-commerce have emerged as the top spending categories. Digital has also brought more than 300,000 small and medium enterprises into the advertising fold. It also offers the capability for viewer to transact, thus making it convenient to measure ROI. That said, ad-measurement and fraud are two key concerns for the digital advertising industry. An independent third-party measurement system and improvement in transparency would be crucial for sustaining the growth momentum.

The stellar growth of digital over the past several years was driven by search and display, but now video advertising is emerging as the growth leader. So far, India has been primarily an AVOD market with most OTT platforms relying on advertising revenues. The surge in online video consumption has led to a huge growth in ad inventory and as per the Report, digital video advertising opportunity will grow at a CAGR of 28% to ₹ 105 billion by 2021. Innovative ad formats, better targeting and retargeting, sponsored content, regional content and focus on performance marketing would help this growth.

Subscription opportunity to become sizable

In 2018, subscription contributed less than 10% of the digital revenue but it is expected to grow ~4x by 2021. It is estimated that only 5% of the total video viewers in India are paid subscribers currently. This is understandable as digital platforms are competing for subscribers with television, which offers content at a very competitive price. Adoption of paid-OTT services is also impeded by the fact that Indian consumers are cost conscious and as-yet uncomfortable with online payment. To make users pay, OTT platforms will have to establish a value proposition by offering an extensive range of differentiated content. Bundling of some OTT content with telecom services will provide an opportunity for consumers to view content from different platforms and decide which standalone services are worth paying for. Telecom companies are already playing an important role by aggregating content which is the key driver for growth of their data services. Innovations aimed at enhanced ease of payments and price tiering would play an important role in the development of the subscription market. As per the Report, digital video subscription opportunity will grow at a CAGR of 56% to ₹ 50.5 billion by 2021.

Digital video ad and subscription revenue (₹ billion)

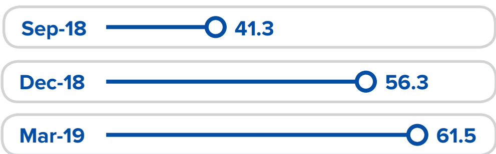


Source: FICCI-EY M&E Report 2019

ZEE5 – a strong start

Launched in February 2018, ZEE5 is one of the fastest growing digital entertainment platforms in India. Despite a late entry in the crowded OTT space, it has been gaining traction across all viewership parameters. ZEE5 registered 61.5 million monthly active users (MAUs) in March '19 with an average of 31 minutes spent on the platform. It has consistently ranked as one of the top-5 free and grossing entertainment apps in India, as per the Google Play store rankings. ZEE5 will continue to scale up its user base on three pillars – content, partnerships and technology.

ZEE5 - Monthly Active Users (million)

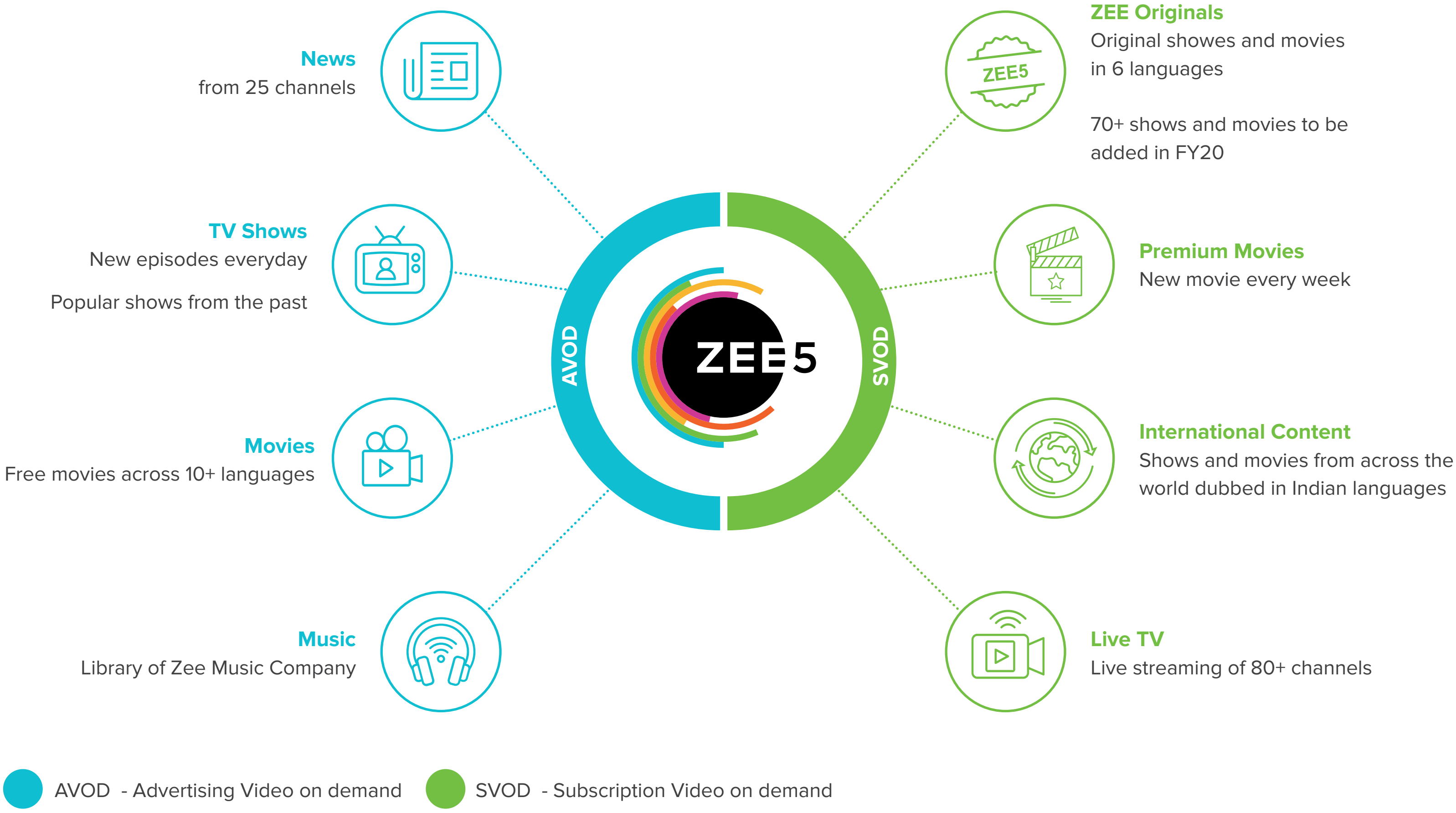


Comprehensive content offering

Diversity and depth of content offering are the biggest strengths and differentiators of ZEE5. To serve the varied entertainment needs of viewers, ZEE5 offers a comprehensive content catalogue covering all the genres of entertainment. To cater to India's multi-lingual audience, ZEE5 offers content in 12 languages. ZEE5 leverages the vast library of Domestic Broadcast business that adds about 500 hours of content every week in 9 languages, enabling consumers to view their favourite TV shows on demand. It also hosts one of the biggest movie libraries across 12 languages with exclusive movie premieres every week. ZEE5's offering of Originals, news, music videos, international content, live events, and cine-plays help increase engagement with viewers.

ZEE5 Originals, the catalogue of exclusive content for ZEE5 consumers, differentiates it from the other OTT platforms. While most of its peers are focussed on Hindi market, ZEE5 is the only platform producing original content in 5 regional languages, in addition to Hindi. ZEE5 has released 60+ finite-format fiction shows, reality shows, original movies and short movies, making it the biggest producer of digital content in India. It plans to release over 70 shows and movies in 6 languages in FY20, which will further help to consolidate its position. *ZEE5 Originals* has been experimenting and pushing the content boundaries, as exhibited through critically acclaimed shows and films such as *Rangbaaz, Kaafir, The Final Call, Karenjit Kaur-The Untold Story of Sunny Leone, Abhay, The Sholay Girl, 377-Ab Normal in Hindi; Sharate Aaj, The Lovely Mrs. Mookherjee (Bengali); Sex, Drugs & Theatre, Date with Saie (Marathi); Auto Shankar, Thiravam (Tamil) and Mrs.Subbalakshmi, High Priestess (Telugu).* ZEE5's extensive content catalogue will enable it to become the go-to platform for consumers looking for differentiated content across languages.

ZEE5 Content Catalogue



Partnerships for multiple touch points and convenience

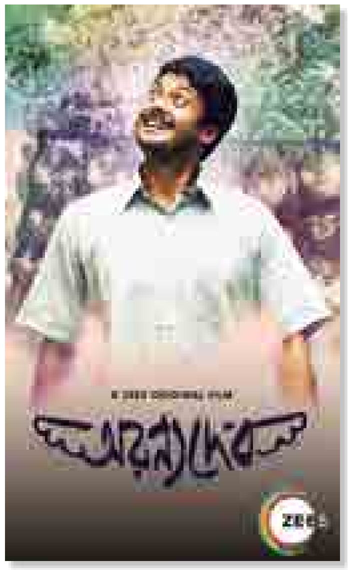
ZEE5 has partnered with multiple players in the digital ecosystem to reach maximum number of consumers and to make it easy for them to consume content. These partnerships can be primarily classified into three categories - internet and data service providers, device manufacturers, and digital businesses with sizable consumer base. ZEE5 has partnered with all major telecom operators and ISPs through app-in-app integration, selective content sharing, or customized apps.

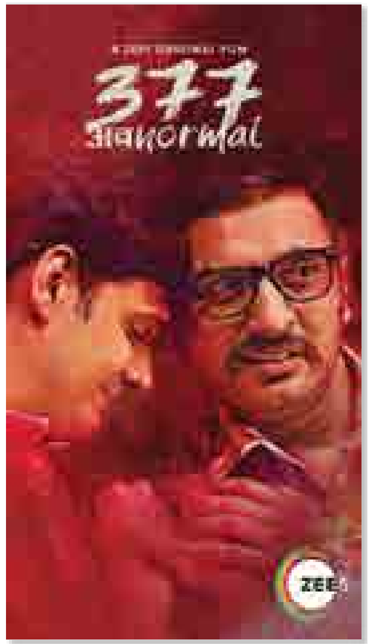
The rapid pace of growth of smart TVs present another touch-point for OTT platforms and it helps to drive subscription and higher consumption. ZEE5 has partnered with all the leading smart TV manufacturers and connected devices including Amazon Fire Stick, Samsung, LG, Xiaomi, Vewd, Cloudwalker and AOSP powered TVs. It is also tying-up with cable and DTH companies to be available on connected STBs. To drive paid subscription adoption and make payments easy, ZEE5 has partnered with e-wallets, travel portals, music streaming apps, and hospitality platforms, amongst others. Along with driving higher reach and convenience, these partnerships also help in joint marketing campaigns.

Leveraging technology to enhance experience

ZEE5 has been built keeping the intricacies

of Indian landscape in mind. Interface in 12 languages and voice search are the key features helping enhance the experience for an Indian consumer. To enable a customized experience to its large user base and improve content discovery, ZEE5 has partnered with over 30 technology companies from around the world, with a strong expertise in the OTT space. The other big advantage of digital medium is the data it generates, allowing greater insights into consumers' preferences and behaviours. Use of data has allowed consumer segmentation to move to preference-based cohorts, and feedback from viewership data acts as input for content selection and creation on a consistent basis. While we are still ramping up our data analytics capabilities, we made changes to our original content slate for FY19 based on the viewership trends. Another area where we are harnessing the power of data is to offer customized solutions to our advertisers. To improve the transparency of ad impression data, we have tied up with MOAT and Nielsen Digital Ad ratings (DAR), two leading standards for viewability and measurements of digital ads.



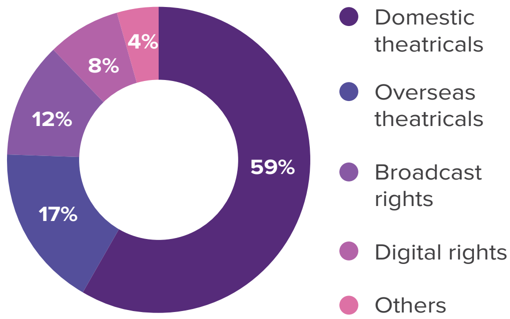


ZEE5 has adopted a hybrid revenue model to monetise its viewership. A part of our extensive content bouquet - television shows, non-premium movie library, news, and music videos, is available to viewers without any fees and gets monetized through advertising. The vast library of premium content – ZEE5 Originals, movies, and international content is accessible only on subscription of pay-service. At present, ZEE5 MAU base primarily comprises of free viewers and its monetisation is already leading to an acceleration in the company's ad revenue growth. While the contribution to subscription revenues has been marginal so far, as we continue to expand our exclusive content catalogue and partnerships, the growth in paid user-base will drive subscription revenues.

MOVIES

The growth of Indian movie industry has accelerated over the past couple of years from mid-single digit to low-double digits. This acceleration is primarily driven by a significant improvement in monetisation of digital rights. The sharp increase in content consumption on digital devices and the emergence of multiple OTT platforms have driven up the price of digital rights of movies. Digital is emerging as the largest and in some cases the only revenue stream for several low-budget and niche movies. For large movies, the price of digital rights is now comparable to satellite rights. Besides digital, the international theatrical market for Indian movies, especially China, is growing rapidly. Multiplex proliferation and regional cinema continue to play their roles in driving industry growth. Growing in popularity, Hollywood movies are also competing with Indian movies for viewership share. In 2018, the Indian movie industry grew by 12.2% to ₹ 174.5 billion, driven by a 59% increase in the market for digital rights and 20% growth in overseas theatrical revenues. The industry is estimated to grow at 11% CAGR over CY18-21 as per the Report.

Composition of Indian Film Industry – CY18



Source: FICCI-EY Report 2019

Movie Business Review

Zee Studios, ZEEL's film production and distribution arm, continued to grow, establishing a strong position as India's leading content studio. In FY19, the studio released 13 movies across 3 languages— Hindi, Marathi and Punjabi —of which 7 were produced or co-produced by Zee Studios. Our focus is to create diverse content that is commercially successful as well as applauded by world-wide audience. The studio not only received box office success last year, but its portfolio of varied films such as Beyond the Clouds, Nude, Parmanu, and Love Sonia also received critical acclaim. Beyond the Clouds and Nude were selected for multiple International festivals. Dhadak, starring two debutants and Manikarnika-The Queen of Jhansi, with a female protagonist, helped Zee Studios establish a strong mark in the market. Manikarnika and Kesari featured among the top-15 highest grossing Hindi films of the year. The studio also strengthened its regional slate with movies like Anandi Gopal, Nude and Naal in Marathi, and Kala Shah Kala in Punjabi. Zee Studios is a dominant player in Marathi language movies.

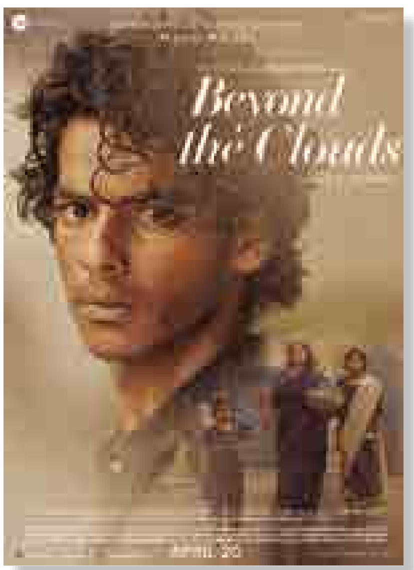
Zee Studios continues its focus on building a robust slate for the next few years with a mix of in-house productions, co-productions and acquisitions across languages. It is also exploring concepts from new genres or ones that re-define existing genres. The distribution business will acquire, uniquely market and distribute content across geographies. It will also identify and target micro markets, especially in the regional space. Zee Studios is ramping up its in-house team to develop movies and original shows for OTT platforms as well. Zee Studios is focussed on owning 100% IP rights for projects to explore multiple revenue streams.

FY19 Highlights

Movies released and distributed domestically

- Hindi – *Parmanu, Dhadak, Beyond the Clouds, Paltan, Manikarnika, Kesari, Love Sonia*
- Marathi – *Anandi Gopal, Naal, Nude, Pushpak Viman, Aa Bb Kk*
- Punjabi – *Kala Shah Kala*

22 Movies distributed internationally in **50+ territories** across 5 languages



ZEE STUDIOS

Zee Studios' Approach

FOCUS ON CONTENT
A strong script is the most important criteria for movie selection and not the cast

LEVERAGE NETWORK SUPPORT
Presence across verticals provides useful consumer insights and helps promote films

PORTFOLIO APPROACH
Produce movies across budgets, multiple genres and languages to reduce risk

MUSIC

The exponential growth of music consumption in India continued in 2018. Rising smartphone penetration, affordable mobile data, and the growing adoption of music streaming platforms are drivers for this growth. In 2018, music streaming user base grew by 50% to reach 150 million. As per the Report, Indian internet users spent an average of over three hours a day listening to music, 20% higher than the global average. Introduction of smart speakers and voice search has made the music consumption experience more pleasant and convenient. Ad-supported free music streaming platforms are helping to bring down piracy. Most of these platforms also offer ad-free subscription but have seen limited uptake so far. It is expected that streaming platforms will also start offering music videos.

In India, music produced for movies – both Bollywood and regional, accounts for over 80% of industry revenue. Music publishing labels own the rights, including IP rights, of the music and are able to monetize them across platforms. With the launch of multiple streaming services over the last few years, music publishing labels with diverse music catalogues are in a strong position to monetize it. In 2018, the Indian music industry grew by 11% and is expected to grow at a similar pace over the next three years to reach ₹19.2 billion.

India generated **5 billion music streams per month** towards the end of 2018

50% of listenership was outside of **top-8 metros**

75% music streamed pertained to **music released in past 12 months**

Music Business Review

Zee Music Company (ZMC), our music publishing label, is the fastest growing music label in the country. It has acquired an expansive catalogue of music rights across 11 languages and is the only pan-India player. In-house distribution capability and key partnerships with major movie studios and leading music streaming platforms uniquely positions ZMC to acquire content and monetise it. ZMC is the second largest Indian music channel on YouTube with ~40 million subscribers. It witnessed a growth of 130% last year and is now the third most subscribed YouTube channel in India. ZMC has licensed its content to more than 10 music streaming services which generated 3.91 billion streams across platforms, a growth of 82% YoY. ZMC has been building its music catalogue over the last few years, and it acquired rights of over 190 movie titles and more than 500 singles during FY19. As per industry estimates, music released over the last one year contributes to a majority of the music streamed on the platforms and therefore, ZMC will continue to aggressively acquire music rights across languages

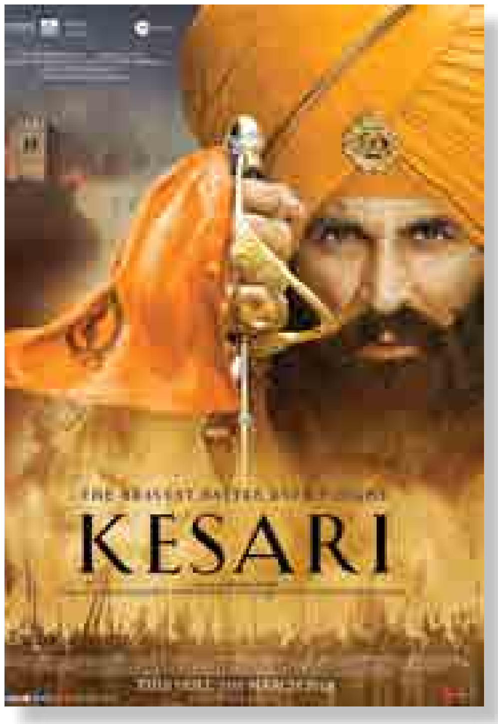
Pan-India player with presence across **11 languages**

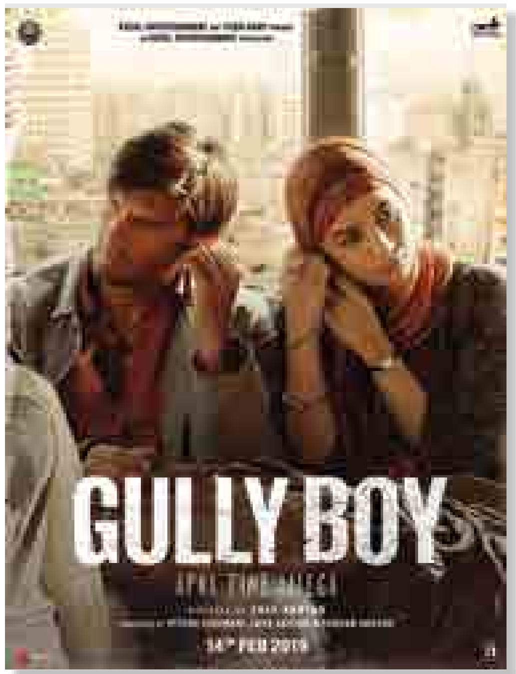
Licensed music content to **10+ streaming platforms**

360° promotion of music and in-house distribution capability

Key Highlights

- **ZMC** is the 2nd and 4th **most subscribed music YouTube channel** in India and World respectively (Source: Social Blade)
- **Mile Ho Tum** – 2nd most viewed video on YouTube in India with 755 million views
- **190+ movie** titles and **500+ singles** acquired across 10+ languages in FY19





INTERNATIONAL BUSINESS

ZEEL's International Business reaches more than 170 countries with content in 18 languages, including 9 foreign languages. The company has two-pronged strategy for international markets – reaching the Indian and South Asian diaspora with channel offerings in Indian languages and serving the non-Indian audience in their native languages.

International Business Review

During the year, ZEEL continued to increase its reach in international markets and produced local shows in several territories. Our new distribution partnerships across USA, Europe and APAC helped us gain a wider audience. Shows produced in the USA and APAC regions attracted local audience in these markets.

ZEE5, our digital platform, was made available globally in 190+ countries with a soft launch in Oct'18. The platform has commenced roll-out in priority markets like Bangladesh, Sri Lanka, Malaysia, Singapore and Australia. It launched *#SharetheLove* campaign for the neighboring countries and saw great traction from the Tamil and Bengali speaking audience in these markets. ZEE5 has locked-in partners across the region for telecom bundling, connected device integration and direct billing.

USA:

- ZEEL has become one of the biggest multi-cultural networks in the USA with 20+ channels.
- Zee Mundo further expanded its reach with launch on new platforms and improvement in channel placement.
- Shows like *Dance India Dance* were locally produced to connect with the South Asian audience

Europe:

- Zee TV Russia witnessed an increase in market share and average time spent during the year.
- ZEEL channels were launched on Orange platform, further widening their reach.
- Zee One, our channel in Germany, continued its strong performance in terms of ratings and reach.

MENA:

- Zee Aflam and Zee Alwan, our Arabic channels, maintained their viewership share despite increased competitive intensity.
- Zee TV and Zee Cinema were the most watched channels by South Asians in their respective genres.
- Zee Keralam, latest launched channel in India, was made available on multiple distribution platforms.

Africa:

- Zee World produced an Indian show with South African actors, a first-ever integration in the African market.
- Zee World was consistently ranked among the top channels in the pay-TV market in South Africa.

APAC:

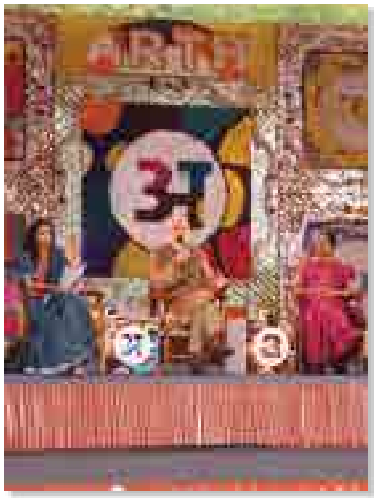
- ZEEL channels in Asian markets were launched across distribution platforms, significantly expanding their reach.
- 20+ events and shows were produced across markets to engage local South Asian audiences.

LIVE EVENTS

According to the Report, the organized live events industry in India grew by 16% YoY in CY18 to reach ₹ 75 billion, and is expected to grow at a CAGR of 14.3% over the next three years. IP-related events, though a small segment of the total events market, contributed substantially to this segment's revenue. Increasing integration of digital aspects with live events is helping organized players to drive consumer engagement and providing brand solutions to advertisers. Even the smaller cities are witnessing an increase in events and the revenue growth from tier-II/III cities is similar or higher than that of the larger cities. This significantly expands the opportunity for organized players with pan-India capabilities.

ZEELIVE

ZEETHEATRE



Live Events Business Review

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

During the year, Zee Live held India's first multi-regional cultural festival, Arth, and LF91, a heritage food festival. Arth hosted 250 speakers from 11 countries, bringing a diverse cultural experience through art, literary activities and performances. The event was attended by more than 15,000 people over three days. It also received 6 million views through live-streaming on ZEE5. LF91, which took place in Delhi and Mumbai, brought together food and entertainment under one roof. The event showcased 250 different recipes from the five Southern states and also held masterclasses by celebrity chefs. Both these events received good response from viewers and sponsors. In addition to bringing live events, Zee Live is also taking its library of recorded plays to audiences through partnerships with all major DTH platforms. Zee Live is working on creating a strong line-up of events for the coming year.

FINANCIAL REVIEW

Consolidated Financials

(₹ Million)	FY19	FY18	Growth
Operating Revenue	79,339	66,857	*18.7%*
Expenditure	53,700	46,095	*16.5%*
EBITDA	25,639	20,762	*23.5%*
Add: Other Income	2,515	4,403	*-42.9%*
Less: Depreciation	2,347	1,821	*28.9%*
Less: Finance Cost	1,304	1,448	*-9.9%*
Less: Fair Value Through P&L	(36)	68	
PBT before exceptional items	**24,539**	**21,827**	***12.4%***
Add: Exceptional Items	(218)	1,346	
PBT after exceptional items	**24,321**	**23,173**	
Less: Tax Expense	8,673	8,409	*3.1%*
Add: Share of Profit of Associates	24	12	
Less: Minority Interest	1	(14)	
Profit After Tax (PAT)	**15,671**	**14,791**	

The Company's consolidated revenues stood at ₹79,339 million for the year ended 31st March 2019, compared to ₹66,857 million in the previous year, a growth of 18.7%. Advertising revenues grew by 19.8% YoY to ₹50,367 million. Domestic advertising revenues witnessed a growth 20.9% YoY during the year ended 31st March 2019. Domestic ad revenue growth in the first nine-months was strong led by market share gains by our broadcast business. In addition, monetization of fast-growing ZEE5 users also aided advertising revenues during the year. The growth slowed during the fourth quarter due to implementation of tariff order and rejigging of ZEEL's FTA portfolio. Subscription revenues grew by 13.9% YoY to ₹23,105 million. Domestic subscription revenues were at ₹19,232 million, a growth of 17.4% YoY. The growth during the first nine-month period was 22.5%, led by monetization of phase-III subscribers. The full year growth came down due to the impact of TRAI tariff order in the fourth quarter. While all the stakeholders are working towards a smooth transition to the new regime, ZEEL has seen satisfactory uptake of its channels and bouquets.

The Company's operating expenses for the year ended 31st March 2019 grew by 16.5% to ₹53,700 million, compared to ₹46,095 million in the previous year. Programming related costs increased 21.7% YoY to ₹30,578 million. This increase was driven by content cost for ZEE5 which was absent in the base year, increase in programming cost for domestic broadcast business due to higher movie amortization cost and increase in original programming hours in regional markets, and elevated costs for the movie production and distribution business. Advertising, publicity and other expenses for the year grew 10.8% YoY to ₹15,693 million despite a higher base, due to increase in marketing and promotion costs associated with ZEE5, new channel launches (Zee Keralam, Zee Keralam HD, Zee Kannada HD) and brand refresh campaign of one English and several regional channels during the year. EBITDA at ₹25,639 million, witnessed an increase of 23.5%. EBITDA margins for the year ended 31st March 2019 stood at 32.3%, as compared to 31.1% for the year ended 31st March 2018.

Depreciation and Amortization expense witnessed an increase of 28.9% YoY, led by higher amortization expense of intangible assets. During the year, the company recorded an exceptional loss of ₹218 million relating to partial impairment of goodwill in its online media business. During the previous year, the company had reported an exceptional gain of ₹1,346 million pertaining to sale of Sports business. Consolidated income tax expense at ₹8,673 million witnessed an increase of 3.1% over the previous year. Effective tax rate for the year ended 31st March 2019 was at 35.6%. Consolidated profits after taxes including exceptional items stood at ₹15,671 million.

Liquidity and Funding

As on 31st March 2019, the Company had cash and cash equivalents of ₹12,218 million and treasury investments of ₹8,576 million (excluding inter-corporate deposits given). During the year ended 31st March 2019, the Company's consolidated long-term debt reduced to ₹7,429 million from ₹11,452 million on 31st March 2018. Part redemption of preference shares led to the decline in the overall debt position of the Company.

Consolidated cash flow from operations stood at ₹1,352 million for the year ended 31st March 2019 as compared to ₹5,544 million during the previous year. Higher investments in acquisition of movie rights (satellite, digital and international rights, including future rights) led to increase in inventories. The company has given advances to various content aggregators and production houses for acquisition of movie libraries and output deals which led to increase in overall working capital, thereby impacting operating cash flow during the year. Cash flow from financial activities primarily include part redemption of preference shares and payment of equity dividend to the shareholders.

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 are also influenced by new trends and the environment they live in. With the kind of investments made in content, non-performance of the shows/movies would have an adverse impact on the bottom-line of the Company.

Competition from Other Broadcasters
The Company operates in a highly competitive environment that is subject to innovations and changes. Viewership share is the key monitorable for all the advertisers and hence the most relevant metric to all the television broadcasters. Any new competition in the space can have an impact on the Company's revenues.

Faster than expected shift to Digital platforms
With mobile data prices coming down, digital content consumption has grown exponentially. This can lead to a slower growth of advertising revenues for the profitable television business.

Business environment risk:

Macro-economic 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 it's the largest component of revenues.

Exchange rate fluctuations
Being present in 170+ countries, the Company receives a significant portion of its revenues and incurs a significant portion of its expenses in foreign currencies. As such, the Company is exposed to fluctuations in the exchange rates. Any extreme fluctuations of foreign currencies with Indian Rupee could have a substantial impact on its revenues and expenses.

Regulatory risk:

Uncertainties in rules and regulations
The M&E industry is governed by the rules and regulations framed by the authorities and regulatory bodies of the different countries the Company operates in. The policies and regulations issued by them have a bearing on the industry landscape as well as business of the Company.

Internal Risk Factors

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

Failure to hire and retain best talent
Failure to evolve organization structure and culture could lead to loss of ability to attract, develop and retain key creative, commercial and management talent.

Failure to make proper use of technology
Absence of processes embedded with Big Data technologies and advanced analytics which complement management decision making could restrict the ability to leverage data repositories and tools existing in ecosystem.

HUMAN RESOURCE DEVELOPMENT

ZEEL believes that its people are the biggest driver of success and the Company has a strong focus on attracting, developing and retaining talent. The people strategy of the Company is founded on three pillars – improving the employer brand, creating an organizational context that inspires employees to do their best and being future-ready through capability building and talent pipelining. All current and future interventions are focused on driving one or more of these outcomes. Last year, the focus has been on articulating the people strategy and kicking off the interventions required to deliver on the identified vectors. The Company has inked strategic partnerships with global learning institutions to enable employees to upgrade their skills. Its initiatives for improving employee experience – implementation of Success Factors (leading cloud-tech HR platform), strengthening its wellness offering and enhancing the quality and consistency of employee engagement, have resulted in ZEEL being recognized in the 'Top 100 Great Places to Work in India' by the GPTW Institute. The Company's people strategy is geared for making ZEEL India's number one entertainment content company.

INTERNAL CONTROL

Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control processes and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. As part of Enterprise Risk Assessment and Internal Control evaluation and with a view to enhance related effectiveness of control, your Company is modifying its systems and processes with technology enablement for film acquisition.

NOTICE

Notice is hereby given that the Thirty Seventh 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 23rd day of July 2019, at 4.00 p.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared as per Indian Accounting Standards (Ind-AS) on a standalone and consolidated basis, for the financial year ended March 31, 2019 including the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.

2. To confirm Dividend(s) paid on the Preference Shares by the Company during, and for, the financial year ended March 31, 2019.

3. To declare Equity Dividend of ₹ 3.50 per share for the financial year ended March 31, 2019.

4. To appoint a Director in place of Mr Subhash Chandra (DIN 00031458), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "Resolved that pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the Cost Audit Fees of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses, payable to M/s Vaibhav P Joshi & Associates, Cost Accountants (Firm Registration No 101329) towards Cost Audit for the Financial Year 2018-19, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

Equity Dividend, if approved by Members at the Annual General Meeting, will be paid on or before July 29, 2019, 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. Tuesday, July 16, 2019 and in the list of beneficial owners furnished by National Securities Depository Limited and/ or Central Depository Services (India) Limited, in respect of Equity Shares held in electronic form, as at the end of the business day on Tuesday, July 16, 2019.

By Order of the Board

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Place: Mumbai
Date: May 27, 2019

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 be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. 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.

3. 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.

4. Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on Director recommended by the Board for re-appointment at the Annual General Meeting forms part of this Notice.

5. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2019, 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 by e-mail to shareservice@zee.esselgroup.com

6. Equity Dividend for the Financial Year ended March 31, 2012, which remains unpaid and unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in October 2019. Members who have not encashed their dividend warrants for Dividend issued by the Company for the financial year ended March 31, 2012 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agents.

   Members may further note that, pursuant to Section 124 of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), all Shares on which Dividend remains unclaimed for 7 (seven) consecutive years or more have been, and shall be liable to be, transferred to IEPF Account. Members are further advised that in terms of applicable provisions of the Act and IEPF Rules, Unclaimed Dividends and Shares transferred to IEPF can be claimed from the IEPF after following process prescribed in the said Rules.

7. Electronic copy of the Annual Report for 2018-19 is being sent to all the Members whose e-mail addresses are registered with the Company/ Depository Participants(s) for communication. For Members who have not registered their e-mail address, physical copies of the Annual Report for 2018-19 is being sent. The Annual Report may also be accessed on the Company's Corporate Website www.zeeentertainment.com

8. Updation of Members details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013, requires the Company / Registrar & Share Transfer Agent to record additional details of Members, including their PAN details, email address, bank details for Dividend etc. A form for capturing additional details is attached as part of this Report. Members holding shares in physical form are requested to submit the filled form to the Company or its Registrar & Share Transfer Agent M/s Link Intime India Pvt Ltd. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant only.

   The form may be sent to Company at its registered address or via email to shareservice@zee.esselgroup.com or to Company's Registrar and Share

Transfer Agent, M/s Link Intime India Pvt Ltd in physical mode at C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 or in electronic mode at rnt.helpdesk@linkintime.co.in.

9. SEBI had vide Notification Nos. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and SEBI/LAD-NRO/GN/2018-19 dated November 30, 2018 read with circulars issued by BSE and NSE in this regard, directed that transfer of securities would be carried out in dematerialised form only with effect from April 1, 2019, except in case of transmission or transposition of securities. Accordingly, Members holding securities in physical form are requested to consider dematerialising shares held by them in physical form. However, the transfer deed(s) lodged prior to April 1 deadline and returned due to deficiency in the document, may be re-lodged for transfer even after the deadline with Company's Registrar & Share Transfer Agent at the address mentioned above.

10. **E-voting**

    In compliance with Section 108 of the Companies Act, 2013, 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 with the facility to exercise their right to vote on all businesses detailed in the Notice of 37th Annual General Meeting by electronic means. The facility of casting votes by any member using 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 businesses detailed in this notice.

    The remote e-voting period for all items of business contained in this Notice shall commence from Friday the 19th day of July 2019 at 9.00 a.m. and will end on Monday, the 22nd day of July 2019 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 Cut-off date of Tuesday, the 16th day of July 2019, 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.

11. The facility for voting shall also be made available at the meeting venue and those members (as on Cut-off date i.e. Tuesday, the 16th day of July 2019) who are attending the meeting and who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

12. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but they shall not be entitled to cast their vote again.

13. The voting rights of Members for remote e-voting prior to the meeting or 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 16, 2019.

14. The Company has appointed ACS Vinita Nair, Partner, M/s Vinod Kothari & Co., Company Secretaries as Scrutiniser to conduct / supervise remote e-voting process as well as the voting process at the Annual General Meeting in a fair and transparent manner and submit a report thereon. The Scrutinizer shall, after the conclusion of voting at the Annual 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 submit, not later than two days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast to the Chairman of the AGM or Managing Director of the Company who shall countersign the same and declare the results of the voting forthwith.

15. Details of results declared together with copy of the Scrutiniser's report shall be placed on the website of the Company www.zeeentertainment.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.

16. I. The instructions and process for e-voting are as under:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com.
    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 are mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 101456 and folio number is 001*** then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

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

   ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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

   a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

   b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

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

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

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

Details on Step 2 are mentioned below:
How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Zee Entertainment Enterprises Limited.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

II. 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 Scrutiniser through e-mail to shareservice@zee.esselgroup.com and vinita@vinodkothari.com with a copy marked to evoting@nsdl.co.in

III. Members holding Equity Shares of the Company in dematerialised form whose e-mail address is not registered with the Company / Depository Participants and Members holding shares in physical form as well as those Members who have requested for physical copy of Notice and Annual Report may obtain User ID and password by following the steps mentioned above. A person who is not a Member as on the cut-off date should treat this notice for information purpose only.

IV. 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 16, 2019, may obtain the login ID and password by following steps mentioned above or sending a request at evoting@nsdl.co.in or 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 or contact NSDL at the following toll free no.: 1800-222-990.

V. 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 or call on toll free no. 1800-222-990 or send email to shareservice@zee.esselgroup.com.

VI. 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).

17. **Webcast of AGM**
The Members are requested to note that, in accordance with SEBI Listing Regulations, the Company is pleased to provide a one way Webcast facility to view the live streaming of the proceedings of the AGM for convenience of those Members who are unable to attend the AGM due to locational constraints. The Members will be able to view the proceedings on NSDL's E-Voting website www.evoting.nsdl.com.

18. Members who are unable to attend the meeting in person may use this facility by using the same login credentials as provided for remote e-voting. Members on the date of the AGM will login through their user ID and password on to the e-voting website. The link will be available in Member login where the EVEN of Company will be displayed. On clicking this link, the Member will be able to view the webcasting of the AGM proceedings. The webcast will be available on 23rd July 2019 from 4.00 p.m. onwards till the conclusion of the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

ITEM NO 5

At the meeting held on July 17, 2018 your Board had, after reviewing confirmation received and based on the recommendations of the Audit Committee, approved appointment of M/s Vaibhav P Joshi & Associates, Cost Accountants (Firm registration No 101329), as Cost Auditor of the Company for FY 2018-19 at remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, ratification by the Shareholders is sought for the remuneration payable to the Cost Auditor for FY 2018-19.

Your Board recommends the Ordinary Resolution as set out in Item No 5 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.

Brief Profile of Director seeking re-appointment at the Annual General Meeting:

Mr Subhash Chandra (DIN 00031458) 69, Non-Executive Chairman and the promoter of Essel Group of Companies is an entrepreneur and a Parliamentarian (Member of Rajya Sabha). His diverse businesses are spread across industries such as theme parks, flexible packaging, entertainment, cable networks, and infrastructure. For his contributions to the industry, Mr Chandra was awarded the 2011 International Emmy Directorate Award at the 39th International Emmy Awards in New York.

Apart from business and politics, Mr Chandra is an influential philanthropist and has been contributing towards society in association with various NGOs including TALEEM Foundation, Ekal Vidyalaya, Global Vipassana Foundation, Global Foundation for Civilisation Harmony and Subhash Chandra Foundation.

Apart from the Company, Mr Subhash Chandra holds directorship in Adhikaar Foundation. As at March 31, 2019, Mr Subhash Chandra did not hold any Equity shares of the Company.

By Order of the Board

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Place: Mumbai

Date: May 27, 2019

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

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Thirty Seventh Annual Report of your Company's business and operations along with the Audited Financial Statements ('Annual Accounts') for the financial year ended March 31, 2019.

1. RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Annual Accounts for the Financial Year 2018-19, your Directors confirm that:

a) The Annual Accounts of the Company have been prepared on a going concern basis;

b) In the preparation of the Annual Accounts, the applicable accounting standards had been followed and there are no material departures;

c) The accounting policies selected were applied consistently and the judgments and estimates related to these annual accounts have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019, and, of the profits of the Company for the year ended on that date;

d) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect any fraud and other irregularities;

e) Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively. However, in the wake of aggressive digital expansion strategy by the Company, certain internal financial controls were required to be enhanced in respect of acquisition of Films, which have since been strengthened; and

f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

2. FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2019 is summarized below:

(₹ MILLIONS)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Revenue from Operations	68,579	57,956	79,339	66,857
Other Income	1,894	9,818	2,515	4,403
Total Income	**70,473**	**67,774**	**81,854**	**71,260**
Total Expenses	**44,299**	**40,463**	**57,315**	**49,431**
Share of Associates / Joint Ventures	-	-	24	12
Exceptional Items	(218)	-	(218)	1,346
Profit Before Tax	**25,956**	**27,311**	**24,345**	**23,187**
Provision for Taxation (net)	9,406	8,192	8,673	8,409
Profit after Tax	**16,550**	**19,119**	**15,672**	**14,778**

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 the Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during the Financial Year 2018-19.

3. DIVIDEND

Equity Shares

In accordance with the Dividend Distribution Policy adopted by your Board and available on the website of the Company www.zeeentertainment.com, your Directors recommend payment of Equity Dividend of ₹ 3.50 per equity share of ₹ 1/- each and such Equity Dividend, upon declaration by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding Equity Share Capital of the Company as at the Record Date of July 16, 2019. The outflow on account of equity dividend and the tax on such dividend distribution, based on current Paid-up Equity Share Capital of the Company would aggregate to ₹ 4,053 million, resulting in payout of 25.50% of the Consolidated Net Profits for the Financial year 2018-19.

Preference Shares

In accordance with the terms of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares issued as Bonus in 2014 (Bonus Preference Shares) and Unlisted Series B – 6% Cumulative Redeemable Non-Convertible Preference Shares issued in accordance with the Scheme (Unlisted Series B Preference Shares), the Company had remitted an aggregate Preference Dividend of ₹ 953.19 Million, comprising of:

- Pro-rata Preference Dividend of ₹ 0.11145 on the redemption value of ₹ 2 per Bonus Preference Share for the period from April 1, 2018 till the Redemption date of March 5, 2019;
- Preference Dividend of ₹ 0.36 per share for FY 2018-19 on the Bonus Preference Shares of ₹ 6 per share post redemption; and
- Pro-rata Preference Dividend of ₹ 0.5819 per share on the Unlisted Series B Preference Shares of ₹ 10 each for the period from April 1, 2018 until redemption date of March 20, 2019.

4. BUSINESS OVERVIEW

During the fiscal 2019, your Company delivered another year of strong operating performance. All the business verticals exhibited robust performance and strengthened their competitive positions. Continued viewership gains in the domestic broadcast business along with the strong demand across key categories for TV advertising aided advertising revenue growth. Advertising also got a fillip from ZEE5 as the platform began monetizing its fast-growing user base. On the subscription front, your Company gained from the monetization of the recently digitized Phase-III & IV subscribers. The long-awaited TRAI tariff order was finally implemented during the last quarter of the year which led to near-term disruptions, for both subscription and advertising revenues. However, your Company believes that this regulation will go a long way in empowering the consumers and improving the transparency in the distribution value chain and will benefit companies with strong content creating capabilities, like yours, in the medium term. ZEE5, the Company's OTT offering launched in February 2018, was the fastest growing digital platforms in the country and offered the Indian consumers one of the widest bouquets of option for entertainment on demand. During the year, your Company had a fair share of successes in its movie production business and one of the movies featured in the top-10 list of movies released in FY19 in terms of net box office collections.

As per FICCI-EY report, the Indian Media and Entertainment (M&E) industry registered a growth of 13.4% in Calendar Year 18, reaching ₹ 1,674 billion in size and is forecasted to register 12% CAGR over the next three years with all segments of M&E industry expected to register growth over this period.

During the year under review:

- **ZEE5**, your Company's OTT offering, reached 61.5 million monthly active users in the month of March 2019. It was the fastest growing digital entertainment platform and became the #2 platform in the country in its category. ZEE5 released 50+ original series and movies till March 2019 across six languages, making it the largest producer of original content in the digital space. The platform has entered into partnerships with key players across the digital eco-system to make its content available to a wider audience;
- In the **Domestic Broadcast Business**, your company further strengthened its #1 position in the non-sports entertainment segment with an all-India viewership share of 19.7%. This was led by market share gains in the regional channel portfolio and Hindi movie cluster;
- In the **Hindi General Entertainment segment**, Zee TV maintained its position as the number one Hindi GEC channel while maintaining its lead in the weekday prime time. Zee Anmol was the leader during the year. However, from March 1, 2019, your Company has withdrawn Zee Anmol and Zee Anmol Cinema from DD Freedish platform which has affected the reach and viewership of these channels;
- In the **Hindi movie segment**, your Company's portfolio further strengthened its #1 position driven by the strong movie catalogue;
- In the **Regional markets**, Zee Marathi and Zee Sarthak maintained its leadership position. Zee Kannada and Zee Bangla gained market share and became the #1 channels in their respective markets. Zee Tamil continued to gain viewership share led by traction in its weekday fiction content. With launch of Zee Keralam in November 2018, your company now has GEC channels in all the Southern markets and the biggest language footprint in the country;
- In the **English segment**, to strengthen the '&' brand as a premium proposition, Zee Studios was rebranded as &flix;
- In the **International Business**, your Company continued to expand the reach of its channels across geographies with new distribution partnerships. Further, your Company has launched its digital platform, ZEE5, in international markets during the year. ZEE5 has already announced tie-ups with multiple telecom partners across APAC countries to expand its reach;
- **Zee Studios**, the movie production and distribution business, released 7 (seven) movies during the year in two languages - Hindi and Marathi. Your company also distributed 6 (six) movies in India across three languages. Zee Music Company continued to expand its music catalogue across languages and maintained its position as the #2 music channel by subscribers on YouTube; and
- **Zee Live**, our live entertainment business, launched Arth, India's first multi-regional culture festival and LF91, a heritage food festival during the year. Both the events received good response from the audience.

5. CAPITAL STRUCTURE & CHANGES IN SHAREHOLDING

During the year under review, your Company had:

- Redeemed 20% of Nominal value of Bonus Preference Shares on the 5th anniversary of its issuance as per the terms of the issue, resulting in outflow of ₹ 4033.88 Million towards the said redemption at the rate of

₹ 2/- per Preference Share, consequent to which the face value of Preference Share was changed to ₹ 6/- each. As required under Section 55 of the Act, an amount equivalent to such Redemption value was credited to Capital Redemption Reserve Account of the Company. Further, pursuant to the provisions of Income Tax Act, 1961 the said redemption amount was treated as Dividend pay-out and accordingly was subjected to payment of Dividend Distribution Tax by the Company;

- Prematurely redeemed 3,949,105 – Unlisted Series B Preference Shares of ₹ 10/- each at par resulting in an outflow of ₹ 39.49 Million and the amount equivalent to such Redemption value was credited to Capital Redemption Reserve Account of the Company; and
- Issued and allotted 12,880 Equity Shares of ₹ 1 each upon exercise of stock options granted under Company's ESOP Scheme.

Consequent to the above redemption/issuance of securities, the Paid-up Share Capital of the Company as at March 31, 2019 stood at ₹ 13,062,120,372/- comprising of 960,466,500 Equity shares of ₹ 1/- each and 2016,942,312 Bonus Preference Shares of ₹ 6/- each. Subsequent to closure of the financial year, your Company had issued and allotted 15,265 Equity Shares upon exercise of stock options granted under the ESOP Scheme.

In November 2018, your Company's Promoters had issued a Press release conveying their intent to sell/divest up to 50% of their stake in the Company to a strategic partner to enable pursuing disruptive technological development and transform your Company in to a tech-media Company. While the process of identifying strategic partner by the Promoters is on, the Promoters had in the interim sold 3.42% equity stake resulting in reduction of Promoters shareholding in the Company from 41.62% to 38.20% as at March 31, 2019. As on the date of this report, consequent to further sale of shares held by Promoters after closure of the financial year, the Promoters hold 36.70% stake in the Company.

6. CREDIT RATING

During the year under review, Brickwork Ratings India Private Ltd had re-affirmed the rating assigned to the Company as the issuer of the Bonus Preference Shares, listed at the Stock Exchanges, at 'BWR AAA' which denotes that the instruments with this rating are considered as having highest degree of safety regarding timely servicing of financial obligations. In November 2018, consequent to the stake sale announcement by the Promoters, retaining the 'BWR AAA' the rating outlook was revised by Brickwork from 'Stable' to 'Credit watch with developing implications'.

7. SUBSIDIARIES & JOINT VENTURES

As at March 31, 2019, your Company had 29 (twenty nine) Subsidiaries comprising of 8 (eight) domestic subsidiaries and 21 (twenty one) overseas direct and step-down Subsidiaries and one Associate and Joint Venture Company each.

During the year under review:

- Your Company sold 16.92% Equity stake in Aplab Ltd, an Associate entity, by way of an off-market *inter se* transfer thereby reducing your Company's stake from 26.42% to 9.50%, consequent to which Aplab Ltd ceased to be an Associate of your Company as at March 31, 2019. Based on your Company's request, Aplab Ltd has initiated the process for re-classification of your Company's holding from Promoter / Promoter Group Category to Public category as per Regulation 31A of SEBI Listing Regulations;

- In terms of the Share Purchase Agreement executed by the Company for acquiring balance 26% equity stake in Zee Turner Limited (a 74% subsidiary) held by Turner International Pvt Ltd, the said subsidiary, changed its name from Zee Turner Limited to Zee Network Distribution Limited w.e.f December 24, 2018; and

- Fly-by-Wire International Pvt Ltd, a wholly owned subsidiary, shifted its registered office from the State of Karnataka to State of Maharashtra for operational convenience.

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

In line with amendments of threshold for determining Material Subsidiary as stated in Regulation 16(1)(c) of SEBI Listing regulations, effective April 1, 2019, ATL Media Limited, Mauritius, one of the overseas wholly owned subsidiaries, qualified to be a Material Subsidiary of your Company.

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

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements including the Consolidated Financial Statements and related information of the Company and Audited Accounts of each of subsidiary(ies) are available on the website of the Company www.zeeentertainment.com These documents will also be available for inspection during business hours on all working days (except Saturday) at the Registered Office of the Company.

8. EMPLOYEE STOCK OPTION SCHEME

An aggregate of 23,800 Stock Options issued by the Company in pursuance of ZEEL ESOP Scheme 2009 to Mr Punit Misra, CEO – Domestic Broadcast Business were outstanding as at March 31, 2018. During FY 2019, 17,300 Stock Options were further granted to Mr Punit Misra and the said Options granted shall vest with him in 3 tranches and shall be convertible into equivalent number of Equity shares in accordance with the terms of issue upon payment of Exercise Price of ₹ 1/- per share by the Option Grantee. Upon exercise of vested Stock options by Mr Punit Misra, 12,880 Equity Shares were issued and allotted to him during FY 18-19 and 28,220 unvested Stock Options were outstanding as at March 31, 2019.

Requisite disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed to this report as Annexure B. The Statutory Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants have certified that the Company's Employee Stock Option Scheme has been implemented in accordance with SEBI Regulations and the resolution passed by the shareholders. The said disclosure on Company's ESOP Scheme will also be available on the Company's website www.zeeentertainment.com as part of the Annual Report.

Subsequent to closure of the financial year, the Nomination and Remuneration Committee approved grant of 24,700 additional Stock Options to Mr Punit Misra on similar terms and had issued and allotted 15,265 Equity Shares to Mr Punit Misra upon exercise of options vested in April 2019.

9. CORPORATE SOCIAL RESPONSIBLITY

Corporate Social Responsibility (CSR) at Zee is all about engaging in long-term sustainable programs that actively contribute to and support the social and economic development of the society. Accordingly, as an unified approach towards CSR at Essel Group level and with an intent to support long term projects focused on developing and empowering society, your Company had, along with other Essel group entities, established a Section 8 Company in the name of Subhash Chandra Foundation. The CSR contributions of the Essel group companies are pooled into the Foundation to fund long-term projects.

During the year under review out of total CSR budget of ₹ 621.78 Million (including unutilized CSR amount of ₹ 224.65 Million carried forward from last year), the Company had contributed an aggregate of ₹ 226.97 Million towards various CSR Projects detailed in the Annual Report on CSR annexed to this report. Aforesaid contributions include remittance of ₹ 222 Million towards long term CSR Projects committed during FY 18. As at March 31, 2019, an amount of ₹ 394.81 Million remained unutilized from out of CSR budget due to non-availability of suitable CSR Projects. The unutilized CSR funds have been carried forward for funding suitable CSR projects in future.

Annual 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 as Annexure C.

10. 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 SEBI Listing Regulations, applicable provisions of Companies Act, 2013 and applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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

In compliance with the requirements of Companies Act, 2013 and the Listing Regulations, your Board had 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, Remuneration Policy and Dividend Distribution Policy. These policies & codes along with the Directors Familiarization Program and Terms and Conditions for appointment of Independent Directors have been uploaded on Company's corporate website & can be viewed on https://www.zeeentertainment.com/investors/investor-governance. In line with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company's Insider Trading Code and the Policy on Fair Disclosure of Unpublished Price Sensitive Information were revised with effect from April 1, 2019.

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 the requirement of desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the initial term of an Independent Director shall not exceed 3 years.

11. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year there has been no change in the constitution of your Board which continues to comprise of 8 (eight) Directors including 4 (four) Independent Directors, 1 (one) Executive Director and 3 (three) 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 2018-19 your Board met 7 (seven) times, details of the date of meeting and attendance of Directors at such meetings are available in Corporate Governance Report annexed to this report.

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.

During the year under review, Mr Bharat Kedia resigned as Chief Financial Officer with effect from April 29, 2018 and the resultant vacancy was filled with appointment Mr Rohit Kumar Gupta as Chief Financial Officer of the Company with effect from September 6, 2018. Accordingly, the Key Managerial Personnel of the Company as at March 31, 2019 comprised of Mr Punit Goenka, Managing Director & CEO, Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary and Mr Rohit Kumar Gupta, Chief Financial Officer.

12. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the evaluation of annual performance of the Directors / Board / Board Committees was carried out for the financial year 2018-19. The details of the evaluation process are set out in the Corporate Governance Report annexed to this Report.

13. BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013 and Listing Regulations your Board had constituted various Board Committees including Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. Details of the constitution of these Committees, which are in accordance with regulatory requirements, have been uploaded on the website of the Company viz. www.zeeentertainment.com. Details of scope, constitution, terms of reference, number of meetings held during the year under review along with attendance of Committee Members therein form part of the Corporate Governance Report annexed to this report.

14. AUDITORS

Statutory Audit

At the 35th Annual General Meeting held on July 12, 2017, the Shareholders had approved appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants having Firm Registration No. 117366W/W-100018 as Statutory Auditors of the Company until conclusion of 40th Annual General Meeting to be held in the year 2022 subject to ratification by the Shareholders every year. Pursuant to the amendment to Section 139 of the Companies Act, 2013, with effect from May 7, 2018, the requirement of seeking Shareholders ratification for continuance of Statutory Auditor at every Annual General Meeting is no longer applicable and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders ratification for continuance of Statutory Auditors. The Company has received certificate of eligibility from M/s Deloitte Haskins & Sells LLP in accordance with the provisions of the Companies Act, 2013 read with rules thereunder and a confirmation that they continue to hold valid Peer Review Certificate as required under SEBI Listing Regulations.

While the Statutory Audit Report of M/s Deloitte Haskins & Sells LLP., Chartered Accountants do not contain any qualification, reservation or adverse remarks, the Statutory Auditors in their report on standalone and consolidated financial statements have included an Emphasis of Matter drawing Members attention to Note No 47 and Note No 42 to the Notes to Standalone and Consolidated Financial Statements respectively, in connection with advances/deposits given by the Company during the year towards acquisition of Media content and outstanding as at March 31, 2019.

During the year under review the Statutory Auditors had not reported any matter under Section 143(12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Secretarial Audit

During the year under review the Secretarial Audit of your Company was carried out by M/s Vinod Kothari & Co., Company Secretaries (Firm Registration No. P1996WB042300) in compliance with Section 204 of the Companies Act, 2013 and their unqualified Secretarial Audit report forms part of this Report.

Additionally, in line with SEBI Circular dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditor and filed with the Stock Exchanges.

Cost Audit

In compliance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, M/s Vaibhav P Joshi & Associates, Cost Accountants, (Firm Registration No. 101329) was engaged to carry out Audit of Cost Records of the Company for Financial Year 2018-19. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2018-19 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

15. HUMAN RESOURCES & PARTICULARS OF EMPLOYEES

Your Company being in the business of creativity, your Board believes that people are the ultimate differentiators and efforts are taken to attract, develop and retain employees. In order to ensure sustainable business growth and become values driven, capability strong, future ready growth organization, your Company over the years has been focusing on strengthening its talent management, performance management & employee engagement processes. Employees of your Company are trained to drive values and they believe, live and demonstrate the 7 core values of the company - namely Customer First, Go for Big Hairy Audacious Goals (BHAG), Be Frugal, Respect Humility and Integrity, Speed and Agility, Solve big Problems, and Accountability for Results. During the year, your Company has moved on to build a high-trust, high-performance culture and as a result has been ranked amongst the top 100 'India's Best Companies to Work For 2018' as well amongst the Best Company to work for in the Media Industry, in a study conducted by Great Place to Work® Institute and The Economic Times. Your company has been institutionalizing the people philosophy framework "SAMWAD" (Effective Conversation) to ensure that, as part of the key objectives, people managers deliver on the organization's expectations of managing outcome and developing people by focusing on their talents. Your company continues to build the talent pipeline by engaging and hiring fresh talent from renowned campuses, building capabilities in key business functions through training and development initiatives, breaking the barriers of communication, building a culture of appreciation, recognizing top talent and offering a seamless employee experience by migrating to SAP's SuccessFactors Human Capital Management (HCM). As on March 31, 2019, your Company had 3083 employees.

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

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

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

Conservation of Energy

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

Technology Absorption

Your Company accelerated the use of enabling technologies towards its "customer first initiatives", with special emphasis on quality of content, delivery and reliability, results of which will be evident in the coming years.

Your Company has now moved well ahead with seamless integration of digital and linear media technologies, which no longer constitute separate domains. During the year under review, your Company moved to a new media architecture with hybrid storage attributes enabled with cloud and edge playouts and deliveries, which provided unprecedented flexibility in accessing, managing, post production and delivery of media across the globe which the new linear-digital paradigm requires. During the year, your Company acquired the licenses and made operational its own teleports which provided greater flexibility in moving to a mixed satellite-internet distribution and has helped your Company to overhaul its entire International and domestic networks. Your Company's new distribution network is now supported by more advanced customer devices for delivering higher quality, higher security and format flexibility. Apart from this, your Company also made dramatic enhancement in production and management of short form contents with cost efficient frameworks while maintaining leading edge technologies. With this, your Company is now technology ready for future regulatory requirements in terms of content attributes and rights management across the globe and embrace new traffic and revenue management formats appropriate to the size and diversity of the operations.

Foreign Exchange Earnings & Outgo

During the Financial Year 2018-19 the Company had Foreign Exchange earnings of ₹ 3,350 million and outgo of ₹ 1,346 million.

17. DISCLOSURES

i. **Particulars of loans, guarantees and investments**

Particulars of loans, guarantees and investments made by the Company as required under section 186 (4) of the Companies Act, 2013 and the Listing Regulations are contained in Note No 36 to the Standalone Financial Statements.

ii. **Transactions with Related Parties**

All contracts/arrangements/ transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. During FY 2018-19, there are no materially significant Related Party Transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Details of Related Party Transactions will be available on your Company's website.

All related party transactions, specifying the nature, value and terms and conditions of the transactions including the arms-length justification, are placed before the Audit Committee for its approval and statement of all related party transactions carried out is placed before the Audit Committee for its review on a quarterly basis. During the year under review, there have been no materially significant related party transactions by the Company as defined under Section 188 of the Act and Regulations 23 the Listing Regulations and accordingly no transactions are required to be reported in Form AOC-2 as per Section 188 of the Companies Act, 2013.

iii. Risk Management

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

iv. Internal Financial Controls and their adequacy

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

v. Deposits & Unclaimed Dividend/Shares

Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013.

During the year under review, in terms of the provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company for Financial Year 2010-11 aggregating to ₹ 1.94 Million was transferred to Investors Education and Protection Fund.

Additionally, in compliance with the requirements of The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) as amended, your Company had during the year under review transferred 108,070 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority.

The said Unclaimed Dividend and/or Unclaimed Equity Shares can be claimed by the Shareholders from IEPF authority after following process prescribed in IEPF Rules. During FY 2019, an aggregate of 220 Unclaimed Equity Shares of the Company were re-transferred by the IEPF Authority to the beneficiary accounts of respective Claimants, upon specific refund claims and completion of verification process by the Company and IEPF Authority.

vi. Annual Return

Annual Return of the Company for financial year ended March 31, 2019 as required under Section 92 of the Companies Act, 2013 will be available on the website of the Company www.zeeentertainment.com

vii. Sexual Harassment

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

During the year under review, 1 (one) complaint was received by the Company and was investigated in accordance with the procedure and resolved.

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.

18. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai

Date: May 27, 2019

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement containing salient features of the financial statement of subsidiaries/associates/joint ventures as per the Companies Act, 2013 for the year ended 31 March 2019

Part 1: Subsidiaries

(₹ Millions)

Name of the subsidiary	Date of Acquisition	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Other than Subsidiary)	Turnover	Profit / (Loss) before Taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	Mode and % of shareholding
Zee Network Distribution Limited (Formerly known as Zee Turner Limited)	31-Dec-01	INR	1	51	116	64	25	-	(1)	(0)	(1)	-	74%
Essel Vision Productions Limited	10-Sep-10	INR	130	(179)	6,608	6,657	-	5,130	100	21	79	-	100%
Zee Digital Convergence Limited	23-Sep-04	INR	1	(19)	62	80	-	17	(13)	-	(13)	-	100%
Zee Unimedia Limited	1-Apr-16	INR	1	26	32	5	-	-	(5)	1	(6)	-	100%
Margo Networks Private Limited	17-Apr-17	INR	1	689	722	32	67	-	(21)	(34)	13	-	80%
Fly by Wire International Private Limited	14-Jul-17	INR	20	145	527	362	-	362	129	46	83	-	100%
India Webportal Private Limited	10-Dec-10	INR	1	(0)	6	5	-	0	(3)	-	(3)	-	100%
Idea Shopweb and Media Private Limited	1-Oct-15	INR	0	(7)	1	8	-	11	(2)	-	(2)	-	51.04%
Zee Multimedia Worldwide (Mauritius) Limited	10-Jun-11	USD	3,945	1,785	5,732	2	-	-	143	4	139	-	100%
Zee TV USA Inc. $	30-Sep-99	USD	70	(70)	-	-	-	-	-	-	-	-	100%
Asia TV Limited &	30-Sep-99	GBP	1,489	(374)	3,097	1,982	-	1,451	94	26	68	-	100%
OOO Zee CIS Holding LLC **	6-Feb-09	RUB	-	-	-	-	-	-	-	-	-	-	100%
OOO Zee CIS LLC **	26-Feb-09	RUB	0	19	31	12	-	13	2	0	2	-	100%
Asia Multimedia Distribution Inc. **	26-May-14	CAD	0	35	495	460	-	247	24	7	17	-	100%
Zee TV South Africa (Proprietary) Limited**	30-Sep-99	ZAR	0	(209)	171	380	-	277	14	-	14	-	100%
Asia TV USA Limited**	9-Nov-15	USD	0	208	3,033	2,825	-	2,139	68	0	68	-	100%
ATL Media Ltd (Formerly known as Asia Today Limited)	31-Mar-00	USD	0	15,160	21,325	6,165	5,990	2,735	(57)	(808)	751	-	100%
Expand Fast Holdings (Singapore) Pte Limited ^	30-Sep-99	USD	4	142	147	1	-	1	0	-	0	-	100%
Taj TV Limited ^	22-Nov-06	USD	333	1,454	2,052	265	-	-	(539)	11	(550)	-	100%
Asia Today Limited (Formerly known as Zee Multimedia (Maurice) Limited) ^	19-Jan-06	USD	7	338	11,271	10,926	-	2,657	(564)	4	(568)	-	100%
Asia Today Singapore Pte Limited &	30-Dec-15	USD	69	(24)	259	214	2	594	31	2	29	-	100%
Zee Technologies (Guangzhou) Limited &&	11-Jul-06	YUAN	117	(195)	1	79	-	-	(3)	-	(3)	-	100%
Zee Entertainment Middle East FZ-LLC &	4-Sep-05	AED	47	2,355	2,624	222	-	1,839	430	-	430	-	100%
ATL Media FZ-LLC &	12-Feb-14	AED	1	(167)	1,027	1,193	-	324	81	-	81	-	100%
Zee Studio International Limited ^	20-Mar-17	CAD	0	(66)	136	202	-	-	(56)	-	(56)	-	100%
Z5X Global FZ - LLC &	20-Dec-16	AED	1	(1,084)	1,081	2,164	69	31	(753)	-	(753)	-	100%
Asia TV Gmbh **	21-Mar-16	EUR	1	9	81	71	-	320	9	3	6	-	100%
Pantheon Production Limited	29-Mar-18	CAD	0	(0)	10	10	-	-	(0)	-	(0)	-	100%
Eevee Multimedia Inc. #	8-Jul-13	USD	17	(84)	2	69	-	-	(1)	0	(1)	-	100%

^ Held through ATL Media, ** Held through Asia TV Limited, & Held through Asia Today Limited, && Held through Asia Today Singapore Pte Limited, # Held through Essel Vision Productions Limited, $ Held through ZMWL,
As on 31 March 2019 P&L Rate 1 USD = ₹ 69.84, 1 MUR = ₹ 2.03, 1 YUAN = ₹ 10.41, 1 UAE = ₹ 19.03, 1 ZAR = ₹ 5.08, 1 GBP = ₹ 91.65, 1 RUB = ₹ 1.07, 1 CAD = ₹ 53.31, 1 EUR = ₹ 80.83,
As on 31 March 2019 B/S Rate 1 USD = ₹ 69.45, 1 MUR = ₹ 1.99, 1 YUAN = ₹ 10.35, 1 UAE = ₹ 18.92, 1 ZAR = ₹ 4.80, 1 GBP = ₹ 90.55, 1 RUB = ₹ 1.06, 1 CAD = ₹ 51.83, 1 EUR = ₹ 77.95

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

(₹ Millions)

Name of Associates/ Joint Ventures	Shares of Associate/Joint Venture held by the company on the year end					Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate/ joint venture is not consolidated
	Date of Acquisition	Latest audited balance Sheet Date	Numbers	Amout of Investment in Associates/Joint Venture	Extent of Holding %		Considered in Consolidation	Not Considered in Consolidation		
Aplab Limited#	17-Nov-06	31-Mar-19	475,000	4	9.5%	-	-	4	Refer Note A	-
Asia Today Thailand Limited	5-May-14	31-Mar-19	10,000	2	25%	3	0	-	Refer Note A	-
Media Pro Enterprise India Private Limited	29-Jun-11	31-Mar-19	2,500,000	25	50%	217	24	-	Refer Note B	-

Associate upto 15 January 2019
Note A :- There is significant influence due to percentage (%) of Share Capital
Note B :- There is joint control by virtue of Joint Control Agreement

For and on behalf of the Board of Directors

Adesh Kumar Gupta
Director

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date: May 27, 2019

ANNEXURE 'B' TO DIRECTORS' REPORT

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

Sr	Particulars	Details
1	Relevant disclosures in terms of the Guidance Note on Accounting for employees share-based payments issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	Refer Note 16(e) of standalone financial statements for the year ended March 31, 2019 for details.
2	Diluted EPS on issue of shares pursuant to all the Schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earning Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Diluted EPS as per Indian Accounting Standards-33 is ₹ 17.23 (Refer Note 41 of Standalone financial statements for details)
3	**Details relating to ESOS**	
i	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS including:	Presently the Company has only one Employee Stock Option Scheme, namely ZEEL ESOP Scheme 2009, which was amended on October 25, 2016 to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and to provide flexibility to the Nomination & Remuneration Committee for determination of exercise price.
	a. Date of Shareholders approval	August 18, 2009
	b. Total No. of Options approved under ESOP	21,700,355 Stock Options which were later enhanced to 43,400,710 in view of Bonus issue in 2010 in the ratio of 1:1.
	c. Vesting Requirements	Options granted under ZEEL ESOP Scheme 2009 would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and /or its Subsidiary companies and thus the options would vest on passage of time. In addition to this, the Nomination & Remuneration Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.
	d. Exercise Price or pricing formula	The exercise price shall be equal to the closing market price on the day previous to the grant date or such other price (minimum being the value equivalent to face value of ₹ 1/- per equity share) as may be decided by the Nomination & Remuneration Committee
	e. Maximum term of Options granted	Options granted under ESOP 2009 shall be capable of being exercised within a period of four years from the date of Vesting of the respective Employee Stock Options.
	f. Source of shares (primary, secondary or combination)	Primary
	g. Variation in terms of Options	None
ii	Method used to account for ESOS – Intrinsic or Fair value	Fair Value
iii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable as the Company has accounted for the Stock Option at Fair Value using the Black-Scholes-Merton Model based on assumptions detailed in Note 16(e) to the Notes to standalone financial statements for FY 2018-19
iv	Option movement during the year	
	Number of options outstanding at the beginning of FY 18-19	23,800

Sr	Particulars	Details
	Number of Options granted during FY 18-19	17,300
	Number of options forfeited / lapsed during FY 18-19	Nil
	Number of options vested during FY 18-19	12,880
	Number of options exercised during FY 18-19	12,880
	Number of shares arising as a result of exercise of options	12,880 Equity shares
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 12,880/-
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of FY 18-19	28,220
	Number of options exercisable (vested) at the end of FY 18-19	Nil
v	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	During FY 2018-19, the Company had granted 17,300 Options at an exercise price of ₹ 1/- per Option and the Fair Value of these options as per Note 16(e) to standalone financial statements is ₹ 578.95/- per Equity Share. In view of this weighted average Exercise Price is ₹ 1/- and weighted average Fair Value is ₹ 580/-
vi	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to (a) Senior Managerial Personnel; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	a) & (b) Mr Punit Misra, CEO – Domestic Broadcast Business No of Options granted – 17,300 Exercise Price – ₹ 1/- (c) Not Applicable
vii	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information viz. (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Refer Note 16(e) to the Notes to standalone financial statements for FY 2018-19 for description of method and significant assumptions used to estimate fair value of Options granted during FY 18-19.

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 27, 2019

ANNEXURE 'C' TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) – FY 2018-19

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Women Empowerment and Sports. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on www.zeeentertainment.com
2	The Composition of the CSR Committee	The CSR Committee of the Board comprises of 3 Directors. Mr Subodh Kumar, Non-Executive Director 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	₹ 19,856.33 Million
4	Prescribed CSR expenditure (two percent of the average net profits for last three years)	₹ 397.13 Million
5	Details of CSR spent during FY a) Amount to be spent in FY 2019 including unspent amount for FY 2018 b) Amount spent c) Unspent amount d) Areas where spent	 ₹ 621.78 Million ₹ 226.97 Million ₹ 394.81 Million As detailed herein

(₹ MILLIONS)

CSR Projects or Activities Identified	Sector in which the project is Covered	Projects or Programs Local area or other, specify the State and district where projects or programs 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
Education & Skill Development	CSR project for expansion of Community empowerment platform named 'Sarthi'	Bihar & Jharkhand	175.00	172.00	172.00	Subhash Chandra Foundation
Integrated Rural Development	CSR project for establishing Integrated Rural Development Centre to assist surrounding Rural areas	Haryana	50.00	50.00	222.00	Subhash Chandra Foundation
Contribution to Chief Minister Distress Relief Fund towards Kerala Flood Victims	Contribution to the Fund set up by Central Government	Kerala	1.62	1.62	223.62	Direct

(₹ 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
Contribution to Hindu Spiritual & Service Foundation set up with object *inter alia* of educating people about importance of forest and ecology for sustainable environment	Environment sustainability, ecological balance etc	Chennai	1.25	1.25	224.87	Direct
Contribution to Annapurna Kashi Vishwanath Charitable Trust	Protection of traditional arts and culture	Varanasi	1.60	1.60	226.47	Direct
Contribution to Ammada Trust for GiveHer5 Campaign, a social initiative to bring safe sanitary solutions to women in rural India	Empowering Women and promoting sanitation	Across rural India	0.50	0.50	226.97	Direct
Total			**229.97**	**226.97**	**226.97**	

6	Reason for not spending entire CSR amount	The CSR budget remained unspent partly due to non-availability of suitable CSR projects during the year and most of the monies spent represent the payments made for the long term projects approved during FY 2017-18. The unspent amount is being carried forward for funding suitable CSR projects in future.

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 Director

Punit Goenka
Managing Director and CEO

Place : Mumbai

Date : May 23, 2019

ANNEXURE 'D' TO DIRECTORS' REPORT

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

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

Name of Director/ Key Managerial Person	Remuneration (₹ Millions)	% increase in Remuneration	Ratio of Directors remuneration to Median remuneration
Non-Executive Directors $			
Subhash Chandra	3.00	9%	2.80:1
Ashok Kurien	3.00	9%	2.80:1
Sunil Sharma	3.00	9%	2.80:1
Neharika Vohra	3.00	9%	2.80:1
Manish Chokhani	3.00	9%	2.80:1
Adesh Kumar Gupta	3.00	9%	2.80:1
Subodh Kumar	3.00	9%	2.80:1
Executive Director			
Punit Goenka	82.95	9%	77.52:1
Key Managerial Personnel			
Bharat Kedia @	9.36	5%	NA
Rohit Kumar Gupta #	18.11	NA	NA
M Lakshminarayanan	19.15	6%	NA

Note:
$ Non-Executive Directors remuneration represents Commission payable for FY 2018-19. During last FY the Company had provided Commission of ₹ 2.75 Million to each Non-Executive Director and the increase in Commission to Non-Executive Directors has been worked out on annualized basis.
@ Resigned w.e.f. April 29, 2018
# Appointed as CFO w.e.f. September 6, 2018

Sr	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY 18-19	18.47%
2	Number of permanent employees on the rolls of the Company	3,083
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 8.8% while the average increase in Managerial Remuneration was 9% during the year.
4	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company

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

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

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Anurag Bedi	42	Cluster Head - Niche Channels & Zee Music Company	17,827,305	2nd Mates License in Nautical Sciences	18	5-Feb-07	Star India Pvt. Ltd.
2	Aparna Bhosle	46	Business Head, ZEE TV & FTA GEC	12,716,214	B.A, MBA in Marketing	23	1-Apr-14	Zee Learn Ltd.
3	Ashish Sehgal	49	Chief Growth Officer – Ad Sales	38,916,832	B.Com, LLB	26	1-Apr-18	Zee Unimedia Ltd
4	Atul Das	51	Chief Revenue Officer - Affiliates Revenue	23,797,015	B.Com, MMS	26	1-May-16	Taj Television (India) Pvt. Ltd.
5	Gunjarav Nayak	43	Principal Cluster Head - Sales	18,521,844	B.Com, PGDBM	22	1-Apr-18	Zee Unimedia Ltd
6	Harpreet Singh Mamick	42	Executive Cluster Head - Sales	10,428,535	B.Com, MBA in Marketing	18	1-Apr-18	Zee Unimedia Ltd
7	Laxmi Shetty	50	Chief Sales Strategy & Maximisation Officer	23,397,499	B.Sc (Hons), Diploma in - Computer Studies, Marketing Management, Oracle 6.0, Statistical Management, Advance Data Analysis for Marketing Decisions	29	1-Apr-18	Zee Unimedia Ltd
8	M. Lakshminarayanan	56	Chief Compliance Officer & Company Secretary	19,142,556	B.Com, ACS	36	19-Jan-06	BPL Power Projects Ltd.
9	Manish Aggarwal	42	Chief Marketing Officer	14,587,453	B.Com, Diploma in E-Business, MBA in Marketing	18	1-Apr-18	Zee Digital Convergence Ltd.
10	Mona Jain	53	Principal Cluster Head – Sales	18,120,584	B.Sc (Ind. Chem.), MBA in Marketing	30	1-Apr-18	Zee Unimedia Ltd.
11	Monali Ghosh	46	Executive Cluster Head – Sales	12,297,167	M.A, Masters in Marketing Management	23	1-Apr-18	Zee Unimedia Ltd.
12	Pratyusha Agarwal	41	Chief Marketing officer	14,586,911	IIT-B.tech IIM-Ahmedbad	18	25-Jan-17	Tata Unistore Ltd.
13	Punit Goenka	43	Managing Director & CEO	82,945,472	B.Com	21	1-Apr-98	ASC Enterprises Ltd.
14	Punit Misra	48	CEO - Domestic Broadcast	61,905,268	MCA/BE	24	1-Oct-16	Hindustan Unilever Ltd.
15	Raghavendra Hunsur	33	Business Head, Zee Kannada	10,478,773	B.A	15	5-May-14	ETV KANNADA
16	Rahul Sharma	49	Executive Cluster Head – Sales	10,491,393	B.Sc (Hons), PG Diploma in Marketing & Sales	25	1-Apr-18	Zee Unimedia Ltd.
17	Rajneesh Gupta	45	Executive Cluster Head – Sales	12,129,413	B.Com, MBA in Marketing	22	1-Apr-18	Zee Unimedia Ltd.

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
18	Rajnish Gupta	44	Principal Cluster Head-Sales	11,344,631	B.Com, MBA in Marketing	24	1-Apr-18	Zee Unimedia Ltd.
19	Sachin Rumde	42	Head – Operations	11,498,630	B.E (Mech.), MMS	19	1-Jun-00	NA
20	Samrat Ghosh	41	Business Head - Zee Bangla & Zee Bangla Cinema	12,647,162	B.Sc (Hons), PGDBA	19	1-Oct-10	Tata Infomedia Ltd.
21	Sanjoy Chatterjee	52	Principal Cluster Head – Sales	15,797,612	B.Com	29	1-Apr-18	Zee Unimedia Ltd.
22	Siju Prabhakaran	44	Cluster Head – South	18,020,782	B.Tech, MBA in Marketing	20	27-Sep-04	UTV Software Communication Ltd.
23	Siddharth Narula	43	Chief Revenue Officer	15,673,385	B.Sc (Hons), MBA in Sales & Marketing	18	1-Apr-18	Zee Unimedia Ltd.
24	Sujoy Sen	55	Head - DTH Business	13,992,755	B.Sc (Hons), PGDBM	32	1-May-14	Mediapro Enterprise India Pvt. Ltd.
25	Syed Ali Zainul Abedeen Zaidi	46	Business Head - Café Chain	12,053,572	B.Com	21	17-Aug-07	Star India Pvt. Ltd.
26	Umesh Kumar Bansal	37	Head Commercial - Domestic Broadcast Business	10,803,681	B. Tech, MBA in International Business	13	1-Apr-17	Essel Corporate Resources Pvt. Ltd
27	Venkat Nettimi	45	Head - Consumer Insights	13,539,373	MBA	23	20-Jun-17	Star India Pvt. Ltd.
28	Vijay Sanil	41	President - Sales	17,638,547	B. SC, PGDBM	16	1-Apr-18	Zee Unimedia Ltd.

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

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Date of Leaving	Last Employment
1	Animesh Kumar	51	Chief People Officer	13,377,103	B.A, XLRI- PG Diploma in Personnel Management & Industrial Relations	26	23-Jul-18	Not Applicable	Future Retail Ltd.
2	Avnindra Mohan	57	President – Legal	48,370,563	B.Com, FCA, LLB	30	1-Apr-15	31-Jul-18	Essel Corporate Resources Pvt. Ltd
3	Bharat Kedia	51	Chief Financial Officer	9,362,688	B.Com, CA, CS	26	11-Jul-17	30-Apr-18	Parag Milk Foods Ltd.
4	Deepak Rajadhyaksha	44	DEPUTY BUSINESS HEAD, ZEE TV	8,264,890	M.A	18	1-Jul-04	31-Aug-18	Shop24 Seven India Pvt. Ltd.

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Date of Leaving	Last Employment
5	Karamjit Dua	49	Principal Cluster Head - Content & Partnership and Premium Cluster	6,477,590	B.Com, MBA	28	12-Sep-18	Not Applicable	Havas Media India. Pvt. Ltd
6	Nirav Manhar Vaidya	52	Commissioning Lead - Zee TV	2,060,130	B.A in Economics	25	12-Feb-19	Not Applicable	Sony Pictures Networks India Pvt. Ltd.
7	Praveer Priyadarshi	49	Chief People Officer	5,185,667	B.Sc (Hons), PGDPM	24	29-Nov-16	15-May-18	UOP India Pvt. Ltd.
8	Ranjeel Kumar	43	Business Head – Live / Music & Product Head	7,917,025	B.Com, Masters Programme in International Business	19	7-Sep-18	Not Applicable	Viacom 18 Media Pvt. Ltd
9	Rohit Kumar Gupta	49	Chief Financial Officer	14,886,375	B.Com, CA	26	27-Aug-18	Not Applicable	Chaudhary Group (Telecom & Mobiles)
10	Sharada Sunder	51	Cluster Head - RHSM Channels	11,031,068	B.Com, CA	25	3-Sep-10	30-Apr-18	Real Global Broadcasting
11	Swaroop Madhab Banerjee	38	Chief Operating Officer - Zee Live	4,934,484	Diploma in Automobile Engineering	19	16-Jul-18	Not Applicable	Laqshya Media Group
12	Taranjeet Singh	45	CRO Zee5 India & Business Head - New Projects	6,155,237	B.Com, PGDM	24	15-Oct-18	Not Applicable	Twitter Communications India Pvt. Ltd
13	Tarun Katial	44	CEO - ZEE5_INDIA	29,277,328	B.Com, MBA in Marketing	22	16-May-18	Not Applicable	Reliance Broadcast Network Ltd
14	Viresh Rameshchandra Dhaibar	57	Chief Legal Counsel	9,208,323	M.Com, LLB, LLM, ACS, ACIS (UK)	36	1-Feb-19	Not Applicable	Essel Business Excellence Services 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, Variable Pay, Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & other Perquisites and benefits valued on the basis of Income Tax Act,1961

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 27, 2019

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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, 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 1, 2018 to March 31, 2019 (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, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
   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 (Share Based Employee Benefits) Regulations, 2014;
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. Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
   a. Policy Guidelines for Uplinking of Television Channels issued by the Ministry of Information & Broadcasting;
   b. Policy Guidelines for Downlinking of Television Channels issued by the Ministry of Information & Broadcasting;
   c. The Cable Television Network (Regulations) Act, 1995 read with Amendments and the Cable Television Network Rules, 1994 read with Amendments;
   d. The Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2012;
   e. Standard of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013;

We have also examined compliance with the Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;

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 compliance 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 the 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. There were no changes in the composition of the Board of Directors that took place during the Audit Period.

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, except in case of one meeting, which was called at shorter notice in compliance with the applicable provisions of the Act and Secretarial Standard, 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.

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 had the following specific events:

i. Composite Scheme of Arrangement and Amalgamation with WOS
The Board of Directors of the Company at their meeting held on July 24, 2017 approved the Composite Scheme of Arrangement and Amalgamation between the Company and its WOS viz. Zee Digital Convergence Ltd. (ZDCL), India Webportal Pvt. Ltd. (IWPL), Zee Unimedia Ltd. (ZUL) and Sarthak Entertainment Pvt. Ltd. (SEPL) and their respective shareholders, *inter alia* for –

(i) Demerger of certain undertakings of ZDCL, IWPL and ZUL vesting with the Company and

(ii) Amalgamation of SEPL with the Company w.e.f. the Appointed Date of April 01, 2017.

Hon'ble National Company Law Tribunal, Mumbai Bench sanctioned the Composite Scheme of Arrangement and Amalgamation vide order dated April 11, 2018 and the Company has filed the E-form INC-28 with the Registrar on May 3, 2018. Upon filing of which the said Scheme has become effective w.e.f. May 3, 2018.

ii. Partial redemption of Listed Bonus Preference Shares
The Company redeemed 20% of the nominal value of Listed Bonus Preference Shares of INR 8/- each, i.e. redemption of INR 2/- per preference share, due at the 5th anniversary of the issue of such Preference Shares on March 5, 2019;

Consequent to such redemption, the outstanding issued, subscribed and paid-up Listed Bonus Preference Share Capital of the Company stands reduced from ₹ 16,13,55,38,496/- comprising of 2,01,69,42,312 Listed Bonus Preference Shares of ₹ 8/- each to ₹ 12,10,16,53,872/- comprising of 2,01,69,42,312 listed bonus preference shares of ₹ 6/- each with effect from March 6, 2019.

iii. Redemption of unlisted preference shares
The company redeemed 39,49,105 6% unlisted cumulative redeemable non-convertible preference shares of ₹ 10/- each (Unlisted Series B Preference shares), which were issued on July 24, 2017 pursuant to Composite Scheme of Arrangement for demerger of General Entertainment Channel Undertakings of the Demerged entities, to the shareholders of the demerged entities, on March 20, 2019. The due date for redemption was July 23, 2020 or any time before the redemption date at the discretion of the company.

iv. Issue of equity shares under ESOP Scheme:
The Company had allotted 9,450 (Nine Thousand Four Hundred Fifty) Equity Shares of ₹ 1 each on April 10, 2018 and 3,430 (Three Thousand Four Hundred Thirty) Equity shares of ₹ 1 each on October 31, 2018 in accordance with ZEEL ESOP Scheme 2009 (as modified in 2016).

For M/s Vinod Kothari & Company
Practising Company Secretaries

Vinita Nair
Partner
MembershipNo.: A31669
C P No.: 11902

Place: Mumbai

Date: May 15, 2019

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.

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

BOARD OF DIRECTORS

Composition & Category of Directors

ZEE has a balanced Board with combination of Executive and Non-Executive Directors. The Board currently comprises of 8 (eight) Directors including 1 (one) Executive Director, 3 (three) Non-Executive Directors and 4 (four) Independent Directors, including 1(one) Women Independent Director. The current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.

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

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) of SEBI Listing Regulations. In opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management. In compliance with the requirements of Companies Act, 2013, the Company has issued formal appointment letters to all the Independent Directors. Details of standard term of appointment of Independent Director has been uploaded on the website of the Company www.zeeentertainment.com

During the financial year under review, 7 (Seven) meetings of the Board were held on May 10, 2018, July 17, 2018, October 10, 2018, December 10, 2018, January 15, 2019, March 14, 2019 and March 28, 2019. The annual calendar of meetings for consideration of financial results and Business Plan is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2018-19 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, 2019 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 7 Meetings)	36th AGM held on July 12, 2018	Member	Chairman	Member	Chairman
Independent Directors						
Sunil Sharma	6	Yes	1	-	-	-
Neharika Vohra	6	Yes	2	-	-	-
Manish Chokhani	7	Yes	4	-	3	-
Adesh Kumar Gupta	7	Yes	4	-	1	2
Non-Executive Directors						
Subhash Chandra	5	Yes	-	-	-	-
Ashok Kurien	6	No	1	-	-	1
Subodh Kumar	6	Yes	-	-	-	-
Executive Director						
Punit Goenka	6	Yes	6	-	2	-

Notes:

1. Committee positions include Membership / Chairmanship of the Audit Committee and Stakeholders Relationship Committee of Indian Public Companies
2. None of the Directors held directorship in more than 8 listed companies. Further none of the Independent Directors of the Company served as Independent Director in more than 7 listed Companies
3. None of the Directors held directorship in more than 20 Indian Companies, with not more than 10 public limited companies
4. None of the Directors is a member of more than 10 Committees or Chairperson of more than 5 Committees across all the Public Limited Companies in which he/she is Director. As per Listing Regulations, only membership of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
5. 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 & CEO of the Company.
6. None of the Non-Executive Directors of the Company, except Mr Adesh Kumar Gupta, and Mr Manish Chokhani hold securities of the Company. As at March 31, 2019, Mr Adesh Kumar Gupta and Mr Manish Chokhani held 300 and 1,00,000 equity shares respectively of the Company.
7. None of the Directors had resigned from the Board during the year under review

Details of other directorships of Directors in the Listed entities as at March 31, 2019 are as under:

Name of the Director	Directorship in other Listed Companies	Category of Directorship
Sunil Sharma	None	NA
Neharika Vohra	None	NA
Manish Chokhani	West Life Development Limited Shoppers Stop Limited	Independent Director Independent Director
Adesh Kumar Gupta	Care Ratings Limited	Independent Director
Subhash Chandra	None	NA
Ashok Kurien	Dish TV India Limited	Non-Executive Director
Subodh Kumar	None	NA
Punit Goenka	Prozone Intu Properties Limited Zee Media Corporation Limited	Independent Director Non-Executive Director

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 the Chairman, and the Managing Director & CEO prepares 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 presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

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

Independent Directors Meeting & Board Evaluation Process

In compliance with the requirements of Regulation 25 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on March 28, 2019 to review performance of the Chairman, Managing Director and other Non-Independent Directors, to evaluate performance of the Board and review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard was also circulated to Independent Directors, well in advance.

The parameters for evaluation of performance of the Board & Board Committees includes the structure & composition, contents of agenda for the meeting, quality and timelines of information provided, the decision-making process & review thereof, attention to the Company's long term strategic issues, evaluation of strategic risks, overseeing and guiding major plans of action, corporate restructuring, acquisitions, divestment, etc. The outcome of the evaluation exercise was discussed at subsequent board meeting. The Board of Directors also expressed satisfaction towards the evaluation process. The performance of the Independent Directors was also evaluated taking into account (i) the time devoted; (ii) attention given to professional obligations for independent decision making, (iii) acting in the best interests of the Company, (iv) strategic guidance to the Company. (v) help determine important policies, (vi) external expertise provided, (vii) independent judgment that contributes objectively in the Board's deliberations - particularly on issues of strategy, performance and conflict management etc.

Familiarisation Program for Independent Directors:

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business of the Company through induction programs at the time of their appointment as Directors and at regular intervals through 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 centers is made to the Board. Details of directors familiarisation program is available on Company's website www.zeeentertainment.com

Code of Conduct:

The Company has adopted a Code of Conduct for the Members of the Board 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.zeeentertainment.com. Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors (including Code of Conduct) as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI 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, 2019.

Punit Goenka
Managing Director & CEO
Mumbai, May 27, 2019

Dividend Distribution Policy: In line with the requirements of SEBI Listing Regulations, the Board has approved and adopted Dividend Distribution Policy, whereby subject to various financial and other parameters, the Board shall be guided by the benchmark payout in the range of 25% to 30% of consolidated net profits of the Company for each financial year. The Dividend Distribution Policy is uploaded on the website of the Company and can be accessed on www.zeeentertainment.com.

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during FY 2018-19 along with attendance of the Members at such Committee Meeting(s) are detailed herein:

	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
No of Meetings held	6	2	5	2	1
Directors Attendance					
Subhash Chandra	NA	NA	NA	NA	NA
Subodh Kumar	NA	2/2	NA	2/2	1/1
Punit Goenka	NA	NA	5/5	2/1	1/1
Ashok Kurien	5/6	NA	5/5	NA	NA
Sunil Sharma	6/6	NA	NA	2/2	NA
Neharika Vohra	NA	2/2	NA	NA	NA
Manish Chokhani	6/6	NA	NA	NA	NA
Adesh Kumar Gupta	6/6	2/2	-	NA	1/1

Note:
Mr Adesh Kumar Gupta was appointed as a Member of Stakeholders Relationship Committee w.e.f. March 15, 2019 and therefore was not eligible to attend any committee meeting during the year.
NA denotes that the director is not a Member of such Committee.

Details of Board Committees are as mentioned herein:

I. AUDIT COMMITTEE

Constitution

As at March 31, 2019, the Audit Committee of the Board comprised of four (4) Directors including Mr Adesh Kumar Gupta, Independent Director as Chairman and Prof Sunil Sharma, Independent Director, Mr Manish Chokhani, Independent Director and Mr Ashok Kurien, Non-Executive Director as its Members.

During the year under review, six (6) meetings of the Audit Committee were held on May 9, 2018; July 17, 2018; September 5, 2018; October 10, 2018; January 15, 2019 and March 28, 2019.

Terms of reference

The terms of reference and role of the Audit Committee are as per SEBI Listing Regulations and provisions of 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 transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor and Internal Auditor and approves the appointment of Chief Financial Officer.

The Audit Committee also reviews internal financial controls and adequacy of disclosures and compliance with all relevant laws. Additionally, in compliance with requirements of Regulation 24 of the SEBI Listing Regulations, the Audit Committee reviews financial statements, operations and investments of Subsidiary Companies.

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

All recommendations made by the Audit Committee during the year under review were accepted by the Board.

II. Nomination & Remuneration Committee

Constitution

As at March 31, 2019 the Nomination and Remuneration Committee comprised of Prof (Mrs) Neharika Vohra, Independent Director as Chairperson and Mr Adesh Kumar Gupta, Independent Director and Mr Subodh Kumar, Non-Executive Director as Members.

During the year under review two (2) meetings of the Nomination & Remuneration committee were held on May 10, 2018 and March 14, 2019.

Terms of reference

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

- Formulation of guidelines for evaluation of candidature of individuals for nominating and/or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification / experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc.

- Formulation of the process for evaluation of functioning of the Board – individually and collectively;
- Recommending to the Board for approval appointment of Directors and nomination of Key Managerial Personnel of the Company;
- Recommending all elements of remuneration package of Executive Directors including increment / variable pay / special incentive payable to them within the limits approved by the Board / Members; and
- Deciding and approving issuance of Stock Options, including terms of grant etc under the Company's Employee Stock Option Scheme

Remuneration Policy

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

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

The Commission paid/payable to the Non-Executive Directors of the Company is in accordance with Shareholders approval and in compliance with the Companies Act, 2013.

Remuneration to Managing Director & CEO

The details of the remuneration paid to Mr Punit Goenka, Managing Director & CEO of the Company during the year ended March 31, 2019 is as under:

Particulars	Amount (₹ Million)
Salary & Allowances	59.10
Perquisites	0.04
Variable Pay	18.89
Provident Fund Contribution	4.92
Total	**82.95**

Remuneration to Non-Executive Directors

During financial year 2018-19 Non-Executive Directors were paid sitting fee of ₹ 30,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee, Finance Sub-Committee and ESOP Allotment Sub-Committee.

The Non-Executive Directors are additionally entitled to remuneration by way of Commission of up to 1% of net profits of the Company, as approved by the Members at the Annual General Meeting held on July 15, 2015. Within the aforesaid limit, the commission payable each year is determined by the Board based *inter alia* on the performance of, and regulatory provisions applicable to, the Company. As per the current policy, the Company pays 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 2018-19 as approved by the Board are as under:

(₹ Millions)

Name of Director	Sitting Fees Paid	Commission Payable	Total
Subhash Chandra	0.15	3.00	3.15
Subodh Kumar	0.33	3.00	3.33
Ashok Kurien	0.33	3.00	3.33
Sunil Sharma	0.42	3.00	3.42
Neharika Vohra	0.24	3.00	3.24
Manish Chokhani	0.39	3.00	3.39
Adesh Kumar Gupta	0.48	3.00	3.48
Total	**2.34**	**21.00**	**23.34**

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

III. Stakeholders Relationship Committee

Constitution

As at March 31, 2019, the Stakeholders Relationship Committee of the Board comprised of Mr Ashok Kurien, Non-Executive Director as Chairman, Mr Adesh Kumar Gupta, Independent Director and Mr Punit Goenka, Managing Director & CEO as Members.

During the year under review, Stakeholders Relationship Committee met five (5) times on April 17, 2018; July 5, 2018; August 6, 2018; October 10, 2018 and January 7, 2019.

Terms of reference

In line with amendment to the Listing regulations the terms of reference of Stakeholders Relationship Committee was revised effective April 1, 2019 to include resolving investors grievances / complaints; review measures taken for effective exercise of voting rights; review adherence of service standards by Company and RTA and review management actions for reducing unclaimed dividend / shares etc. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, and dematerialization etc of shares of the Company in the normal course of business 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, 2019, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend Warrant(s)	2	2	0
Non-receipt of Shares	5	5	0
Letter received from SEBI/Stock Exchanges	4	4	0
Complaints received from ROC	-	-	-
Total	**11**	**11**	**0**

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

IV. Risk Management Committee

Constitution

As at 31 March 2019, the Risk Management Committee of the Board comprised of Mr Subodh Kumar, Non-Executive Director as its Chairman and Mr Adesh Kumar Gupta, Independent Director, Mr Punit Goenka, Managing Director & CEO, Mr Rohit Kumar Gupta, Chief Financial Officer and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as its Members. During the year the Risk Management Committee was re-constituted by nomination of Mr Rohit Kumar Gupta as its Member in place of Mr Bharat Kedia w.e.f. October 10, 2018.

During the year under review the Committee met once on May 10, 2018.

Terms of reference

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

V. Corporate Social Responsibility Committee

Constitution

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, the Board has constituted Corporate Social Responsibility Committee comprising of Mr Subodh Kumar, Non-Executive Director as its Chairman, Prof Sunil Sharma, Independent Director and Mr Punit Goenka, Managing Director & CEO as its Members.

During the year under review the CSR Committee met twice on May 10, 2018 and March 28, 2019.

Terms of reference

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

VI. 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. Finance Sub-Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities that may be sanctioned and/or renewed to the Company by various Banks and/or Indian Financial Institutions from time to time and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee comprising of Mr Punit Goenka, Managing Director & CEO as Chairman and Mr Ashok Kurien, Non-Executive Director as Member. During the year under review, the Finance Sub-Committee met twice on October 10, 2018 and February 15, 2019.

ii. ESOP Allotment Sub-Committee

To facilitate allotment of Equity Shares pursuant to exercise of Stock Options granted in accordance with the Company's ESOP Scheme, the Nomination & Remuneration Committee had constituted an ESOP Allotment Sub-Committee comprising of Mr Ashok Kurien, Non-Executive Director as Chairman, Mr Punit Goenka, Managing Director & CEO and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as Members. During the year under review the ESOP Allotment Sub-Committee met twice on April 9, 2018 and October 31, 2018.

iii. Corporate Management Committee

To facilitate grant of authorisations for managing day-to-day affairs of the Company, the Board has constituted a Corporate Management Committee comprising of Senior Management Personnel of the Company. As at March 31, 2019, the Corporate Management Committee comprised of Mr Punit Goenka, Managing Director & CEO as Chairman, Mr Punit Misra, CEO – Domestic Broadcast Business, Mr Rohit Kumar Gupta, CFO and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as Members. During the year the Corporate Management Committee was re-constituted by nomination of Mr Rohit Kumar Gupta as its Member, in place of Mr Bharat Kedia w.e.f. October 10, 2018. The Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

GENERAL MEETINGS

The 37th Annual General Meeting of the Company for the Financial Year 2018-19 will be held on Tuesday July 23, 2019 at 4.00 PM 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
2017-18	17.07.2018 – 4.00 p.m.	Re -appointment of Mr Adesh Kumar Gupta as Independent Director for Second term	Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025.
2016-17	12.07.2017 – 11 a.m.	Re-appointment of Mr Manish Chokhani as Independent Director for Second term Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered Office of the Company	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
2015-16	26.07.2016 – 11 a.m.	Re appointment of Prof. Sunil Sharma as Independent Director for second term. Re appointment of Prof. (Mrs) Neharika Vohra as Independent Director for second term. Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered Office of the Company	

All the above special resolutions were passed with requisite majority.

No Special Resolution was passed through Postal Ballot during the financial year 2018-19.

No Extra Ordinary General Meetings of the members were held during FY 2018-19

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

MEANS OF COMMUNICATION

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

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

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

GENERAL SHAREHOLDER INFORMATION

1.	Date, Time and Venue of Shareholder's Meeting	Meeting : 37th Annual General Meeting Day & Date : Tuesday 23rd day of July, 2019 Time : 4.00 PM Venue : Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai – 400 018
2	Financial Year	2018-2019
3.	Record Date	July 16, 2019
4.	Dividend Payment Date	On or before July 29, 2019
5.	Registered office	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg Lower Parel, Mumbai – 400 013 India Tel: +91-22-7106 1234 Fax: +91-22-2300 2107 Website : www.zeeentertainment.com
6.	Corporate Identity Number	L92132MH1982PLC028767
7.	Listing on Stock Exchanges	**BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 **National Stock Exchange of India Limited (NSE)** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Company has paid requisite Listing Fees to the Stock Exchanges for FY 2018-19. None of the Company's Securities have been suspended from trading.
8.	Stock Code	BSE 505537(Equity) 717503 (Preference) NSE ZEEL EQ (Equity) ZEEL-P2(Preference) Reuters - ZEE.BO (BSE) / ZEE.NS (NSE) Bloomberg - Z IN (BSE) / NZ IN (NSE)
9.	ISIN No.	Equity - INE256A01028 Preference Shares –INE256A04022
10.	Registrar & Share Transfer Agent	Link Intime India Pvt Ltd C-101, 247 Park, L B S Marg, Vikhroli West Mumbai 400 083 India Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 E.Mail: rnt.helpdesk@linkintime.co.in

11. TRANSFER OF UNCLAIMED DIVIDEND / SHARES TO IEPF

As per Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (IEPF Rules) Final Dividend for the Financial Year ended March 31, 2012, which remains unpaid or unclaimed, will become due to be transferred to the Investor Education and Protection Fund (IEPF) on completion of 7 (seven) years in September 2019. Members who have not encased their dividend warrant(s) issued by the Company for FY 2011-12 and any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

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

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2012	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
31.03.2016	26.07.2016	31.08.2023	30.09.2023
31.03.2017	12.07.2017	17.08.2024	16.09.2024
31.03.2018	17.07.2018	22.08.2025	21.09.2025

During the year under review, besides transfer of unclaimed dividend of ₹ 1.94 Million pertaining to FY 2010-11, the Company had pursuant to the IEPF Rules also transferred 108,070 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority. The Unclaimed Dividend and/or the Equity Shares transferred to IEPF can be claimed by the Shareholders from IEPF authority after following due process prescribed in IEPF Rules.

12. Share Transfer System

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

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

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

13. Dematerialization of Shares & Liquidity

The Company's Equity and Listed Preference Shares are compulsorily traded in electronic (dematerialized) form on NSE and BSE. As at March 31, 2019, 99.87% of the Equity Share Capital and 99.85% of the Listed Preference Share Capital of the Company are held in electronic form. Under the Depository system, the ISIN allotted to Company's Equity Shares is INE256A01028 and Listed Preference Shares is INE256A04022. Entire equity and preference shareholding of the entities forming part of promoter/promoter group in the Company is held in dematerialized form.

14. Sub-division/ Consolidation/ Redemption of Shares

Sub-division of Equity Shares

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

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

Consolidation of Face Value of Preference Shares

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

Partial Redemption of Preference Shares

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

16. Shareholders' Correspondence

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

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

17. Outstanding Convertible Securities

The Company has not issued any Convertible Securities in the past and hence as on March 31, 2019, the Company does not have any outstanding convertible Securities.

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

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

19. Credit Rating

During the year under review, Brickwork Ratings India Private Ltd (Brickwork Ratings) had re-affirmed the rating assigned to the Company as the issuer of the 6% Cumulative Redeemable Non-Convertible Preference Shares, issued as Bonus in 2014 and listed at the Stock Exchanges, at 'BWR AAA' which denotes that the instruments with this rating are considered as having highest degree of safety regarding timely servicing of financial obligations. In November 2018, on account of stake sale announcement by the Promoter, while retaining the rating of 'BWR AAA', Brickwork Ratings had revised the rating outlook from 'Stable' to 'Credit watch with developing implications'.

20. EQUITY SHARE CAPITAL BUILD-UP

Particulars	No. of shares issued	Date of issue
Initial shareholding at the time of change of name of the Company from Empire Holdings Ltd to Zee Telefilms Ltd	744,000	08.09.1992
Right Issue	8,928,000	15.06.1993
Public Issue	9,000,000	10.09.1993
Allotment under ESOP	160,000	09.06.1999
Allotment under ESOP	190,000	10.07.1999
Allotment under ESOP	396,880	30.09.1999
Issued for acquisition of stake in overseas Company by way of Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to ₹ 1 each	388,377,600	23.12.1999
Issued for acquisition of stake in Indian and overseas Company, partly, by way of Share Swap	16,127,412	24.01.2000
Allotment on Preferential basis	4,100,000	31.03.2000
Allotment on Preferential basis	3,900,000	24.04.2000
Allotment on conversion of FCCB	111,237	29.03.2006
Allotment on conversion of FCCB during FY 2006-07	20,950,516	Various dates
Allotment on conversion of FCCB during FY 2008-09	440,346	Various dates
Issued to shareholders of Zee News Ltd pursuant to Scheme	50,476,622	20.04.2010
Issued to shareholders of ETC Networks Ltd pursuant to Scheme	4,413,488	23.09.2010
Issued to shareholders of 9X Media Pvt Ltd pursuant to the Scheme	140,844	08.11.2010
Bonus Issue in ratio of 1:1	489,038,065	15.11.2010
Allotment under ESOP Scheme during FY 2011-12	66,800	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2011-12	(19,372,853)	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2012-13	(4,812,357)	Various dates
Allotment under ESOP Scheme during FY 2013-14	6,491,000	Various dates
Allotment under ESOP Scheme	4,900	15.11.2017
Allotment under ESOP Scheme	9,450	10.04.2018
Allotment under ESOP Scheme	3,430	31.10.2018
Issued and Paid-up Capital as at March 31, 2019	**960,466,500**	

Note : Subsequent to the close of financial year 15,265 equity shares were issued and allotted under ESOP thereby increasing the issued and paid up capital to 960,481,765 equity shares of ₹ 1/- each.

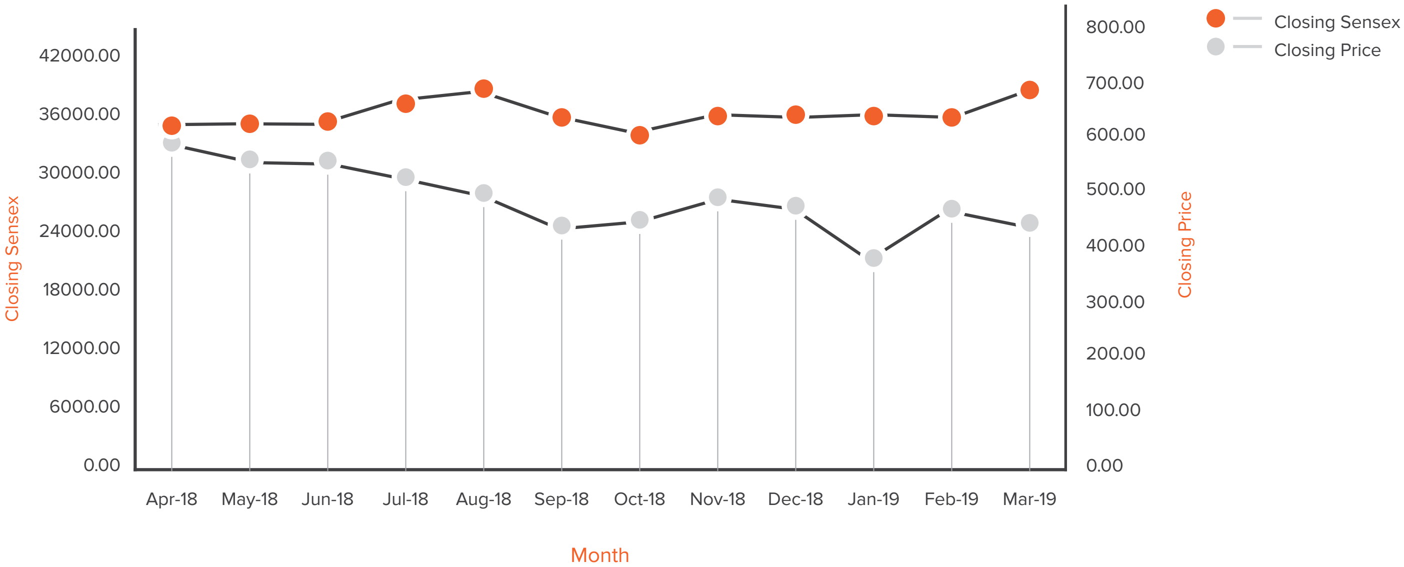
21. STOCK MARKET DATA RELATING TO LISTED EQUITY SHARES & PREFERENCE SHARES

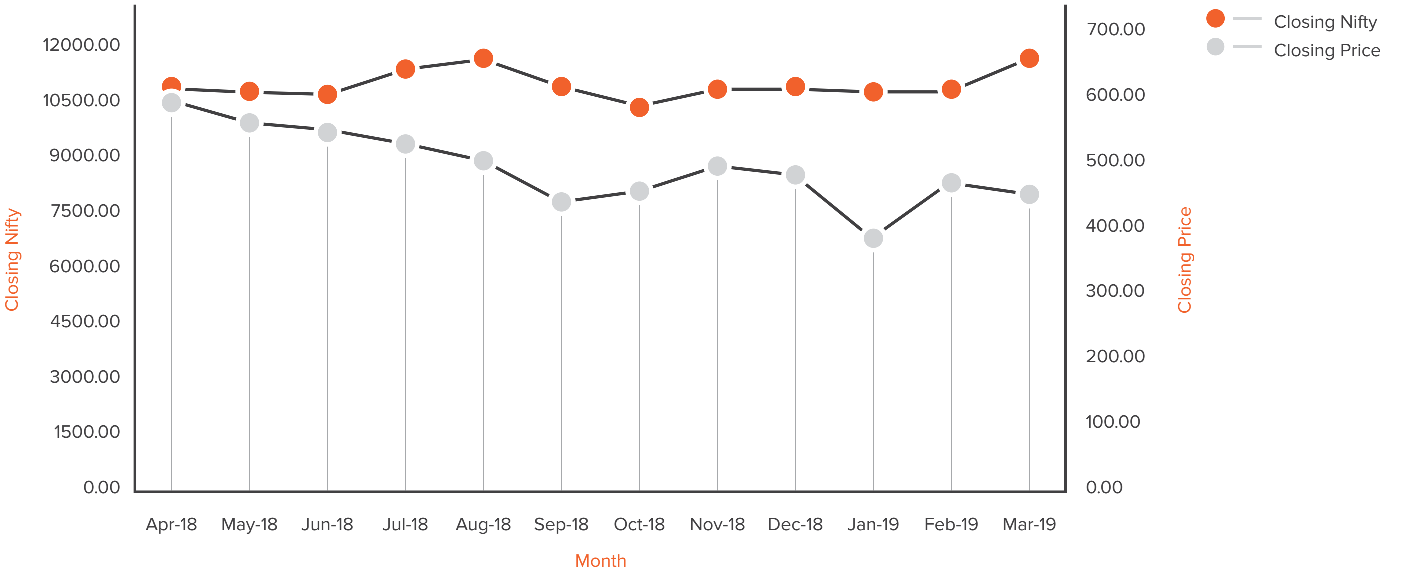
Equity Shares	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2018	603.90	569.30	644333	602.00	569.20	25550021
May 2018	609.75	546.75	8910435	609.75	546.60	34260771
June 2018	575.00	534.50	8709207	575.00	533.50	35058069
July 2018	553.95	505.05	18832645	553.60	504.65	43748838
August 2018	540.40	493.95	5870640	540.75	493.20	30840472
September 2018	505.10	428.90	5874323	505.00	429.20	62303702
October 2018	479.45	410.30	2709988	480.00	410.60	73444513
November 2018	496.40	420.30	3239530	496.70	420.70	74432934
December 2018	506.10	431.35	3826048	506.90	431.30	93152709
January 2019	482.00	288.95	26176917	481.20	288.30	373054665
February 2019	489.75	328.80	12193838	488.00	329.10	227394730
March 2019	489.00	414.90	7504374	488.95	414.05	135357226

Preference Shares	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2018	7.66	7.55	34335060	7.70	7.45	6292055
May 2018	7.71	7.50	8373947	7.90	7.60	12186805
June 2018	7.76	7.65	3023346	7.90	7.60	532985
July 2018	7.83	7.68	4543874	8.00	7.65	7174132
August 2018	8.00	7.75	2025551	9.00	7.75	6369399
September 2018	7.95	7.80	6843311	8.00	7.80	7915017
October 2018	7.90	7.31	22899128	7.90	7.40	27947878
November 2018	7.80	7.53	5469736	7.80	7.45	10140938
December 2018	7.80	7.60	88281056	7.75	7.55	9160522
January 2019	7.80	6.80	80572063	7.85	6.80	40585764
February 2019	7.89	5.66	59230760	7.90	5.65	48417166
March 2019 *	6.00	5.46	10847234	6.35	5.35	13762536

* Consequent to Partial redemption of Preference shares carried out on March 5, 2019, the face value of Preference shares stood reduced to ₹ 6/- per Preference Share

21. RELATIVE PERFORMANCE OF EQUITY SHARES VS. BSE SENSEX & NIFTY INDEX





23. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2019

No. of Equity Shares	Equity			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	111,758	98.79	15,935,404	1.66
5001 – 10000	364	0.32	2,637,562	0.27
10001-20000	248	0.22	3,513,206	0.37
20001-30000	103	0.09	2,489,248	0.26
30001-40000	63	0.06	2,194,213	0.23
40001-50000	56	0.05	2,517,455	0.26
50001-100000	147	0.13	10,443,569	1.09
100001 and Above	388	0.34	920,735,843	95.86
Total	**113,127**	**100.00**	**960,466,500**	**100.00**

No. of Preference Shares	Preference			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	75,343	97.24	23,477,765	1.16
5001 – 10000	540	0.70	4,116,030	0.20
10001-20000	333	0.43	4,750,706	0.24
20001-30000	150	0.19	3,657,299	0.18
30001-40000	89	0.11	3,147,840	0.16
40001-50000	91	0.12	4,214,447	0.21
50001-100000	182	0.23	13,764,904	0.68
100001 and Above	756	0.98	1,959,813,321	97.17
Total	**77,484**	**100.00**	**2,016,942,312**	**100.00**

24. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2019

Category	Equity		Preference	
	% of shareholding	No. of shares held	% of shareholding	No. of shares held
Promoters	38.20	366,909,963	6.24	125,946,920
Individuals / HUF	2.06	19,746,882	22.09	445,628,987
Domestic/Central Government Companies	2.58	24,741,175	42.79	863,081,460
FIs, Mutual funds, trust and Banks	11.93	114,606,454	13.40	270,254,101
FIIs, OCBs & NRI	45.23	434,462,026	15.48	312,030,844
Total	**100.00**	**960,466,500**	**100.00**	**2,016,942,312**

25. PARTICULARS OF SHAREHOLDING

a) Promoter & Promoter Group Shareholding as on March 31, 2019

EQUITY SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Essel Media Ventures Ltd, Mauritius	102,888,286	10.71
2	Essel International Ltd, Mauritius	14,096,000	1.47
3	Sprit Infrapower & Multiventures Pvt. Ltd.	400	0.00
4	Essel Corporate LLP	29,181,965	3.04
5	Essel Infraprojects Ltd	100	0.00
6	Essel Holdings Limited, Mauritius	1,718,518	0.18
7	Cyquator Media Services Pvt Ltd	219,024,694	22.80
	Total	**366,909,963**	**38.20**

PREFERENCE SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Sprit Infrapower & Multiventures Pvt. Ltd.	91,986,500	4.56
2	Essel Infraprojects Ltd.	210	0.00
3	Veena Investment Pvt. Ltd	210	0.00
4	Cyquator Media Services Pvt. Ltd.	33,960,000	1.68
	Total	**125,946,920**	**6.24**

b) Top ten (10) Public Shareholding as on March 31, 2019

EQUITY SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	68,644,603	7.15
2	Life Insurance Corporation of India	46,946,402	4.89
3	Vanguard International Growth Fund	27,208,888	2.83
4	Virtus Vontobel Emerging Markets Opportunities Fund	20,863,866	2.17
5	ICICI Prudential Equity & Debt Fund	16,873,196	1.76
6	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Frontline Equity Fund	16,514,241	1.72
7	Vontobel Fund- Emerging Markets Equity	11,350,309	1.18
8	Vontobel India Fund	9,860,782	1.03
9	Schroder International Selection Fund Asian Opportunities	8,921,176	0.93
10	Vanguard Total International Stock Index Fund	8,835,408	0.92
	Total	**236,018,871**	**24.58**

PREFERENCE SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	189,591,305	9.40
2	ICICI Prudential Life Insurance Company Ltd	141,599,758	7.02
3	Edelweiss Alpha Fund Scheme I	111,344,534	5.52
4	Shree Cement Limited	96,283,625	4.77
5	ICICI Prudential Multi Asset Fund	83,124,300	4.12
6	Shree Capital Services Limited	47,243,700	2.34
7	Unifi AIF	44,198,236	2.19
8	Pico Capital Private Ltd	43,746,251	2.17
9	Dishman Carbogen Amcis Limited	40,000,000	1.98
10	SBI Life Insurance Co Ltd	37,766,607	1.87
	Total	**834,898,316**	**41.38**

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

OTHER DISCLOSURES

i. All transactions entered into by the Company with related parties during the financial year 2018-19 were in ordinary course of business and on arms-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

   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.zeeentertainment.com

   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.

ii. 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.

iii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI 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. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

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

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

Additionally, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted various other policies including Material Events Determination and Disclosure Policy, Document Preservation Policy, Corporate Social Responsibility Policy etc. These policies can be viewed on Companies Website at www.zeeentertainment.com.

vi. Since the Company is engaged in broadcasting business, there are no risk associated with Commodity Price and therefore the disclosure relating to Commodity Price risk and Commodity hedging activities is Nil.

vii. Your Board hereby confirms that the Company has obtained a certificate from the Company Secretary in practice that none of the Directors have been debarred or disqualified from being appointed or continuing as Directors by SEBI/ Ministry of Corporate Affairs or Ministry of Information & Broadcasting.

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

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

Particulars	Amount (₹ Million)
Audit Fees	15
Tax Audit Fees	1
Certifications and Tax representation	2
Other Services	1
Total	**19**

ix. The Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, the Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted 10 Internal Complaints Committee functioning at various locations to redress complaints received regarding sexual harassment. During the year the Company received 1 (one) complaint of sexual harassment which was investigated in accordance with the procedure and resolved.

x. Details of Shares lying in Unclaimed Suspense Account

Pursuant to Regulation 39(4) of the SEBI Listing Regulation 2015, details in respect of the physical shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	Equity Shares	
	Number of shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2018	217	128,180
Fresh undelivered cases during the financial year 2018-19	0	0
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2019	5	2,665
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2019	5	2,665
Number of Unclaimed Shares transferred to the Demat Account of IEPF Authority during FY 2018-19	**38***	**12,875**
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	**174**	**112,640**

Note : * includes 6 folios whose details have been clubbed at the time of transfer to IEPF thereby transferring in all 32 folios

Description	Preference Shares	
	Number of shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares of FV ₹ 8/- in the suspense account as at April 1, 2018	133	278,868
Fresh undelivered cases of FV ₹ 8/- during the financial year 2018-19 till date of redemption March 5, 2019	162	768,078
Number of shareholders who approached the Company for transfer of shares from suspense account till March 05, 2019	5	23,053
Number of shareholders to whom shares were transferred from the Suspense account till March 05, 2019	5	23,053
Total Unclaimed Preference Shares of FV ₹ 8/- as on March 5, 2019 which are being cancelled pursuant to redemption of Preference shares due to change in face value from ₹ 8/- to ₹ 6/-	**290**	**1023,893**
Aggregate number of shareholders and the outstanding shares of FV of ₹ 6/- paid up in the suspense account lying as on March 31, 2019	**30**	**67,220**

The voting rights on the shares outstanding in the suspense account as on March 31, 2019 shall remain frozen till the rightful owner of such shares claims the shares.

xi. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of SEBI Listing Regulations, as amended.

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated July 9, 2018.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of ZEE ENTERTAINMENT ENTERPRISES LIMITED ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A.B. Jani
Partner
(Membership No. 46488)

Place: Mumbai
Date: May 27, 2019

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.zeeentertainment.com
5. Email id	:	shareservice@zee.esselgroup.com
6. Financial Year reported	:	April 1, 2018 – March 31, 2019

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. Three key products/services that the Company manufactures/provides (as in balance sheet):

The Company mainly provides Broadcasting Services and is engaged in the business of Broadcasting of various National and Regional General Entertainment, Music and Niche Television Channels.

As part of the said broadcasting business, apart from Advertisement revenue and Subscription revenue, the Company earns revenue from out of Syndication of Media Contents.

9. Total number of locations where business activity is undertaken by the Company:

i) **Number of International locations:** Company's international business operations are carried out by various direct and in-direct subsidiaries overseas through their offices in 17 International locations (including representative offices and/or distribution arrangement) and the major ones are Singapore, Mauritius, UAE, South Africa, Canada, USA, Germany, Indonesia, Thailand, Russia, UK, Philippines etc.

ii) **Number of National Locations:** Indian operations of the Company are carried out through over 13 offices located in major commercial hubs of the Country including Mumbai, New Delhi, Gurgaon, Chennai, Kolkata, Noida, Hyderabad, Bengaluru, Kochi, Bhubaneshwar, Chandigarh, Ahmedabad, Jaipur etc.

10.Markets served by the Company:

Company's television channels reach out to a little over 1.3 Billion viewers across 173+ countries.

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

1. Paid up Capital	:	₹ 13,062 Million
2. Total Revenue	:	₹ 68,579 Million
3. Total Profit after taxes	:	₹ 16,550 Million

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)

During the year under review, Company CSR spend was Rs 226.97 Million which, included amounts remitted towards CSR Projects committed during last financial year. The CSR spend during the year works out to 1.37% of Profit after tax for FY 18-19.

5. List of activities in which expenditure in 4 above has been incurred.

During the year under review the CSR spends of the Company were towards (i) Education and Skill Development; (ii) Integrated Rural Development; (iii) Contribution to Chief Minister Distress Relief Fund towards Kerala Flood Victims and (iv) Health care and sanitation.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

As at March 31, 2019, the Company has 29 subsidiaries, including 8 domestic and 21 overseas direct and indirect subsidiaries.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

BR Policies / initiatives adopted by the Company are implemented across all Indian and Overseas subsidiaries subject to compliance of local laws for subsidiaries in overseas territories.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity /entities (Less than 30 %, 30-60%, More than 60%)

Though Company's BR Policies / initiatives does not apply to vendors / suppliers, the Company follows zero tolerance on any acts of bribery, corruption etc by such agencies during their dealings with the Company and or with any of its employees.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

All Corporate Policies including the Policies forming part of Business Responsibility Reporting are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by Mr. Punit Goenka (DIN - 00031263) Managing Director & 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 & CEO
4	Telephone Number	022 – 7106 1234
5	E mail Id	punit.goenka@zee.esselgroup.com

2. Principle-wise (as per NVGs) BR Policy/policies

a. Details of Compliance (Reply in Y/N)

Sr No	Questions	Business Ethics	Product Re-sponsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a Policy/ policies for	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the Policy been formulated in consultation with the relevant Stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does policy conform to any national/ international standards	Policies are prepared ensuring adherence to applicable regulatory requirements and Industry standards								
4	Has the policy been approved by the board? If yes has it been signed by MD/ CEO/ appropriate Board Director?	No	No	No	No	No	No	No	Yes	No
5	Does the Company have a specified committee of the Board/Director/ Official to oversee implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online	Most of the relevant policies are disseminated and uploaded for information of relevant stakeholders and employees either on Company's intranet site or on corporate website								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in house structure to implement the policy	All Corporate Policies including Policies forming part of Business Responsibility Reporting are engrained in all day-to-day business operations of the Company and are implemented at all Management levels and monitored by the Managing Director & CEO from time to time								

Sr No	Questions	Business Ethics	Product Re-sponsibility	Employee Wellbeing	Shareholder Engagement	Human Rights	Environment Protection	Public & Regulatory Policy	CSR	Customer relation
9	Does the Company have a grievance redressal mechanism related to the policy to address stakeholders grievances related to the policy?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No. Policies are evaluated regularly by the CEO and/or respective Senior Executives								

b. If answer to the question at Sr No 1 against any principle, is "No", please explain why:

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles	Within the overall guidance of the Board, the Corporate Policies are framed and/or modified from time to time. Policies in connection with Business Operations & Human Resources have been implemented and followed over a period of time as per industry norms and/or best practices and were not approved by the Board specifically. However, these Policies as and when approved are released for implementation by the CEO of the Company at the relevant point in time. Further the Policies are evaluated regularly by the CEO and/or respective Senior Executives								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (Please specify)									

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –**

  The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

- **Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**

  The Company had started publishing BR report from financial year 2012-13 on a yearly basis. The BR report is/shall be available as part of Annual Report on www.zeeentertainment.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website: www.zeeentertainment.com. Transparency and accountability are the hallmark of Corporate Governance in the Company. Additionally, as part of HR policy the Company has framed/circulated policies which deal with Ethics at work place and restraining giving and receiving of gifts and other benefits in the course of business relationship etc.

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

   The policies are applicable to the employees at all levels, including subsidiaries.

Though the Company's policies do not apply to external stakeholders including suppliers, contractors, NGOs etc, the Company follows zero tolerance on any acts of bribery, corruption etc by such agencies during their dealings with the Company and or with any of its employees

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   As mentioned in the Corporate Governance Report, 11 complaints were received from Shareholders during FY 2018-19, of which all 11 have been resolved. Additionally, on an ongoing basis the complaints/grievances/ views/suggestions from viewers and other stakeholders are dealt with by respective functions within the Company.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

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

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

   The Company is engaged in the business of Broadcasting of General Entertainment Channels across the globe, contents whereof address social and environmental concerns.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw materials etc) per unit of product (optional) including a) Reduction during sourcing/production/ distribution throughout the value chain and b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company's broadcasting operations requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. The Company's broadcast operations and studios are designed to ensure optimal energy saving.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?**

   The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor. Further various events / programs broadcast on Company's television channels' are designed to offer opportunities to talents from all strata of society.

4. **Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors**

   Most of the business operations of the Company are carried out from commercial hubs of the country and the content provider and other goods and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth. Additionally, the Company encourages local talent in production of contents for its television channels.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   As the Company is a service provider, it does not discharge any effluent or waste. However mindful of the need for recycling products and waste, the Company has been directing its efforts in reducing use of plastic bottles, recycling used plastic bottles and has been using rechargeable batteries / other products.

Principle 3: Business should promote the well-being of all employees

Being in the business of creativity, people are the ultimate differentiator and efforts are taken to attract, develop and retain best talent. To ensure sustainable, business growth and become future ready, the Company has been focusing on strengthening its talent management, performance management & employee engagement processes. Accordingly, apart from confirming to regulatory requirements and industry standards, all HR policies are prepared and implemented considering overall well-being of the employees. Over the years, these policies have helped in building a high-trust, high-performance culture.

1. **Please indicate the total number of employees:** 3,083

2. **Please indicate the total number of employees hired on temporary/ contractual /casual basis:** 297

3. **Please indicate the number of permanent women employees:** 689

4. **Please indicate number of permanent employee with disabilities:** Nil

5. **Do you have employee association that is recognised by management?**
   No employee association exists

6. **What percentage of your permanent employees are members of this recognized employee association?** NA

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.**

   During the year under review, the Company had received 1 (One) complaint on sexual harassment at workplace and the same was investigated in accordance with the procedure and resolved. No other complaint in respect of any other subject has been received during the financial year.

8. **What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**

   The Company organizes various training sessions in-house on a regular basis for its employees and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill, of employees handling relevant functions. Apart from this the Company organises mock fire drills as part of basic fire and safety training.

Principle 4: Businesses should respect interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Business operations of the Company, apart from being compliant with the regulatory requirements is mindful and responsive towards interest of all stakeholders. The Company has been known to offer opportunities to talents / producers / vendors from all strata of society, many of whom have achieved success in Media industry. Additionally, Company's CSR spends are targeted towards long-term sustainable programs that actively contribute to and support the social and economic development of the society.

1. **Has the Company mapped its internal and external shareholders?**

   The Company has mapped its internal and external stakeholders, the major/ key categories include (i) Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, Depositories & Self regulatory bodies viz. Broadcast Content Compliant Council & Advertising Standards Council of India and Broadcast Audience Research Council; (ii) Content Producers; (iii) Vendors; (iv) Financial Institutions; (v) Banks; (vi) Domestic & International Investors and (vii) Professional Service Providers.

   The process of mapping of stakeholders is an ongoing exercise and are updated on regular basis.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof**

   Apart from providing opportunities to the talents and vendors from all strata of society, the Company's CSR spends are targeted towards long-term sustainable programs that actively contribute to and support the social and economic development of the society.

Principle 5: Business should respect and promote human rights

Zee believes that an organization rests on a foundation of business ethics and valuing of human rights. Zee adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?**

   While Company's policies are not applicable to the vendors, the Company promotes awareness of the importance of protecting human rights within its value chain and discourage instances of any abuse. Such policies and practices apply to the Company and its subsidiaries.

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

   Apart from one Sexual Harassment related complaint, there were no complaints reported on violation of any Human rights during the financial year 2018-19.

Principle 6: Business should respect, protect, and make efforts to restore the Environment

The Broadcasting operations of the Company have minimal impact on the environment. The offices and studios of the Company are designed to be Green and environment friendly.

1. **Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOS/ Others?**

   Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, on standalone basis, have been undertaking several green initiatives across all the offices at all its office locations during the year.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc**

   No

3. **Does the company identify and assess potential environmental risks? Y/N**

   No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

5. **Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.**

   No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

6. **Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

   Not applicable, since the Company being in the business of Broadcasting, does not involve any manufacturing activity

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is a Member of and interacts with various industry chambers / associations including Indian Broadcasting Federation, Indian Film & TV Producer Council, Indian Motion Pictures Distributor Association, Broadcast Audience Research Council and Indian Council of Arbitration.

2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas

The Company has been active in various business associations and supports / advocates on various issues for better viewer experience.

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility (CSR) at Zee is all about engaging in long-term sustainable programs that actively contribute to and support the social and economic development of the society. Accordingly, as a unified approach towards CSR at Essel Group level and with an intent to support long term projects focused on developing and empowering society.

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

   Requisite details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/ external NGO/government structures/any other organisation?**

   To facilitate identifying long-term CSR projects and monitoring implementation, the Company has along with other Essel group entities established a Section 8 Company, Subhash Chandra Foundation. The CSR contributions of the Essel group companies are pooled into the Foundation to fund long-term projects.

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

   The team at Subhash Chandra Foundation is responsible for monitoring and doing impact assessment of various CSR Projects and providing requisite update to CSR Committee annually.

4. **What is Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   Refer details of CSR contributions in the Annual report on CSR forming part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   Yes

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

The Company's value system includes Customer first as one of the values. All activities and programs of the Company are targeted to provide value to its viewers and advertisers.

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

   There are no consumer cases / customer complaints outstanding as at the end of financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Not applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?**

   None

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

   Apart from television ratings signifying popularity and viewership of various Television channels/Program, the marketing department on a regular basis carries out surveys (either web-based or otherwise) for identifying consumers viewing behavior and emerging trends on consumer preferences. The Company also carries out studies from time to time on process requirement areas through consulting firms.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Punit Goenka, Managing Director & CEO and Rohit Kumar Gupta, Chief Financial Officer of Zee Entertainment Enterprises Limited ('the Company'), certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (Ind-AS), applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2019 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d) During the year:

i) there has not been any significant change in internal control over financial reporting;

ii) there have not been any significant changes in accounting policies; and

iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Punit Goenka
Managing Director & Chief Executive Officer

Rohit Kumar Gupta
Chief Financial Officer

Mumbai, May 25, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of Zee Entertainment Enterprises Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zee Entertainment Enterprises Limited (the Company), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SA) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

We draw attention to Note 47 to the standalone financial statements regarding unsecured interest-free deposits given to aggregators and advances given/recovered to/from the agencies (sub-agents) of the aggregators for acquiring movie libraries on the basis of Memorandum of Understanding (MOU), including management's observations on enhancing the related effectiveness of control, as detailed in the note.

Our opinion on the financial statements is not modified in respect of aforesaid matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Auditors response
Goodwill Impairment assessment as at 31 March 2019	**Principal Audit Procedures**
The standalone financial statements reflect goodwill aggregating ₹ 3,018 million recognised mainly for the acquisition and allocated to following cash generating unit (CGUs): 1. Online Media Business (₹ 2,397 million (net of impairment)); and 2. Regional channel in India (₹ 621 million). We considered this as key audit matter due to the amount of balance of goodwill and because of the Company's assessment of the fair value less cost of disposal (FVLCD) and value-in-use (VIU) calculations of the CGU. This assessment involve judgements about the valuation methodology, future performance of business and discount rate applied to future cash flow projections. Refer Notes 2 (f) and 7 to the Standalone Financial Statements.	Our procedures consisted of challenging management's methodology and key assumptions and included the following audit procedures: • Evaluated the design of internal controls relating to review of goodwill impairment testing performed by management; • Validating impairment models through testing of the mathematical accuracy and verifying the application of the input assumptions; • Understanding the underlying process used to determine the risk adjusted discount rates; • Assessing the appropriateness of any changes to assumptions since the prior period; • Validating the cash flow forecasts with reference to historical forecasts, actual performance and independent evidence to support any significant expected future changes to the business; • Working with valuation specialist to benchmark the discount rates and perpetual growth rates applied by the Company for the purposes of computing VIU; • We have also engaged valuation specialist to assist us in evaluating the FVLCD determined by the Company. The valuation specialist independently evaluated revenue multiple used in determination of FVLCD.

Key Audit Matter	Auditors response
Audit of transactions involving movie acquisitions through sub-agents of the aggregators of the Company: The Company acquires movies from aggregators and production houses, during the year, the Company paid advances to certain sub-agents of the content aggregators for acquiring rights of movies on the basis of Memorandum of Understanding (MOU) entered into with the respective sub-agents. We considered this as key audit matter as it relates to a change in the movie acquisition process implemented by the Company during the year, the value of such movie advances and the risks associated with non-performance resulting in refunds of such advances.	**Principal Audit Procedures** • Evaluated the design and operating effectiveness of internal controls relating to identification of aggregators and its sub-agents and authorisation of movie advances. Please refer to a material weakness identified in Annexure "A" to the independent auditor's report on our reporting under Section 143(3)(i) of the Act on internal financial controls over financial reporting. • Obtained supporting documents for movie advances to sub-agents which included the Memorandum of Understanding (MOU) executed between the Company and the sub-agents and letters received from the content aggregators introducing the sub-agents to the Company and providing their undertaking towards the performance as well as the credit risk. • Obtained termination letters for cases where refunds were received from sub-agents due to non-fulfilment of their obligations stated in the MOUs. • Verified the computation and receipt of interest charged to sub-agents per the terms of the MOU on refund of movie advances. • Read the minutes of the meetings of the Audit Committee wherein the management has explained the film content acquisition strategy including the business rationale of the movie acquisition. • Obtained independent confirmation from the content aggregators and their sub-agents confirming the agency relationship with content aggregator, MOU's executed with Company, transactions done with the Company as well as outstanding balances, if any, at year end.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of information included in the Management Discussion and Analysis, Directors' Report including Annexures to the Directors' Report, Corporate Governance and Shareholders' Information, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, 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.

   b) In our opinion, proper books of account as required by law have been kept by the Company.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 A". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer Note 32 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488

Mumbai, 27 May 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Zee Entertainment Enterprises Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls over financial reporting as at 31 March 2019 relating to certain operating ineffectiveness in controls in respect of advance payments to agencies (sub-agents) of aggregators for movie library acquisition on the basis of Memorandum of Understanding (MOU). As a consequence of the said operating ineffectiveness in control for movie library acquisitions, there is a potential effect that the advances may be paid without adequate approvals.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company for the year ended 31 March 2019, and the material weakness does not affect our opinion on the said standalone Ind AS financial statements of the Company.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488

Mumbai, 27 May 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 (the Act) of Zee Entertainment Enterprises Limited (the Company)

(i) In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) Some of the fixed assets were physically verified, except Integrated Receiver Decoders (IRD) boxes lying with third parties, during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date, except for the freehold land measuring 17,639.64 square meters located at Shaikapet Village, Hyderabad for which the original title deeds were not available for verification. The gross block and net block of such land as at 31 March 2019 is ₹ 573 million.

The Company does not have any immovable properties taken on lease that are disclosed as fixed asset in the standalone Ind AS financial statements.

(ii) As explained to us, the nature of the inventories of the Company are such that clause (ii) of paragraph 3 of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public during the year. Therefore, the provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-Section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Wealth-tax, Sales tax, Service tax/Goods and Service tax, Customs duty, Excise duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Wealth tax, Sales tax, Service tax/Goods and Service tax, Customs duty, Excise duty, Cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Sales tax, Service tax/Goods and Service tax, Customs duty, Excise duty, and Value added tax which have not been deposited as on 31 March 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (`in millions)
The Central Excise Act, 1944	Service Tax	Customs, Central Excise and Service Tax Appellate Tribunal	F.Y. 2006-07	312
			F.Y. 2007-08	148
			F.Y. 2011-12 F.Y. 2012-13	4
		Additional Commissioner of Service Tax, Mumbai	F.Y. 2012-13 F.Y. 2013-14 F.Y. 2014-15	39
			F.Y. 2015-16 F.Y. 2016-17	51
The Income Tax Act, 1961	Tax Deducted at Source (including interest)	Commissioner of Income Tax (Appeals)	F.Y. 2012-13	7
			F.Y. 2013-14	14
	Income Tax	High Court	F.Y. 1995-96	(₹ 426,630)^
			F.Y. 2004-05	18
		Income Tax Appellate Tribunal	F.Y. 2009-10	4
			F.Y. 2011-12	75
			F.Y. 2008-09	3*
			F.Y. 2009-10	30*
	Income Tax-Penalty	Commissioner of Income Tax (Appeals)	F.Y. 2007-08	173

^ represents absolute amount
*pertains to erstwhile ETC Networks Limited, merged with the Company

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans from the Government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of Section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488

Mumbai, 27 May 2019

BALANCE SHEET
AS AT 31 MARCH 2019

(₹ Millions)

	Note	Mar-19	Mar-18
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	3,477	3,744
(b) Capital work-in-progress	5	175	96
(c) Investment property	6	1,448	1,462
(d) Goodwill	7	3,018	3,236
(e) Other intangible assets	7	845	1,130
(f) Financial assets			
(i) Investments			
a) Investments in subsidiaries	8	6,219	6,281
b) Investments in associates	8	-	27
c) Other investments	8	6,984	5,813
(ii) Other financial assets	9	289	305
(g) Income-tax assets (net)		5,409	5,422
(h) Other non-current assets	11	168	173
Total non-current assets		**28,032**	**27,689**
Current assets			
(a) Inventories	12	32,564	21,800
(b) Financial assets			
(i) Other investments	13	2,519	7,757
(ii) Trade receivables	14	16,595	12,853
(iii) Cash and cash equivalents	15	8,585	5,007
(iv) Bank balances other than (iii) above	15	109	6,772
(v) Loans		1,784	1,706
(vi) Other financial assets	9	9,844	2,151
(c) Other current assets	11	8,659	4,746
Total current assets		**80,659**	**62,792**
Total assets		**108,691**	**90,481**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	960	960
(b) Other equity	17	70,354	57,237
Total equity		**71,314**	**58,197**
Liabilities			
Non-current liabilities			
(a) Financial liabilities - borrowings			
(i) Redeemable preference shares	18	7,409	11,443
(ii) Others	18	17	9
(b) Provisions	19	1,249	772
Total non-current liabilities		**8,675**	**12,224**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro and small enterprises		0	-
Total outstanding dues of creditors other than micro and small enterprises		13,028	9,769
(ii) Other financial liabilities			
Redeemable preference shares	20	3,704	3,802
Others	20	7,698	2,135
(b) Other current liabilities	21	667	1,075
(c) Provisions	19	56	46
(d) Income tax liabilities (net)		2,072	1,024
(e) Deferred tax liabilities (net)	10	1,477	2,209
Total current liabilities		**28,702**	**20,060**
Total liabilities		**37,377**	**32,284**
Total equity and liabilities		**108,691**	**90,481**

See accompanying notes to the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai **Date:** 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

		Note	Mar-19	Mar-18
Revenue				
Revenue from operations		22	68,579	57,956
Other income		23	1,894	9,818
Total income	**I**		**70,473**	**67,774**
Expenses				
Operational cost		24	24,006	21,927
Employee benefits expense		25	5,419	4,781
Finance costs		26	1,284	1,426
Depreciation and amortisation expense		27	1,589	1,398
Fair value (gain) / loss on financial instruments at fair value through profit and loss		28	(68)	180
Other expenses		29	12,069	10,751
Total expenses	**II**		**44,299**	**40,463**
Profit before exceptional item and tax	**III=(I-II)**		**26,174**	**27,311**
Less: Exceptional item		7	218	-
Profit before tax	**IV**		**25,956**	**27,311**
Less : Tax expense				
Current tax - current year			9,482	8,645
- earlier years			(209)	(9)
Deferred tax			133	(444)
	V		**9,406**	**8,192**
Profit for the year	**VI=(IV-V)**		**16,550**	**19,119**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation			(104)	50
(ii) Fair value changes of equity instruments through other comprehensive income			(19)	6
(b) Income-tax relating to items that will not be reclassified to the profit or loss			36	(15)
Total other comprehensive income	**VII**		**(87)**	**41**
Total comprehensive income for the year	**VIII=(VI+VII)**		**16,463**	**19,160**
Earnings per equity share (face value ₹ 1 each)				
Basic		41	17.23	19.91
Diluted		41	17.23	19.91

See accompanying notes to the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai

Date: 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

A. Equity share capital

As at 31 March 2017	**960**
Add: Issued during the year (Refer note 16)	0
As at 31 March 2018	**960**
Add: Issued during the year (Refer note 16)	0
As at 31 March 2019	**960**

'0' (zero) denotes amounts less than a million.

B. Other equity

(₹ Millions)

	Other equity							
	Reserves and surplus						Other comprehensive income	Total other equity
	Capital redemption reserve	Capital reserve on scheme of amalgamation	Capital reserve on business combination	Share based payment reserve	General reserves	Retained earnings	Equity instruments	
As at 1 April 2017	**22**	**(458)**	**340**	**2**	**3,996**	**38,178**	**431**	**42,511**
Profit for the year	-	-	-	-	-	19,119	-	19,119
Add / Less: Transfer on redemption of preference shares	4,034	-	-	-	-	(4,034)	-	-
Add: On account of amalgamation	-	1,245	-	-	-	-	-	1,245
Add: Options granted during the year	-	-	-	6	-	-	-	6
Add: Re-measurement gains on defined benefit plans	-	-	-	-	-	50	-	50
Less: Income tax impact thereon	-	-	-	-	-	(15)	-	(15)
Add: Gain on fair value of financial assets through other comprehensive income (Refer note 17)	-	-	-	-	-	-	6	6
Less: Deferred tax liability on redemption of preference shares	-	-	-	-	-	(3,284)	-	(3,284)
Less: Dividend on Equity Shares	-	-	-	-	-	(2,401)	-	(2,401)
As at 31 March 2018	**4,056**	**787**	**340**	**8**	**3,996**	**47,613**	**437**	**57,237**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**16,550**	**-**	**16,550**
Add / Less: Transfer on redemption of preference shares	4,073	-	-	-	-	(4,073)	-	-
Add: Options granted during the year	-	-	-	12	-	-	-	12
Less: Re-measurement gains on defined benefit plans	-	-	-	-	-	(104)	-	(104)
Add: Income tax impact thereon	-	-	-	-	-	36	-	36
Add: Reversal of deferred tax liability on redemption of preference shares	-	-	-	-	-	828	-	828
Less: Dividend distribution tax on redemption of preference shares	-	-	-	-	-	(828)	-	(828)
Add: Gain on fair value of financial assets through other comprehensive income (Refer note 17)	-	-	-	-	-	-	(19)	(19)
Less: Dividend on Equity Shares	-	-	-	-	-	(2,785)	-	(2,785)
Less: Tax on Dividend on Equity Shares	-	-	-	-	-	(573)	-	(573)
As at 31 March 2019	**8,129**	**787**	**340**	**20**	**3,996**	**56,664**	**418**	**70,354**

See accompanying notes to the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai **Date:** 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

	Mar-19	Mar-18
A. Cash flow from operating activities		
Profit before tax	25,956	27,311
Adjustments for :		
Depreciation and amortisation expense	1,589	1,398
Allowances for doubtful debts and advances	130	356
Exceptional item	218	-
Bad debts and advances written off	4	2
Share based payment expense	12	6
Liabilities and excess provision written back	(110)	(7)
Unrealised loss on exchange adjustments (net)	13	6
Loss on sale or impairment of property, plant and equipment (net)	14	49
Interest expenses	133	94
Fair value (gain)/loss on financial instruments at fair value through profit and loss	(68)	180
Loss on sale of investments	231	8
Dividend on redeemable preference shares	1,149	1,328
Dividend income	(6)	(8,011)
Net gain on sale of investments classified as fair value through profit and loss	(268)	-
Interest income	(882)	(1,363)
Operating profit before working capital changes	**28,115**	**21,357**
Adjustments for :		
(Increase) in inventories	(10,764)	(5,857)
(Increase) in trade and other receivables	(15,478)	(2,691)
Increase in trade and other payables	9,057	2,652
Cash generated from operations	**10,930**	**15,461**
Direct taxes paid (net)	(8,297)	(8,130)
Net cash flow from operating activities (A)	**2,633**	**7,331**
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(748)	(538)
Purchase of intangible assets	(324)	(216)
Purchase of investment property	-	(601)
Sale of property, plant and equipment / intangible assets	13	5
Fixed deposit invested	(86)	(17,432)
Fixed deposit matured	6,749	11,677
Payment towards acquisition of subsidiary company	-	(2,765)
Receipt towards sale of shares of associate company	2	-
Purchase of non current investments	(1,249)	(2,567)
Sale of non current investments	120	-
Purchase of current investments	(27,850)	(42,960)
Sale / redemption of current investments	33,159	50,281
Dividend received from subsidiary company	-	8,142
Dividend received from others	4	4
Interest received	817	962
Net cash flow from investing activities (B)	**10,607**	**3,992**
C. Cash flow from financing activities		
Redemption of redeemable preference shares	(4,891)	(4,030)
Proceeds from long-term borrowings	21	-
Repayment of long-term borrowings	(10)	(2,937)
Dividend paid on equity shares	(3,357)	(2,399)
Dividend paid on redeemable non-convertible preference shares	(1,377)	(1,435)
Interest paid	(48)	(94)
Net cash flow used in financing activities (C)	**(9,662)**	**(10,895)**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

	Mar-19	Mar-18
Net cash flow during the year (A+B+C)	3,578	428
Cash and cash equivalents from merged / demerged entities	-	38
Cash and cash equivalents at the beginning of the year	5,007	4,541
Net cash and cash equivalents at the end of the year	**8,585**	**5,007**

See accompanying notes to the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai

Date: 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial 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 registered office of the Company is 18th floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Mumbai 400013, India. The Company is mainly in the following businesses:

a) Broadcasting of Satellite Television Channels and digital media;

b) Space Selling agent for other satellite television channels;

c) Sale of Media Content i.e. programs / film rights / feeds / music rights

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

b) Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

c) Business combination

Business combinations have been accounted for using the acquisition method.

The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is achieved by the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after assessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

d) Property, plant and equipment

i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price and related expenses and for qualifying assets, borrowing costs are capitalised based on the Company's accounting policy. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

iii) Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

The estimate of the useful life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc. The estimated useful life of items of property, plant and equipment is as mentioned below:

Furniture and Fixtures - 5 years ^
Buildings - 60 years *
Computers - 3 and 6 years *
Plant and Machinery ^
    Gas Plant - 20 years
    Others - 5 to 10 years
Equipment - 3 to 5 years ^
Vehicles - 5 years ^

* Useful life is as prescribed in Schedule II to the Companies Act, 2013

^ Useful life is lower than as prescribed in Schedule II to the Companies Act, 2013

e) Investment property

i) Investment property are properties (land or a building or part of a building or both) held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment, if any.

ii)Depreciation on investment property is provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. Any impairment loss for the goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

g) Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination:
Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

h) Impairment of Property, plant and equipment / other intangible assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered any impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in profit or loss.

i) Derecognition of property, plant and equipment / other intangible assets / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles / investment property is deteremined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss.

j) Leases

i) Finance lease

The Company as a lessee:
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

ii) Operating lease

The Company as a lessee:
Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss unless increase is on account of inflation.

The Company as a lessor:
Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

k) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

l) Inventories

i) Media Content:

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) including content in digital form are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed. Programs, film rights, music rights are expensed / amortised as under:

1. Programs - reality shows, chat shows, events, game shows and sports rights etc. are fully expensed on telecast / upload.

2. Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast / upload, as per management estimate of future revenue potential.

3. Film rights are amortised on a straight-line basis over the licensed period or sixty months from the commencement of rights, whichever is shorter.

4. Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

ii) Raw Stock:

Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

m) Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

ii) Financial assets

1. Classification of financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

2. Subsequent measurement

- Debt Instrument - amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

(b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

Fair value through Profit and Loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Equity investments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payment is established.

Investment in subsidiaries, joint ventures and associates:

Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with Ind AS 27 on 'Separate Financial Statements'.

Derivative financial instruments:

Derivative financial instruments are classified and measured at fair value through profit and loss.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

3 Derecognition of financial assets

A financial asset is derecognised only when:
i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or

ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

4 Impairment of financial assets
The Company measures the expected credit loss associated with its financial assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iii Financial liabilities and equity instruments

1 Classification of debt or equity:
Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2 Subsequent Measurement:
- Financial liabilities measured at amortised cost:
Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

- Financial liabilities measured at fair value through profit and loss (FVTPL):
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognised in other income or finance costs in the statement of profit and loss.

3 Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iv Fair value measurement
The Company measures financial instruments such as debts and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

n) Borrowings and Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o) Provisions, contingent liabilities and contingent assets
The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainities surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurance or non-occurance of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

p) Revenue recognition
Ind AS 115 'Revenue from Contracts with Customers'

The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognised.

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

ii) Sale of media content - Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

iii) Commission revenue - Commision of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

iv) Revenue from other services is recognised as and when such services are completed / performed.

v) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable.

vi) Dividend income is recognised when the Company's right to receive dividend is established.

vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

q) Retirement and other employee benefits

Payments to defined contribution plans viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity and leave encashment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expense or income; and

iii) remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

r) Transactions in foreign currencies

i) The functional currency of the Company is Indian Rupees (₹) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

iii) Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

s) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

t) 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 are anti-dilutive.

u) Share based payments

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

3. KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test

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is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Company has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Company believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Company and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

d) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

e) Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

f) Media Content, including content in digital form

The Company has several types of inventory such as general entertainment, movies, and music. Such inventories are expensed/amortised based on certain estimates and assumptions made by Company, which are as follows:

i) Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.

ii) The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii) Cost of movie rights - The Company's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast / upload on digital platform. Hence, it is amortised on a straight line basis over the license period or sixty months from the date of acquisition, whichever is shorter.

iv) Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1 April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April 2019. The Company will adopt the standard for the financial year beginning 1 April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not expected to be material.

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5. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of assets	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Equipments	Computers	Leasehold improvements	Total
I. Cost								
As at 1 April 2017	**382**	**3,133**	**209**	**216**	**518**	**525**	**555**	**5,538**
Additions	16	440	108	10	288	385	241	1,488
Transfer from investment property	198	-	-	-	-	-	-	198
On account of amalgamation	-	-	0	-	2	13	-	15
Disposals	-	59	0	23	3	3	2	90
As at 31 March 2018	**596**	**3,514**	**317**	**203**	**805**	**920**	**794**	**7,149**
Additions	1	265	28	56	64	173	138	725
Transfer to investment property	4	-	-	-	-	-	-	4
Disposals	-	77	3	35	22	1	2	140
As at 31 March 2019	**593**	**3,702**	**342**	**224**	**847**	**1,092**	**930**	**7,730**
II. Accumulated depreciation								
As at 1 April 2017	**46**	**1,579**	**96**	**87**	**261**	**238**	**281**	**2,588**
Depreciation charge for the year	20	289	46	36	117	156	185	849
Transfer from investment property	4	-	-	-	-	-	-	4
On account of amalgamation	-	-	0	-	1	10	-	11
Disposals	-	23	0	20	2	2	-	47
Upto 31 March 2018	**70**	**1,845**	**142**	**103**	**377**	**402**	**466**	**3,405**
Depreciation charge for the year	9	331	57	36	143	199	190	965
Transfer to investment property	4	-	-	-	-	-	-	4
Disposals	-	53	3	32	22	1	2	113
Upto 31 March 2019	**75**	**2,123**	**196**	**107**	**498**	**600**	**654**	**4,253**
Net book value								
As at 31 March 2019	**518**	**1,579**	**146**	**117**	**349**	**492**	**276**	**3,477**
As at 31 March 2018	526	1,669	175	100	428	518	328	3,744

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(₹ Millions)

Net book value	Mar-19	Mar-18
Property, plant and equipment	3,477	3,744
Capital work-in-progress	175	96

1 ‘0’ (zero) denotes amounts less than a million.

2 Buildings include ₹ 0 Million (₹ 0 Million) (₹ 114,100/- (₹ 114,100/-)) the value of share in a co-operative society.

3 Part of Property, plant and equipment have been given on operating lease.

4 During the year, the Company has written off property, plant and equipment of ₹ 13 Millions (₹ 12 Millions) which is charged to the Statement of Profit and Loss.

5 Certain vehicles have been hypothecated against borrrowings for vehicles aggregating to ₹ 28 Millions (₹ 17 Millions).

6. INVESTMENT PROPERTY

(₹ Millions)

Description of Assets	Land and building
I. Cost	
As at 1 April 2017	**1,105**
Additions	601
Transfer to property, plant and equipment	198
As at 31 March 2018	**1,508**
Transfer from property, plant and equipment	8
As at 31 March 2019	**1,516**
II. Accumulated depreciation	
Upto 31 March 2017	**47**
Depreciation charge for the year	3
Transfer to property, plant and equipment	4
Upto 31 March 2018	**46**
Depreciation charge for the year	15
Transfer from property, plant and equipment	7
Upto 31 March 2019	**68**
Net book value	
As at 31 March 2019	**1,448**
As at 31 March 2018	1,462

The fair value of the Company’s investment property ₹ 2,601 Millions (₹ 2,457 Millions), has been arrived at on the basis of a valuation carried out at balance sheet date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value measurement is categorized as Level 3.

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7. GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ Millions)

Description of assets	Goodwill	Trademark	Customer list and websites	Software	Channels	Total
I. Cost						
As at 1 April 2017	**621**	**290**	**-**	**534**	**133**	**1,578**
Additions	2,615	0	1,081	216	-	3,912
On account of amalgamation	-	-	-	1	-	1
Transfers	-	0	-	-	-	0
Disposals	-	-	-	0	30	30
As at 31 March 2018	**3,236**	**290**	**1,081**	**751**	**103**	**5,461**
Additions	-	-	-	324	-	324
Disposals	-	-	-	22	-	22
As at 31 March 2019	**3,236**	**290**	**1,081**	**1,053**	**103**	**5,763**
II. Accumulated amortisation						
As at 1 April 2017	**-**	**77**	**-**	**430**	**60**	**567**
Amortisation for the year	-	128	250	106	62	546
Transfers	-	0	-	1	-	1
Disposals	-	-	-	-	19	19
Upto 31 March 2018	**-**	**205**	**250**	**537**	**103**	**1,095**
Amortisation for the year	-	85	360	164	-	609
Impairment	218	-	-	-	-	218
Disposals	-	-	-	22	-	22
As at 31 March 2019	**218**	**290**	**610**	**679**	**103**	**1,900**
Net book value						
As at 31 March 2019	**3,018**	**-**	**471**	**374**	**-**	**3,863**
As at 31 March 2018	3,236	85	831	214	0	4,366

'0' (zero) denotes amounts less than a million.

The carrying amount of goodwill allocated to above cash generating units as follows:

(₹ Millions)

Cash generating unit	Mar-19	Mar-18
Regional channel in India	621	621
Online media business	2397	2615

Regional channel in India

The recoverable amount of this Cash Generating Unit (CGU) is determined based on a value in use. The estimated value in use of this CGU is based on the future cash flows using a 2% terminal growth rate for periods subsequent to the 5 years and discount rate of 16.2%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long term growth rate), based on a reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Online media business

As at 31 March 2019, the Company assessed the recoverable amount of goodwill allocated to the Online Media Business as per the requirement of Ind AS 36 - 'Impairment of assets'. The recoverable amount of this CGU is determined based on the fair value less cost of disposal using revenue multiples which is based on international valuation standards by an independent valuer. The excess of carrying value of CGU over the recoverable amount has been accounted as an impairment charge of ₹ 218 millions which is disclosed as exceptional item. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 - 'Fair value measurement'.

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8. NON-CURRENT INVESTMENTS

(₹ Millions)

		Mar-19	Mar-18
a	**Investments in subsidiaries (carried at cost)**		
	Investment in equity instruments		
	Wholly owned - unquoted		
	56,796,292 (56,796,292) Ordinary shares of USD 1/- each of Zee Multimedia Worldwide (Mauritius) Limited	2,584	2,584
	583 (583) Ordinary shares of USD 1/- each of ATL Media Ltd	2,515	2,515
	100,000 (100,000) Equity shares of ₹ 10/- each of Zee Digital Convergence Limited	1	1
	1,000,000 (1,000,000) Equity shares of ₹ 1/- each of India Webportal Private Limited	9	9
	100,000 (100,000) Equity shares of ₹ 10/- each of Zee Unimedia Limited	1	1
	13,009,997 (13,009,997) Equity shares of ₹ 10/- each of Essel Vision Productions Limited	330	330
	2,000,000 (2,000,000) Equity shares of ₹ 10/- each of Fly By Wire International Private Limited	28	28
	Equity portion of 0% optionally convertible debentures of ₹ 1/- each of Fly By Wire International Private Limited	-	62
	Others - unquoted		
	74,000 (74,000) Equity shares of ₹ 10/- each of Zee Turner Limited (Extent of holding 74%)	1	1
	40,000 (40,000) Equity shares of ₹ 10/- each of Margo Networks Private Limited (Extent of holding 80%)	750	750
		6,219	**6,281**
b	**In associate - quoted**		
	Investment in equity instruments		
#	475,000 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42% upto 15 January 2019)	4	47
	Less : Impairment in value of investments	-	20
#	Less: Reclassified as Investments at fair value through other comprehensive income	4	-
		-	**27**
c	**Other investments**		
i)	**Investments in debentures at amortised cost**		
	Other non-current investments at amortised cost		
	Wholly owned subsidiaries - unquoted		
	180,000,000 (300,000,000) 0% Optionally convertible debentures of ₹ 1/- each of Fly By Wire International Private Limited	180	263
	Others - quoted		
	50 (50) 10.20% Unsecured redeemable non-convertible debentures of ₹ 1,000,000 each of Yes Bank Limited (Tenure - 10 years)	52	52
	Others - unquoted		
	50,000 (50,000) 9.35% Secured redeemable non-convertible debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	71	62
	50,000 (50,000) 9.80% Secured redeemable non-convertible debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	51	55

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(₹ Millions)

		Mar-19	Mar-18
ii)	**Investments at fair value through other comprehensive income**		
	Investments in equity instruments - quoted		
*	3,644,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	425	438
#	475,000 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited	4	-
	Investment in equity instruments - unquoted		
	1 (1) Equity shares of ₹ 10/- each of Tagos Design Innovations Private Limited	0	0
	30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited ₹ 300,000/- (300,000/-)	0	0
	Less: Impairment in value of investment ₹ 300,000/- (300,000/-)	0	0
		-	-
(iii)	**Investments at fair value through profit and loss**		
	Investment in debentures		
	Wholly owned subsidiaries - unquoted		
**	5,223,600,000 (3,985,000,000) 0% Optionally convertible debentures of ₹ 1/- each of Essel Vision Productions Limited	5,904	4,409
	Others - Unquoted		
	2,905 (2,905) Compulsorily convertible preference shares of ₹ 10/- each of Tagos Design Innovations Private Limited	102	184
	1,069.6 (1,069.6) units of ₹ 1,000,000/- each of Morpheus Media Fund	165	323
	100 (100) Units of ₹. 1,000,000 /- each (partly paid: ₹ 450,000 /- (₹ 350,000/-) each) of Exfinity Technology Fund-Series II	30	27
		6,984	**5,813**
	Total	**13,203**	**12,121**

(All the above securities are fully paid-up except where specifically mentioned as partly paid)
'0' (zero) denotes amounts less than a million.

\# During the year, the Company has sold 846,200 shares i.e. 16.92% stake in Aplab Limited and accordingly, Aplab Limited is no longer an associate of the Company. The Company has elected to classify the balance stake at fair value through other comprehensive income.

* During the year, the Company issued bonus shares in 1:1 ratio.

** Optionally Convertible Debentures (OCD) have a tenure of 5 years. The Company has an option to convert the OCD at any time after initial period of 3 years / 18 months from the date of allotment, into Equity Shares at a price as determined by the Board or 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.

	Mar-19	Mar-18
Aggregate amount and market value of quoted investments	481	537
Aggregate carrying value of unquoted investments	12,722	11,604
Aggregate amount of impairment in value of investments	0	20

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9. OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-current		Current	
	Mar-19	**Mar-18**	**Mar-19**	**Mar-18**
Deposits - unsecured and considered good				
- to related parties	36	37	517	526
- to others (Refer note 47)	253	268	7,041	188
Unbilled revenue	-	-	709	386
Interest accrued	-	-	28	40
Other receivables - Related parties	-	-	1,524	941
- Others	-	-	25	70
Total	**289**	**305**	**9,844**	**2,151**

10. DEFERRED TAX (LIABILITIES) / ASSETS (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-19	**Mar-18**
Deferred tax assets		
Employee retirement benefits obligation	456	285
Depreciation and amortisation	54	-
Allowance for doubtful debts and advances	375	396
Disallowances under section 40(a)	94	399
	979	**1,080**
Deferred tax liabilities		
Depreciation and amortisation	-	5
Tax on preference shares redemption	2,456	3,284
Deferred tax liabilities (net)	**(1,477)**	**(2,209)**

11. OTHER ASSETS

(₹ Millions)

	Non-current		Current	
	Mar-19	**Mar-18**	**Mar-19**	**Mar-18**
Capital advances (unsecured)	119	106	-	-
Other loans and advances (unsecured)				
Other advances (unsecured)				
- Considered good				
to related parties	27	39	45	104
others (Refer note 47)	-	-	7,762	4,045
- Considered doubtful	-	-	206	263
	27	**39**	**8,013**	**4,412**
Less: Allowance for doubtful advances	-	-	206	263
	27	**39**	**7,807**	**4,149**
Prepaid expenses	22	28	241	89
Balance with Government authorities	-	-	611	508
Total	**168**	**173**	**8,659**	**4,746**

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12. INVENTORIES
(VALUED AT LOWER OF COST / UNAORTISED COST OR REALISABLE VALUE)

(₹ Millions)

	Mar-19	Mar-18
Raw tapes	10	9
Media content *	32,534	21,748
Under production - Media content	20	43
Total	**32,564**	**21,800**

*Includes rights ₹ 4,756 Miilions (₹ 3,607 Millions), which will commence at a future date.
Inventories expected to be recovered post 12 months is 69% (69%).

13. CURRENT INVESTMENTS

(₹ Millions)

		Mar-19	Mar-18
a	**Investment at amortised cost**		
	Investment in redeemable debentures - unquoted		
	Nil (12,500) 17% secured redeemable unrated non-convertible subordinate debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited	-	1,725
	Others:		
	Certificate of deposit (non-transferable) - unquoted		
	7.10% (7.10%) Housing Development Finance Corporation Ltd. (Tenure - 6 months)	1,516	1,500
	7.10% (7.10%) Housing Development Finance Corporation Ltd. (Tenure - 6 months)	503	500
	7.55% (Nil) Housing Development Finance Corporation Ltd. (Tenure - 1 year)	500	-
		2,519	**3,725**
b	**Investments carried at fair value through profit and loss**		
	Mutual funds - quoted		
	Nil (3,610,705) Units of ₹ 100/- each of Aditya Birla Sun Life Cash Plus- Growth	-	1,005
	Nil (791,763) Units of ₹ 1,000/- each of Essel Liquid Fund- Growth	-	1,515
	Nil (211,533) Units of ₹ 1,000/- each of Invesco India Liquid Fund- Growth	-	506
	Nil (515,751) Units of ₹ 1,000/- each of UTI Money Market Fund- Growth	-	1,006
		-	**4,032**
	Total (A+B)	**2,519**	**7,757**
	(All the above securities are fully paid-up)		
	Aggregate amount and market value of quoted investments	-	4,032
	Aggregate carrying value of unquoted investments	2,519	3,725

14. TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	Mar-19	Mar-18
Considered good	16,595	12,853
Considered doubtful	866	870
	17,461	**13,723**
Less: Allowance for doubtful debts	866	870
Total	**16,595**	**12,853**

For transactions relating to related party receivables, refer note 48.

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15. CASH AND BANK BALANCES

(₹ Millions)

		Mar-19	Mar-18
a	**Cash and cash equivalents**		
	Balances with banks		
	In current accounts	2,052	1,122
	In deposit accounts	5,000	2,684
	Cheques in hand	1,532	1,200
	Cash in hand	1	1
	Total	**8,585**	**5,007**
b	**Other bank balances**		
	In deposit accounts	73	6,749
	In unclaimed dividend accounts		
	Preference shares	16	4
	Equity shares	20	19
		109	**6,772**
	Total	**8,694**	**11,779**

16. EQUITY SHARE CAPITAL

(₹ Millions)

	Mar-19	Mar-18
Authorised*		
2,000,000,000 (2,000,000,000) Equity Shares of ₹ 1 each	2,000	2,000
	2,000	**2,000**
Issued, subscribed and paid-up		
960,466,500 (960,453,620) Equity Shares of ₹ 1/- each fully paid-up	960	960
Total	**960**	**960**

* Authorised capital of 2,100,000,000 (2,100,000,000) redeemable preference shares of ₹ 10/- (₹ 10/-) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. (Refer note 18)

a) Reconciliation of number of Equity shares and Share capital

(₹ Millions)

	Mar-19		Mar-18	
	Number of Equity Shares	₹ Millions	Number of Equity Shares	₹ Millions
At the beginning of the year	960,453,620	960	960,448,720	960
Add: Issued during the year	12,880	0	4,900	0
Outstanding at the end of the year	**960,466,500**	**960**	**960,453,620**	**960**

b) Terms / rights attached to equity shares

The Company has only one class of Equity Shares having a par value of ₹ 1 each. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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c) 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 2019.

	Mar-19	Mar-18
Equity Shares bought back and cancelled	-	4,812,357

d) Details of Equity Shareholders holding more than 5 % of the aggregate Equity Shares

	Mar-19		Mar-18	
	Number of Equity Shares	% Shareholding	Number of Equity Shares	% Shareholding
Cyquator Media Services Private Limited	219,024,694	22.80%	241,412,908	25.14%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	68,644,603	7.15%	65,300,739	6.80%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Employees Stock Option Scheme (ESOP)

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into Equity Shares not exceeding in the aggregate 5% of the issued and paid-up capital of the Company as at 31 March 2009 i.e. up to 21,700,355 Equity Shares of ₹ 1 each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Company as well as that of its subsidiaries. The said ESOP 2009 was amended during the previous year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year, the Nomination and Remuneration Committee of the Board granted 17,300 stock options convertible at ₹ 1/- each to an employee of the Company. The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1, 2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the Equity Shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	Number of Options
Opening at beginning of the year	23,800
Grant during the year	17,300
Exercised during the year	(12,880)
Outstanding at the end of the year	28,220

During the year, the Company recorded an employee stock compensation expense of ₹ 12 Millions (₹ 6 Millions) in the statement of profit and loss.

The market price at the date of grant was ₹ 580/- (₹ 529/-) per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	22%	20%	16%
Expected dividend yield on the underlying share for the expected term of the option	2.90	2.90	2.90
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year had a weighted average remaining contractual life of 176 days.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

17. OTHER EQUITY

(₹ Millions)

	Mar-19	Mar-18
Reserves and surplus		
Capital redemption reserve		
As per last Balance Sheet	4,056	22
Add: Transfer from retained earnings	4,073	4,034
	8,129	**4,056**
Capital reserve on scheme of amalgamation		
As per last Balance Sheet	787	(458)
Add: On account of amalgamation	-	1,245
	787	**787**
Capital reserve		
As per last Balance Sheet	**340**	**340**
Share based payment reserve		
As per last Balance Sheet	8	2
Add: Options granted during the year	12	6
	20	**8**
General reserve		
As per last Balance Sheet	**3,996**	**3,996**
Retained earnings		
As per last Balance Sheet	47,613	38,178
Add : Profit for the year	16,550	19,119
Less: Transfer to capital redemption reserve	(4,073)	(4,034)
(Less) / Add: Re-measurement (loss) / gains on defined benefit plans	(104)	50
Add / (Less): Income tax impact thereon	36	(15)
Less: Deferred tax liability on redemption of preference shares	-	(3,284)
Add: Reversal of deferred tax liability on redemption of preference shares	828	-
Less: Dividend distribution tax on redemption of preference shares	(828)	-
Less: Payment of dividend on Equity Shares	(2,785)	(2,401)
Less: Tax on dividend on Equity Shares	(573)	-
	56,664	**47,613**
Other comprehensive income		
As per last Balance Sheet	437	431
Add: (Loss) / Gain on fair value of financial assets through other comprehensive income	(19)	6
	418	**437**
Total	**70,354**	**57,237**

i) Capital redemption reserve is created on redemption of redeemable preference shares issued.

ii) Share based payment reserve is related to share options granted by the Company to its employee under its employee share option plan.

iii) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iv) Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.

v) Other comprehensive income includes reserves for equity instruments through other comprehensive income i.e. cumulative gains and losses arising on the measurement of equity instruments at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

18. LONG-TERM BORROWINGS

(₹ Millions)

		Mar-19	Mar-18
a	**Redeemable preference shares - Unsecured, at fair value through profit and loss**		
	2,016,942,312 (2,016,942,312) 6% cumulative redeemable non-convertible preference shares of ₹ 6/- (₹ 8/-) each fully paid-up - Quoted	11,113	15,206
	Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	3,704	3,802
		7,409	**11,404**
b	**Nil (3,949,105) 6% Series B Cumulative Redeemable Non-Convertible Preference shares of ₹ 10/- each fully paid up - Unsecured, at amortised cost**	-	**39**
		7,409	**11,443**
c	**Vehicle loans from bank, at amortised cost ***	28	17
	Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	11	8
		17	**9**
	Total (a+b+c)	**7,426**	**11,452**

* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 8.37% p.a. - 10.72% p.a. and are repayable upto March 2023.

Terms / rights attached to preference shares

i) **6% Cumulative redeemable non-convertible preference shares - quoted**

During the year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative redeemable non-convertible preference shares of ₹ 1/- each (consolidated to face value of ₹ 10/- each in 2017) by way of bonus in the ratio of 21 bonus preference shares of ₹ 1/- each fully paid up for every one Equity Share of ₹ 1/- each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. During the year ended 31 March 2017, 6% Cumulative redeemable non-convertible preference shares of ₹ 1/- each has been converted to 6% Cumulative redeemable non-convertible preference shares of ₹ 10/- each.

The Company redeems at par value, 20% of the total bonus preference shares allotted, every year from the fourth anniversary of the date of allotment. The Company has an option to buy back the bonus preference shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of bonus preference shares bought back and redeemed cumulatively is in excess of the cumulative bonus preference shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus preference shares shall be redeemed by the Company.

The holders of bonus preference shares shall have a right to vote only on resolutions which directly affect their rights. The holders of bonus preference shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said bonus preference shares for an aggregate period of atleast two years preceeding the date of the meeting.

During the year, the Company redeemed 20% (₹ 2/- each) of the Nominal Value of 2,016,942,312 bonus preference shares of ₹ 10/- each (par value) consequent to which the face value of these preference shares stand revised to ₹ 6/- each.

ii) **6% Series B cumulative redeemable non-convertible preference shares - unquoted**

During the previous year, the Company had issued and allotted 3,949,105 6% series B cumulative redeemable non-convertible unlisted preference shares of ₹ 10/- each towards acquisition of the general entertainment television broadcasting undertakings.

These preference shares are redeemed at par in the current year.

19. PROVISIONS

(₹ Millions)

	Non Current		Current	
	Mar-19	Mar-18	Mar-19	Mar-18
Provision for employee benefits				
- Gratuity	775	389	21	15
- Compensated absences	474	382	35	31
- Super annuation	-	1	-	-
Total	**1249**	**772**	**56**	**46**

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

20. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ Millions)

	Mar-19	Mar-18
Current maturities of long-term borrowings - Redeemable preference shares (Refer note 18a)	**3,704**	**3,802**
Current maturities of long-term borrowings - vehicle loan from banks (Refer note 18c)	11	8
Deposits received	5,437	121
Unclaimed dividends	20	19
Unclaimed preference shares redemption	16	4
Creditors for capital expenditure	140	70
Employee benefits payable	1,039	522
Dividend payable on redeemable preference shares and tax thereon	876	1,104
Temporary overdrawn balances	148	12
Other payables	11	275
	7,698	**2,135**
Total	**11,402**	**5,937**

For transactions relating to related party payables refer note 48.

* During the year, the Company has received interest free business deposit aggregating ₹ 5,000 Millions from customers which are callable after 11 months/ adjustable against digital content/ subscription.

Dividend ₹ 2 Millions (₹ 2 Millions) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2019.

21. OTHER CURRENT LIABILITIES

(₹ Millions)

	Mar-19	Mar-18
Advances received from customers	219	692
Statutory dues payable	448	383
Total	**667**	**1,075**

For transactions relating to related party payables refer note 48.

22. REVENUE FROM OPERATIONS

(₹ Millions)

	Mar-19	Mar-18
Services - Broadcasting revenue		
Advertisement	46,902	38,640
Subscription	18,100	15,410
- Sales of media content	2,545	2,612
- Commission	536	804
- Transmission revenue	431	420
Other operating revenue	65	70
Total	**68,579**	**57,956**

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

23. OTHER INCOME

(₹ Millions)

	Mar-19	Mar-18
Interest income		
- Bank deposits	371	333
- Other financial assets	336	849
- Others	175	181
Dividend income		
- Subsidiaries	-	7,816
- Investments classified as fair value through other comprehensive income	4	4
- Investments classified as fair value through profit and loss	2	191
Gain on sale of investments classified as fair value through profit and loss	268	-
Foreign exchange gain (net)	35	74
Liabilities and excess provision written back	110	7
Rent income	345	296
Miscellaneous income	248	67
Total	**1,894**	**9,818**

24. OPERATIONAL COST

(₹ Millions)

	Mar-19	Mar-18
a) **Media content**		
Opening inventory	21,791	15,933
Add: Purchase of inventory	28,844	22,408
Less: Closing inventory	32,554	21,791
Amortisation of inventory #	18,081	16,550
Other production expenses	4,535	4,341
	22,616	**20,891**
b) **Telecast and technical cost**	**1,390**	**1,036**
Total (a+b)	**24,006**	**21,927**

Media content of ₹ 1,122 Millions (₹ 1,225 Millions) are written down during the year as the estimated net realisable value was lower than cost.

25. EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	Mar-19	Mar-18
Salaries and allowances	5,056	4,454
Share based payment expense	12	6
Contribution to provident and other funds	257	243
Staff welfare expenses	94	78
Total	**5,419**	**4,781**

26. FINANCE COSTS

(₹ Millions)

	Mar-19	Mar-18
Interest on - Vehicle loans	2	2
- Others	131	92
Dividend on redeemable preference shares	1,149	1,328
Other financial charges	2	4
Total	**1,284**	**1,426**

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	Mar-19	Mar-18
Depreciation on property, plant and equipment	965	849
Depreciation on investment properties	15	3
Amortisation of intangible assets	609	546
Total	**1,589**	**1,398**

28. FAIR VALUE (GAIN) / LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

(₹ Millions)

	Mar-19	Mar-18
Fair value (gain) / loss on financial assets (net)	(10)	16
Fair value (gain) / loss on financial liabilities (net)	(58)	164
Total	**(68)**	**180**

29. OTHER EXPENSES

(₹ Millions)

		Mar-19	Mar-18
Rent		660	758
Repairs and maintenance			
- Buildings		25	11
- Plant and machinery		100	116
- Others		221	114
Insurance		30	14
Rates and taxes		63	61
Electricity and water charges		160	158
Communication charges		124	115
Printing and stationery		74	22
Travelling and conveyance expenses		632	627
Legal and professional charges		480	592
Directors remuneration and sitting fees		23	22
Deferred consideration		-	49
Payment to auditors (Refer note 35)		12	13
Corporate Social Responsibility expenses (Refer note 42)		227	71
Donations		-	3
Hire and service charges		1,309	889
Commission expenses		30	35
Advertisement and publicity expenses		5,822	4,473
Marketing, distribution and promotion expenses		1,494	1,892
Conference expenses		166	271
Allowances for doubtful debts and advances		130	356
Bad debts and advances written off	197		
Less: Provisions for doubtful debts adjusted	(193)	4	2
Loss on sale of investments classified as fair value through profit and loss		15	8
Loss on sale of investments classified as amortised cost (pertains to reversal of interest accrued)		216	-
Loss on sale / write off of property, plant and equipment and investments (net)		14	49
Miscellaneous expenses		38	30
Total		**12,069**	**10,751**

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

30. TAX EXPENSE

The major components of income tax for the year are as under: (₹ Millions)

	Mar-19	Mar-18
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	9,482	8,645
- earlier years	(209)	(9)
Deferred tax charge / (benefit)	133	(444)
Total	**9,406**	**8,192**
Effective tax rate	**36%**	**30%**

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2019 and 31 March 2018 is as follows:

	Mar-19	Mar-18
Profit before tax	**25,956**	**27,311**
Income tax		
Statutory income tax rate of 34.944% (34.608%) on profit	9,070	9,452
Tax effect on non-deductible expenses	663	654
Additional allowances for tax purposes	(14)	(24)
Effect of exempt income and income taxed at lower rates	(103)	(1,433)
Tax credit availed	-	(450)
Effect of change in tax rate	-	2
Tax effect for earlier years	(209)	(9)
Tax expense recognised in the statement of profit and loss	**9,406**	**8,192**

Deferred tax recognised in statement of other comprehensive income (₹ Millions)

For the year ended	Mar-19	Mar-18
Defined benefit obligation	(36)	15

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.944% (34.608%) for the year ended 31 March 2019. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

The Company does not have any temporary differences in respect of unutilized tax losses.

Deferred tax recognised as on 31 March 2019 (₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening Balance	Recognised in statment of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefit obligation	285	135	36	-	456
Depreciation and amortisation	(5)	59	-	-	54
Allowance for doubtful debts and advances	396	(21)	-	-	375
Disallowances under section 40 (a)	399	(305)	-	-	94
Dividend distribution tax liability on redemption of preference shares	(3,284)	-	-	828	(2,456)
Total	**(2,209)**	**(133)**	**36**	**828**	**(1,477)**

NOTES

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Deferred tax recognised as on 31 March 2018

(₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening Balance	Recognised in statment of profit and loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefit obligation	243	57	(15)	-	285
Depreciation and amortisation	38	(43)	-	-	(5)
Allowance for doubtful debts and advances	236	161	-	-	396
Unutilized tax credits on account of acquisition and amalgamation	114	(114)	-	-	-
Disallowances under section 40 (a)	17	382	-	-	399
Dividend distribution tax liability on redemption of preference shares	-	-	-	(3,284)	(3,284)
Total	**648**	**444**	**(15)**	**(3,284)**	**(2,209)**

31. LEASES

Operating leases:

a)The Company as a lessee:

i) 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 ranging from 6 months to 120 months.

(₹ Millions)

	Mar-19	Mar-18
Lease rental charges for the year	1,668	1,963
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1,318	1,124
Later than one year but not later than five years	360	667
Later than five years	-	10

b) The Company as a lessor:

i) The Company has given part of its investment property under cancellable operating lease agreement. The initial term of the lease is for 12 months. The lease rental revenue for the year is ₹ 345 Millions (₹ 276 Millions).

ii) The Company has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

(₹ Millions)

	Mar-19	Mar-18
Sub lease rent income	117	91
Future sub lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	68	87

ZEE

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

32. A) CONTINGENT LIABILITIES

(₹ Millions)

		Mar-19	Mar-18
i)	Corporate guarantees		
	-For other related parties ^^	1,137	1,037
ii)	Disputed Indirect Taxes	557	507
iii)	Disputed Direct Taxes *	851	2,593
iv)	Claims against the Company not acknowledged as debts #	431	641
v)	Legal cases against the Company @	Not ascertainable	Not ascertainable

^^ Includes commitment for meeting shortfall funding towards revolving Debt Service Reserve Account (DSRA) obligation against financial facilities availed by the borrowers.

* Income tax demands mainly include appeals filed by the Company before various appellate authorities (including Dispute Resolution Panel) against the disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases are likely to be decided in its favour and hence no provision is considered necessary.

The amount represents the best possible estimate arrived at on the basis of available information. The Company has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

B) The Company has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of media rights contract for telecast of cricket matches between India and other Countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ 1,236 Millions (plus interest) in favour of the Company. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Company has also filed an execution petition in April 2018. Accordingly, pending final outcome income has not been given in these financial statements. During the year, Company has received ₹ 300 Millions which is accounted as deposits received in other financial liabilities.

33. CAPITAL AND OTHER COMMITMENTS

a) Estimated amount of contracts remaining to be executed for capital expenditure not provided for (net of advances) is ₹ 301 Millions (₹ 113 Millions).

b) Other commitments as regards media content and others (net of advances) are ₹ 8,333 Millions (₹ 2,778 Millions).

c) Uncalled liability / contractual obligation on investments committed is ₹ 55 Millions (₹ 65 Millions).

d) The Company has committed to provide continued financial support to various subsidiaries - amount not ascertainable.

34. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Managing Director included in Note 25 ‘Employee benefits expense’ is as under :

(₹ Millions)

	Managing Director	
	Mar-19	Mar-18
Salary and allowances *	78	99
Contribution to provident fund	5	5

* Salary and Allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

35. PAYMENT TO AUDITORS

(₹ Millions)

	Mar-19	Mar-18
Audit fees	9	9
Certification	2	3
Other services (₹ 500,000/- ₹ 500,000/-)	1	1
Reimbursement of expenses (₹ 435,976/- ₹ 148,479/-)	0	0
Total	**12**	**13**

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36. INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

a) Loans given

During the year ended 31 March 2019

(₹ Millions)

	Mar-18	Given	Repaid	Mar-19
In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,706	163 ^	85 *	1,784

During the year ended 31 March 2018

(₹ Millions)

	Mar-17	Given	Repaid	Mar-18
In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,542	224 ^	60 *	1,706

^ Represents interest receivable.

* Represents interest received.

Inter Corporate Deposits are given as a part of treasury operations of the Company on following terms:

i) Loans given to related corporate entities at an average interest rate of 11% p.a.

ii) All the loans are short term in nature.

iii) All the loans are provided for business purposes.

b) Investments made

There are no investments by the Company other than those stated under Note 8 and Note 13 in the Financial Statements.

c) Guarantees given

(₹ Millions)

	Mar-19	Mar-18
Performance guarantees		
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	967	867

d) Securities provided

There are no securities provided during the year.

37. Operational cost, employee benefits expense and other expenses are net off recoveries ₹ 665 Millions (₹ 664 Millions).

38. The financial statements of the Company for the year ended 31 March 2019, were reviewed by the Audit Committee and approved for issue by the Board of Directors at their meetings held on 27 May 2019.

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FORMING PART OF THE FINANCIAL STATEMENTS

39. DISCLOSURE REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006.

As at 31 March 2019, there are outstanding dues of ₹ 10 Millions (₹ Nil) to Micro, Small and Medium enterprises (including ₹ 0 Million (₹ Nil) towards micro and small enterprises). There is no interest due or outstanding on the same. During the year ended 31 March 2019, an amount of ₹ 62 Millions (₹ Nil) was paid beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

'0' (zero) denotes amounts less than a million.

40. During the year, the Company has made political contribution of ₹ Nil (₹ Nil).

41. EARNINGS PER SHARE (EPS)

(₹ Millions)

		Mar-19	Mar-18
a	Profit after Tax (₹ Millions)	16,550	19,119
b	Weighted average number of Equity Shares for basic EPS (in numbers)	960,464,265	960,450,559
c	Nominal value of Equity Shares (₹)	1	1
d	Basic EPS (₹)	17.23	19.91
e	Weighted average number of Equity Shares for diluted EPS (in numbers)	960,494,595	960,477,265
f	Nominal value of Equity Shares (₹)	1	1
g	Diluted EPS (₹)	17.23	19.91

42. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the current year, the Company has spent ₹ 227 Millions (₹ 71 Millions) on various schemes of Corporate Social Responsibility (CSR) Projects as prescribed in Schedule VII of the Companies Act, 2013. The prescribed CSR expenditure required to be spent in the current year as per the Companies Act, 2013 was ₹ 397 Millions.

43. SEGMENT INFORMATION

The Company has presented segment information on the basis of the consolidated financial statements as permitted by Ind AS 108 - Operating Segments.

44. DIVIDEND

Dividend on Equity Shares is approved by the Board of Directors in their meeting held on 27 May 2019, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including dividend distribution tax thereon). Appropriation of dividend is done in the financial statements subsequent to approval by the shareholders. Final dividend on Equity Shares for the current year is ₹ 3.5/- per share (₹ 2.9/- per share) which aggregates to ₹ 3,362 Millions (₹ 2,785 Millions).

45. FINANCIAL INSTRUMENTS

A) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stake holders through optimisation of debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's risk management committee reviews the capital structure of the Company.

NOTES

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B) Categories of financial instruments and fair value thereof

(₹ Millions)

		Mar-19		Mar-18	
		Carrying amount	Fair value	Carrying amount	Fair value
a)	**Financial assets**				
i)	**Measured at amortised cost**				
	Trade receivables	16,595	16,595	12,853	12,853
	Cash and cash equivalents	8,585	8,585	5,007	5,007
	Other bank balances	109	109	6,772	6,772
	Loans	1,784	1,784	1,706	1,706
	Other financial assets	10,133	10,133	2,456	2,456
	Optionally convertible debentures	180	180	263	263
	Redeemable non-convertible debentures	174	174	169	169
	Redeemable non-convertible subordinate debentures	-	-	1,725	1,725
	Certificate of deposits	2,519	2,519	2,000	2,000
		40,080	**40,080**	**32,951**	**32,951**
ii)	**Measured at fair value through profit and loss account**				
	Investments				
	Optionally convertible debentures	5,904	5,904	4,409	4,409
	Compulsorily convertible preference shares	102	102	184	184
	Morpheus Media Fund	165	165	323	323
	Exfinity Technology Fund-Series II	30	30	27	27
	Mutual fund	-	-	4,032	4,032
iii)	**Measured at fair value through other comprehensive income**				
	Equity shares	429	429	438	438
b)	**Financial liabilities**				
i)	**Measured at amortised cost**				
	Trade payables	13,028	13,028	9,769	9,769
	Other financial liabilities	7,687	7,687	2,127	2,127
	Vehicle loans *	28	28	17	17
ii)	**Fair value through Profit and Loss**				
	6% Cumulative redeemable non-convertible preference shares*	11,113	11,113	15,245	15,245

* Includes current maturities of long term borrowings.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost.
The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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C) Fair value measurement

The following table provides the fair value measurment hierarchy of the Company's assets and liabilities.
Quantative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2019.

(₹ Millions)

	Mar-19	Mar-18	Fair Value Hierarchy	Valuation technique(s) & key inputs used
Financial assets at fair value through other comprehensive income				
Investment in Equity Shares	429	438	Level 1	Quoted in an active market
Investment in Equity Shares	0	0	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method.
Financial assets at fair value through profit and loss				
Investment in mutual funds	-	4,032	Level 1	Quoted in an active market
Investment in optionally convertible debentures	5,904	4,409	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.
Investment in compulsorily convertible preference shares	102	184	Level 3	
Morpheus media fund	165	323	Level 3	
Exfinity technology fund-series II	30	27	Level 3	
Financial liabilities at fair value through profit and loss				
Quoted 6% cumulative redeemable non-convertible preference shares	11,113	15,206	Level 1	Quoted in an active market
Unquoted 6% series B cumulative redeemable non-convertible preference shares	-	39	Level 2	Based on quoted share price of Company's listed non-convertible preference shares

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models which includes discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 category of financial assets:

(₹ Millions)

	Mar-19	Mar-18
Opening balance	4,944	2,707
Additions	1,249	2,262
Gains / (loss) recognised	8	(25)
Closing balance	6,201	4,944

D) Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings (majorly comprises redeemable preference shares issued by the Company), trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

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i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk.

- Foreign currency risk

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk. The carrying amounts of financial assets and financial liabilities the Company denominated in currencies other than its functional currency are as follows:

(₹ Millions)

Currency	Assets as at		Liabilities as at	
	Mar-19	Mar-18	Mar-19	Mar-18
United States Dollar (USD)	1,868	1,033	402	89
Euro (EUR)	-	-	1	0
Canadian Dollar(CAD)	-	1	-	-
Hongkong Dollar (HKD)	-	0	-	-
Singapore Dollar (SGD)	-	0	1	-
Australian Dollar (AUD)	-	1	-	-
Great Britain Pound (GBP)	-	0	3	4

'0' (zero) denotes amounts less than a million.

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used while reporting foreign currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

(₹ Millions)

	Sensitivity analysis			
	Mar-19		Mar-18	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
United States Dollar (USD)	(147)	147	(94)	94
Euro (EUR)	0	(0)	0	(0)
Canadian Dollar(CAD)	-	-	(0)	0
Hongkong Dollar (HKD)	-	-	(0)	0
Singapore Dollar (SGD)	0	(0)	(0)	0
Australian Dollar (AUD)	-	-	(0)	0
Great Britain Pound (GBP)	0	(0)	0	(0)

'0' (zero) denotes amounts less than a million.

The Company is mainly exposed to USD currency fluctuation risk.
The Company's sensitivity to foreign currency assets has increase during the current year mainly due to overall increse in assets in foreign currency. The Company's sensitivity to foreign currency liabilities has increase during the current year mainly on account of overall increase in liabilities in foreign currency.

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- Interest rate risk

The borrowings of the Company include redeemable preference shares and vehicle loan which carries fixed coupon rate and consequently the Company is not exposed to interest rate risk.

The Company's investment in debt instruments and loans given by the Company are at fixed interest rates, consequently the Company is not exposed to interest rate risk.

- Other price risk

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

- Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 10% lower / higher :

(₹ Millions)

	Sensitivity analysis			
	Mar-19		Mar-18	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Other comprehensive income for the year ended would (decrease) / increase by	(43)	43	(44)	44

ii Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Company does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 45 days. The Company's exposure to customers is diversified and except for two customers, no other customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ Millions)

	Mar-19	Mar-18
Trade Receivables (Unsecured)		
Over six months	2,197	537
Less than six months	15,264	13,186
Total	**17,461**	**13,723**

(₹ Millions)

	Mar-19	Mar-18
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	870	538
Add: Provided during the year	187	273
Add: Transferred on account of amalgamation	-	59
Less: Reversal / write off during the year	(191)	-
Balance as at the end of the year	**866**	**870**
Net trade receivables	**16,595**	**12,853**

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Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

Loans given aggregating ₹ 1,784 Millions (including interest) is outstanding and overdue as at 31 March 2019 from related parties. The Company does not consider any credit risk on such loan given. As a promoter company has provided a letter of comfort for repayment of such outstanding loans.

Further, as explained in note 47 to the financial statment, unsecured interest free deposit aggregating ₹ 6,930 Millions are outstanding as at 31 March 2019.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit-rating agencies. The credit risk on mutual funds, commercial paper, non-convertible debentures, certificates of deposit and other debt instruments is limited because the couterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

iii Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short term as well as in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial liabilities					
Trade payables and other financial liabilities	20,715	-	-	20,715	20,715
Borrowings	4,045	8,085	-	12,130	11,141
Total	**24,760**	**8,085**	**-**	**32,845**	**31,857**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial liabilities					
Trade payables and other financial liabilities	11,897	-	-	11,897	11,897
Borrowings	4,041	12,151	-	16,192	15,262
Total	**15,938**	**12,151**	**-**	**28,089**	**27,159**

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

46. EMPLOYEE BENEFITS

The disclosures as per Ind AS 19 - Employee Benefits are as follows:

a) Defined contribution plans

Contribution to provident and other funds' is recognised as an expense in Note 25 'Employee benefits expense' of the statement of profit and loss.

b) Defined benefit plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

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(₹ Millions)

		Mar-19	Mar-18
		Gratuity (Non Funded)	
i)	**Expenses recognised during the year**		
1	Current service cost	67	65
2	Interest cost	34	27
3	Past service cost	230	50
	Total Expenses	**331**	**142**
ii)	**Amount recognised in other comprehensive income (OCI)**		
1	Opening amount recognised in OCI	(27)	24
2	Remeasurement during the period due to		
	- Changes in financial assumptions	16	(29)
	- Changes in experience charges	88	(22)
	Closing amount recognised in OCI	**77**	**(27)**
iii)	**Net liability recognised in the Balance Sheet as at 31 March**		
1	Present value of Defined Benefit Obligation (DBO)	796	404
2	Net liability	796	404
iv)	**Reconciliation of net liability recognised in the Balance Sheet**		
1	Net liability at the beginning of year	404	341
2	Transferred during the year	-	8
3	Expense as per (i) above	331	142
4	Other comprehensive income as per (ii) above	104	(51)
5	Liabilities transferred on divestiture	(8)	(3)
6	Benefits paid	(35)	(33)
	Net liability at the end of the year	**796**	**404**
v)	**The following payments are expected to defined benefit plan in future years :**		
1	Expected benefits for year 1	22	16
2	Expected benefits for year 2 to year 5	128	90
3	Expected benefits beyond year 5	2,889	1,112

		Mar-19	Mar-18
vi)	**Actuarial assumptions**		
1	Discount rate	7.71%	7.85%
2	Expected rate of salary increase	9.50%	9.50%
3	Mortality	IAL (2012-14)	IAL (2006-08)

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vii) The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

viii) Sensitivity analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

(₹ Millions)

		Mar-19	Mar-18
1	Impact of increase in 50 bps on DBO - discount rate	744	377
2	Impact of decrease in 50 bps on DBO - discount rate	852	432
3	Impact of increase in 50 bps on DBO - salary escalation rate	838	423
4	Impact of decrease in 50 bps on DBO - salary escalation rate	757	384

Notes:

a) The current service cost recognised as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

C Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.

47. Considering the increasing competition and content cost inflation, the Company adopted an aggressive differentiated movie library expansion strategy and entered into strategic content partnerships with major production houses, movie studios and creative partners for movies monetization on Zee5, domestic and international broadcast businesses.

Accordingly, the Company had entered into various agreements with content aggregators and their agencies (sub-agents) for movie library acquisition and provided, from time to time, advances aggregating ₹ 22,790 millions to the agencies. In those cases where agencies could not fulfill their obligations in terms of the arrangement within the agreed timelines, the Company has terminated those Memorandum of Understandings (MOU) and advances aggregating ₹ 17,340 millions were received back. Interest aggregating ₹ 175 Millions recovered in terms of the MOU, where applicable, is accounted under the head 'Other income'. Advances aggregating ₹ 2,450 Millions (net of inventories acquired of ₹ 3,000 Millions) are outstanding as on 31 March 2019. Such advances are accounted under the sub-head 'Other advances (unsecured) - Considered good' under the head 'Other assets'.

Further, during the year, considering the cost inflation and to mitigate the possibility of non-availability of films, to ensure a robust content pipeline for future, the Company has entered into certain output deals and given unsecured interest-free deposits aggregating ₹ 6,930 millions for a period of eleven months to the aggregators, which are outstanding as at 31 March 2019. Such deposits are accounted under sub-head 'Deposits - unsecured and considered good - to others' under the hear 'Other financial assets'.

With regard to the aforesaid advances, with reference to standard operating procedures, the Company as a part of its enterprise risk assessment and internal control evaluation, with a view of enhancing the related effectiveness of control, is modifying its systems and processes with technology enablement for film acquisition.

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48. RELATED PARTY DISCLOSURES

a) **List of parties where control exists**

Subsidiary companies

i) Wholly owned (direct and indirect subsidiaries)

Asia Multimedia Distribution Inc.; Asia Today Limited; Asia Today Singapore Pte Limited; Asia TV Gmbh; Asia TV USA Limited; Asia TV Limited; ATL Media FZ-LLC; ATL Media Ltd.; Eevee Multimedia Inc.; Essel Vision Productions Limited; Expand Fast Holdings (Singapore) Pte. Limited; Fly by Wire International Private Limited (extent of holding 100% w.e.f. 14 July 2017); Idea Shop Web and Media Private Limited (held through India Webportal Private Limited); India Webportal Private Limited (extent of holding 100% w.e.f. 22 July 2017); OOO Zee CIS Holding LLC; OOO Zee CIS LLC; Pantheon Productions Limited; Taj TV Limited; Zee Digital Convergence Limited; Zee Entertainment Middle East FZ-LLC; Zee Multimedia Worldwide (Mauritius) Limited; Zee Radio Network Middle East FZ-LLC (De-registered on 24 December 2017); Zee Technologies (Guangzhou) Limited; Zee TV South Africa (Proprietary) Limited; Zee Unimedia Limited; Z5X Global FZ-LLC; Zee Studios International Limited; Zee TV USA Inc.

ii) Other subsidiaries

Zee Network Distribution Limited (formerly known as Zee Turner Limited extent of holding 74%); Margo Networks Private Limited (extent of holding 80% w.e.f. 17 April 2017)

b) **Associates**

Aplab Limited (extent of holding 26.42% upto 15 January 2019); Asia Today Thailand Limited (extent of holding 25% through Asia Today Singapore Pte Limited); Fly By Wire International Private Limited* (extent of holding 49% upto 13 July 2017)
* Became subsidiary during previous year

c) **Joint venture**

India Webportal Private Limited* (extent of holding 51% upto 21 July 2017); Idea Shop Web and Media Private Limited (extent of holding 51.04% through India Webportal Private Limited)*; Media Pro Enterprise India Private Limited (extent of holding 50% through Zee Network Distribution Limited formerly known as Zee Turner Limited extent of holding 74%).
* Became subsidiary during previous year

d) **Other related parties consist of Companies controlled by key management personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:**

Asian Satellite Broadcast Private Limited; Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Creantum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Edisons Infrapower & Multiventures Private Limited; Essel Business Excellence Services Limited; Essel Finance VKC Forex Limited; Essel Corporate LLP; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Essel Finance Wealth Zone Private Limited; Essel Realty Private Limited; Essel Solar Energy Private Limited; EZ Buy Private Limited; EZ Mall Online Limited; Indian Cable Net Company Limited; Konti Infrapower & Multiventures Private Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Procall Infra & Utilities Private Limited; Real Media FZ-LLC; Shirpur Gold Refinery Limited; Siti Networks Limited; Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Smart Wireless Private Limited; Subhash Chandra Foundation; Today Merchandise Private Limited; Veria International Limited; Widescreen Holdings Private Limited; Zee Akaash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited.

Directors / Key Management Personnel

Dr. Subhash Chandra (Non-Executive Director); Punit Goenka (Managing Director & CEO); Ashok Kurien (Non-Executive Director); Subodh Kumar (Non-Executive Director); Prof. Sunil Sharma (Independent Director); Prof. Neharika Vohra (Independent Director); Manish Chokhani (Independent Director); Adesh Kumar Gupta (Independent Director)

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e) Disclosure in respect of related party transactions and balances as at and during the year (₹ Millions)

Sl. No.	Particulars	Mar 19	Mar 18
	Transactions during the year		
A)	**Fixed assets**		
I)	**Assets purchased**		
	Subsidiaries	-	56
B)	**Non-Current investments**		
I)	**Investments purchased / subscribed**		
	Subsidiaries	1,239	5,253
II)	**Investments sold**		
	Associate	2	-
	Subsidiaries	120	7,411
C)	**Revenue from operations**		
I)	**Advertisement income**		
	Subsidiaries	3	19
	Other related parties	126	105
II)	**Subscription income**		
	Other related parties	6,227	3,481
III)	**Share of subscription income payable**		
	Subsidiaries	1,148	998
	Other related parties	683	713
IV)	**Commission - Space selling**		
	Subsidiaries	162	153
	Other related parties	389	392
V)	**Transmission income**		
	Subsidiaries	327	315
	Other related parties	112	76
VI)	**Sales - Media content**		
	Subsidiaries	1,120	1,314
	Joint venture	-	58
	Other related parties	-	2
VII)	**Other operating income**		
	Subsidiaries	1	-
	Other related parties (2018 : ₹ 14,000/-)	-	0

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(₹ Millions)

Sl. No.	Particulars	Mar 19	Mar 18
D)	**Other income**		
I)	**Dividend income**		
	Subsidiaries	-	7,816
II)	**Rent / miscellaneous income**		
	Subsidiaries (2019 : ₹ 300,000/-)	0	1
	Other related parties	345	272
III)	**Interest income**		
	Other related parties	172	-
IV)	**Liabilities / excess provision written back**		
	Other related parties	68	-
E)	**Purchase - Media content**		
	Subsidiaries	3,250	3,058
	Other related parties	-	43
F)	**Purchase of services**		
	Subsidiaries	333	228
	Associate	-	88
	Other related parties	2,936	2,286
G)	**Recoveries / (reimbursement) (net)**		
	Subsidiaries	302	342
	Other related parties	306	322
H)	**Loans, advances and deposits repayment received**		
	Other related parties	24	44
I)	**Loans, advances and deposits repayment given**		
	Other related parties #	1,752	-
J)	**Corporate Social Responsibility**		
	Other related parties	222	71
K)	**Remuneration to Managing Director & CEO**		
	Short term employee benefits*	83	104
L)	**Commission and sitting fees**		
	Non-executive directors	23	22
M)	**Dividend paid**		
	Director (2019: ₹ 1,140/-; 2018: ₹ 870/-)	0	0

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(₹ Millions)

Sl. No.	Particulars	Mar 19	Mar 18
	Balance as at 31 March		
A)	**Investment**		
	Subsidiaries	12,302	10,953
	Associates	-	47
B)	**Provision for diminuition in value of investments**		
	Associate	-	20
C)	**Trade receivables**		
	Subsidiaries	1,686	859
	Joint venture	-	1
	Other related parties	5,259	1,090
D)	**Loans, advances and deposits given**		
	Subsidiaries	175	175
	Other related parties	2,233	427
E)	**Other receivables**		
	Subsidiaries	750	393
	Joint venture (2018: ₹ 213,400/-)	-	0
	Other related parties	773	721
F)	**Trade advances and deposits received**		
	Subsidiaries	-	1
	Joint venture	2	-
	Other related parties	81	24
G)	**Trade / other payables**		
	Subsidiaries	1,287	786
	Joint venture	-	1
	Other related parties	762	535
H)	**Due to principals**		
	Subsidiaries	520	768
I)	**Corporate guarantees given**		
	Other related parties	1,137	1,037

Includes assignment of loan given worth ₹ 1,706 Millions.
* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

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f) Disclosure in respect of material related parties which account for 10% or more of the transactions and balances as at and during the year

(₹ Millions)

Sl. No.	Particulars	Mar 19	Mar 18
	Transactions during the year		
A)	**Fixed assets**		
I)	**Assets purchased**		
	Expand Fast Holdings (Singapore) Pte. Limited	-	56
B)	**Non-current investments**		
I)	**Investments purchased / subscribed**		
	Debenture - Essel Vision Productions Limited	1,239	2,163
	Equity Shares of Margo Networks Private Limited	-	750
	Equity Shares of India Webportal Private Limited	-	2,001
	Others	-	339
II)	**Investments sold**		
	Redemption of preference share of ATL Media Limited	-	7,411
	Redemption of debenture - Fly By Wire International Private Limited	120	-
	Others	2	-
C)	**Revenue from operations**		
I)	**Advertisement income**		
	Essel Vision Productions Limited	3	14
	Dish TV India Limited	108	92
	Zee Media Corporation Limited	13	10
	Others	5	8
II)	**Subscription income**		
	Dish TV India Limited	4,839	2,442
	Siti Networks Limited	1,012	746
	Others	376	293
III)	**Share of subscription income payable**		
	ATL Media Limited	1,148	998
	Living Entertainment Enterprises Private Limited	210	238
	Zee Media Corporation Limited	473	475
IV)	**Commission - Space selling**		
	ATL Media Limited	119	123
	Diligent Media Corporation Limited	-	70
	Zee Akaash News Private Limited	23	65
	Zee Media Corporation Limited	345	241
	Others	64	46
V)	**Transmission income**		
	Asia Today Limited	264	246
	ATL Media Limited	63	69
	Zee Media Corporation Limited	79	56
	Others	33	20
VI)	**Sales - Media content**		
	Asia Today Limited	1,120	1,314

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(₹ Millions)

Sl. No.	Particulars	Mar 19	Mar 18
	Others	-	60
VII)	**Other operating income**		
	Essel Vision Productions Limited	1	-
	Essel Corporate Resources Private Limited (2018 : ₹ 14,000/-)	-	0
D)	**Other income**		
I)	**Dividend income**		
	ATL Media Limited	-	7816
II)	**Rent/ miscellaneous income**		
	Siti Networks Limited	29	36
	Zee Media Corporation Limited	133	106
	Essel Business Excellence Services Limited	44	30
	Essel Infra Projects Limited	49	27
	Others	90	74
III)	**Interest income**		
	Widescreen Holdings Private Limited	47	-
	Konti Infrapower & Multiventures Private Limited	57	-
	Edisons Infrapower & Multiventures Private Limited	57	-
	Asian Satellite Broadcast Private Limited	11	-
IV)	**Liabilities / excess provision written back**		
	Dish TV India Limited	68	-
E)	**Purchase - Media content**		
	Essel Vision Productions Limited	3,082	2968
	Others	168	133
F)	**Purchase of services**		
	Fly By Wire International Private Limited	309	309
	Broadcast Audience Research Council	383	287
	Digital Subscriber Management and Consultancy Services Private Limited	581	563
	Essel Business Excellence Services Limited	743	302
	Siti Networks Limited	229	270
	Essel Corporate LLP	212	-
	Essel Corporate Resources Private Limited	-	366
	Others	812	505
G)	**Recoveries / (reimbursement) (net)**		
	ATL Media Limited	302	330
	Zee Media Corporation Limited	152	154
	Others	154	180
H)	**Loans, advances and deposits repayment received**		
	Essel Corporate LLP	12	-
	Essel Corporate Resources Private Limited	-	35
	Cyquator Media Services Private Limited	3	-
	Broadcast Audience Research Council	9	9

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 19	Mar 18
I)	**Loans, advances and deposits repayment given #**		
	Widescreen Holdings Private Limited	460	-
	Konti Infrapower & Multiventures Private Limited	560	-
	Edisons Infrapower & Multiventures Private Limited	570	-
	Others	162	-
J)	**Corporate Social Responsibility**		
	Subhash Chandra Foundation	222	71
K)	**Remuneration to Managing Director & CEO**		
	Short term employee benefits *	83	104
L)	**Commission and sitting fees**		
	Non-executive directors	23	22
M)	**Dividend paid**		
	Director (2019: ₹ 1,140/-; 2018: ₹ 870/-)	0	0

(₹ Millions)

		Mar 19	Mar 18
	Balance as at 31 March		
A)	**Investment**		
	Equity Shares of Zee Multimedia Worldwide Limited, BVI	2,584	2,584
	Equity Shares of ATL Media Limited	2,515	2,515
	Debentures - Essel Vision Productions Limited	5,904	4,409
	Others	1,299	1,492
B)	**Provision for diminution in value of investments**		
	Aplab Limited	-	20
C)	**Trade receivables**		
	Asia Today Limited	1,481	769
	Dish TV India Limited	3,272	259
	Siti Networks Limited	1,691	639
	Others	501	282
D)	**Loans, advances and deposits given**		
	Fly By Wire International Private Limited	175	175
	Widescreen Holdings Private Limited	481	-
	Konti Infrapower & Multiventures Private Limited	586	-
	Edisons Infrapower & Multiventures Private Limited	595	-
	Digital Subscriber Management and Consultancy Services Private Limited	340	340
	Others	231	87

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

		Mar 19	Mar 18
E)	**Other receivables**		
	ATL Media Limited	696	324
	Zee Media Corporation Limited	106	268
	Living Entertainment Enterprises Private Limited	147	139
	Others	574	383
F)	**Trade advances and deposits received**		
	Essel Corporate LLP	10	-
	Essel Corporate Resources Private Limited	-	10
	Zee Media Corporation Limited	46	-
	Essel Infra Projects Limited	12	12
	Others	15	3
G)	**Trade / other payables**		
	ATL Media Limited	247	162
	Essel Vision Productions Limited	922	521
	Indian Cable Net Company Limited	80	229
	Others	800	410
H)	**Due to principals**		
	Asia Today Limited	47	82
	ATL Media Limited	473	686
I)	**Corporate guarantees given**		
	Broadcast Audience Research Council	170	170
	Siti Networks Limited	967	867

Includes assignment of loan given worth ₹ 1,706 millions.
* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai

Date: 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

LAST FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ending March 31		2018	2017	2016	2015		2018	2017	2016	2015
Revenue Account										
Income from Operations	79,339	66,857	64,342	58,125	48,837	68,579	57,956	50,249	42,065	34,262
Total Expenses	53,700	46,095	45,073	42,989	36,299	41,494	37,459	33,699	30,332	23,815
Operating Profit	**25,639**	**20,762**	**19,269**	**15,136**	**12,538**	**27,085**	**20,497**	**16,550**	**11,733**	**10,447**
% to Income from Operations	32%	31%	30%	26%	26%	39%	35%	33%	28%	30%
Other Income	2,515	4,403	2,240	1,951	2,278	1,894	9,818	3,479	2,260	2,273
PBIDT and Fair Value adjustments	**28,154**	**25,165**	**21,509**	**17,087**	**14,816**	**28,979**	**30,315**	**20,029**	**13,993**	**12,720**
Financial Expenses	1,304	1,448	1,372	1,598	103	1,284	1,426	1,272	1,486	18
Fair value through profit and loss	(36)	68	2,205	673	-	(68)	180	2,216	609	-
Depreciation / Amortisation	2,347	1,821	1,152	777	673	1,589	1,398	860	599	580
Add: Share of Results of Associates and Joint ventures	24	12	(5)	19	-	-	-	-	-	-
Profit Before Tax & Exceptional Items	**24,563**	**21,841**	**16,775**	**14,059**	**14,040**	**26,174**	**27,311**	**15,681**	**11,299**	**12,122**
Exceptional Items	(218)	1,346	12,234	(331)	-	(218)	-	470	-	-
Taxation	8,673	8,409	6,808	5,491	4,285	9,406	8,192	6,467	4,717	3,804
Profit After Tax before non controlling interest	**15,672**	**14,778**	**22,201**	**8,237**	**9,755**	**16,550**	**19,119**	**9,684**	**6,582**	**8,318**
Add: Share of Results of Associates	-	-	-	-	(37)	-	-	-	-	-
Less: Non Controlling Interest	1	(14)	(12)	5	(57)	-	-	-	-	-
Profit After Tax for the year	**15,671**	**14,791**	**22,213**	**8,232**	**9,775**	**16,550**	**19,119**	**9,684**	**6,582**	**8,318**
% to Total Income	19%	21%	33%	14%	19%	23%	28%	18%	15%	23%
Dividend	3,362	2,785	2,401	2,161	2,161	3,362	2,785	2,401	2,161	2,161
Dividend Rate	350%	290%	250%	225%	225%	350%	290%	250%	225%	225%
Capital Account										
Share Capital - Equity	960	960	960	960	960	960	960	960	960	960
Share Capital - Preference	-	-	-	-	20,192	-	-	-	-	20,192
Reserves & Surplus	88,279	74,657	65,944	47,079	34,346	70,354	57,237	42,511	35,119	24,723
Deferred Tax Balances	1,262	1,996	(903)	(648)	(531)	1,477	2,209	(648)	(325)	(266)
Non-Controlling Interests	143	142	10	22	4	-	-	-	-	-
Loan Funds**	7,429	11,452	18,208	17,149	12	7,426	11,452	18,208	17,149	12
Capital Employed	**98,073**	**89,207**	**84,219**	**64,562**	**54,983**	**80,217**	**71,858**	**61,031**	**52,903**	**45,621**
Eff. Capital Employed	96,812	87,211	85,122	65,210	55,514	78,740	69,649	61,679	53,228	45,887
Eff. Networth	89,239	75,617	66,904	48,039	55,498	71,314	58,197	43,471	36,079	45,875
Tangible and intangible assets	15,706	15,682	10,714	15,409	12,254	8,963	9,667	6,005	4,374	3,814
Investments (Including Current Investments)	9,765	15,290	13,432	10,499	9,755	15,722	19,878	24,121	21,342	11,088
Net Assets	72,602	58,235	60,073	38,654	32,974	55,531	42,313	30,905	27,187	30,719
Capital Deployed	**98,073**	**89,207**	**84,219**	**64,562**	**54,983**	**80,217**	**71,858**	**61,031**	**52,903**	**45,621**
Closing market price per share of ₹ 1	445.50	575.50	534.65	386.40	341.75	445.50	575.50	534.65	386.40	341.75
Market capitalisation	427,888	552,741	513,504	371,117	328,233	427,888	552,741	513,504	371,117	328,233

"0" (Zero) denotes amounts less than a million

PERFORMANCE RATIOS - AN ANALYSIS

Year Ending March 31		Consolidated					Standalone				
			2018	2017	2016	2015		2018	2017	2016	2015
Financial Performance											
Advertisement Income/Income from Operations	(%)	63.5%	62.9%	57.1%	57.9%	54.5%	68.4%	66.7%	65.4%	68.5%	65.0%
Subscription Income/Income from Operations	(%)	29.1%	30.3%	35.2%	35.4%	36.7%	26.4%	26.6%	28.2%	25.6%	27.6%
Operating Profit/Income from Operations	(%)	32.3%	31.1%	29.9%	26.0%	25.7%	39.5%	35.4%	32.9%	27.9%	30.5%
Other Income/Total Income	(%)	3.1%	6.2%	3.4%	3.2%	4.5%	2.7%	14.5%	6.5%	5.1%	6.2%
Programming Cost/Income from Operations	(%)	36.1%	35.3%	40.8%	42.4%	41.2%	33.0%	36.0%	39.0%	42.3%	38.1%
Personnel Cost/Income from Operations	(%)	9.1%	10.0%	9.4%	8.6%	9.2%	7.9%	8.2%	8.9%	7.4%	8.2%
Selling and Admin Expenses/Income from Operations	(%)	19.8%	21.2%	17.5%	20.7%	21.3%	17.6%	18.6%	17.6%	21.2%	21.9%
Total Operating Cost/Income from Operations	(%)	67.7%	68.9%	70.1%	74.0%	74.3%	60.5%	64.6%	67.1%	72.1%	69.5%
Financial Expenses/Income from Operations	(%)	1.6%	2.2%	2.1%	2.7%	0.2%	1.9%	2.5%	2.5%	3.5%	0.1%
Tax/Income from Operations	(%)	10.9%	12.6%	10.6%	9.4%	8.8%	13.7%	14.1%	12.9%	11.2%	11.1%
PAT for the year/Total Income	(%)	19.1%	20.7%	33.3%	13.7%	19.1%	23.5%	28.2%	18.0%	14.8%	22.8%
Tax/PBT	(%)	35.6%	36.3%	23.5%	40.0%	30.5%	36.2%	30.0%	40.0%	41.8%	31.4%
Dividend Payout/PAT for the year	(%)	21.4%	18.8%	10.8%	26.2%	22.1%	20.3%	14.6%	24.8%	32.8%	26.0%
Dividend Payout/Effective Networth	(%)	3.8%	3.7%	3.6%	4.5%	3.9%	4.7%	4.8%	5.5%	6.0%	4.7%
Balance Sheet											
Debt-Equity ratio (Total loans/Eff. Networth)	(%)	8.3%	15.1%	27.2%	35.7%	0.0%	10.4%	19.7%	41.9%	47.5%	0.0%
Current ratio (Current assets/Current liabilities)	(x)	3.5	3.7	4.9	4.0	3.6	3.0	3.1	3.9	4.3	4.0
Capital Output Ratio (Inc from Ops/Eff. Capital employed)	(x)	0.8	0.8	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.7
Tangible / intangible assets Turnover (Inc from Ops/ Tangible / intangible assets)^	(x)	7.6	6.5	8.0	8.9	11.2	11.5	9.0	9.3	9.6	9.0
Cash & cash equivalents/Total Eff.capital employed	(%)	12.6%	18.5%	30.7%	14.8%	13.3%	11.0%	16.9%	9.0%	7.2%	6.6%
RONW (PAT for the year/Eff. Networth)	(%)	17.6%	19.5%	33.2%	17.1%	17.6%	23.2%	32.9%	22.3%	18.2%	18.1%
ROCE (PBIT/Eff. Capital employed)	(%)	26.5%	28.2%	35.7%	23.5%	25.5%	34.6%	41.3%	28.2%	24.0%	26.5%
Per Share Data #											
Total Income per share	(₹)	85.2	74.2	69.4	62.6	53.2	73.4	70.6	56.0	46.2	38.1
Dividend per share	(₹)	3.50	2.90	2.50	2.25	2.25	3.50	2.90	2.50	2.25	2.25
Indebtedness per share	(₹)	7.7	11.9	19.0	17.9	0.0	7.7	11.9	19.0	17.9	0.0
Book value per share	(₹)	92.9	78.8	69.7	50.0	57.8	74.3	60.6	45.3	37.6	47.8
Earnings per share	(₹)	16.3	15.4	23.1	8.6	8.7	-	-	-	-	-
PE Ratio -Price/EPS Ratio (Share Price as of March 31,)	(x)	27.3	37.4	23.1	45.1	39.4	-	-	-	-	-

Note :

** Loan funds represents non current portion of borrowings i.e. redeemable preference shares, other borrowings and vehicle loans.

^ Excludes Goodwill on consolidation of ₹ 5,252 million (₹ 5,467 million) and ₹ 3,018 million (₹ 3,236 million) for the consolidated and standalone entity respectively.

Annualised

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zee Entertainment Enterprises Limited (hereinafter referred to as "the Parent/the Company") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its associates and joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint venture referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 42 to the consolidated financial statements regarding unsecured interest-free deposits given to aggregators and advances given/ recovered to/from the agencies (sub-agents) of the aggregators for acquiring movie libraries on the basis of Memorandum of Understanding (MOU), including management's observations on enhancing the related effectiveness of control, as detailed in the note.

Our opinion on the financial statements is not modified in respect of aforesaid matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditors response
Goodwill Impairment assessment as at 31 March 2019 The consolidated financial statements reflect goodwill aggregating ₹ 5,252 million recognised mainly for the acquisition and allocated to following cash generating unit (CGUs): 1. Online Media Business (₹ 2,373 million (net of impairment)); 2. International business (₹ 2,013 million); 3. Regional channel in India (₹ 621 million); We considered this as key audit matter due to the amount of balance of goodwill and because of the Company's assessment of the fair value less cost of disposal (FVLCD) and value-in-use (VIU) calculations of the CGU. This assessment involve judgements about the valuation methodology, future performance of business and discount rate applied to future cash flow projections. Refer Notes 2 (h) and 7 to the Consolidated Financial Statements.	**Principal Audit Procedures** Our procedures consist of challenging management's methodology and key assumptions and included the following audit procedures: • Evaluated the design of internal controls relating to review of goodwill impairment testing performed by management; • Validating impairment models through testing of the mathematical accuracy and verifying the application of the input assumptions; • Understanding the underlying process used to determine the risk adjusted discount rates; • Assessing the appropriateness of any changes to assumptions since the prior period; • Validating the cash flow forecasts with reference to historical forecasts, actual performance and independent evidence to support any significant expected future changes to the business; • Working with valuation specialist to benchmark the discount rates and perpetual growth rates applied by the Company for the purposes of computing VIU; • We have also engaged valuation specialist to assist us in evaluating the FVLCD determined by the Company. The valuation specialist independently evaluated revenue multiple used in determination of FVLCD.

Key Audit Matter	Auditors response
Audit of transactions involving movie acquisitions through sub-agents of the aggregators of the Company: The Company acquires movies from aggregators and production houses, during the year, the Company paid advances to certain sub-agents of the content aggregators for acquiring rights of movies on the basis of Memorandum of Understanding (MOU) entered into with the respective sub-agents. We considered this as key audit matter as it relates to a change in the movie acquisition process implemented by the Company during the year, the value of such movie advances and the risks associated with non-performance resulting in refunds of such advances.	**Principal Audit Procedures** • Evaluated the design and operating effectiveness of internal controls relating to identification of aggregators and its sub-agents and authorisation of movie advances. Please refer to a material weakness identified in Annexure “A” to the independent auditor’s report on our reporting under section 143(3)(i) of the Act on internal financial controls over financial reporting. • Obtained supporting documents for movie advances to sub-agents which included the Memorandum of Understanding (MOU) executed between the Company and the sub-agents and letters received from the content aggregators introducing the sub-agents to the Company and providing their undertaking towards the performance as well as the credit risk. • Obtained termination letters for cases where refunds were received from sub-agents due to non-fulfilment of their obligations stated in the MOUs. • Verified the computation and receipt of interest charged to sub-agents per the terms of the MOU on refund of movie advances. • Read the minutes of the meetings of the Audit Committee wherein the management has explained the film content acquisition strategy including the business rationale of the movie acquisition. • Obtained independent confirmation from the content aggregators and their sub-agents confirming the agency relationship with content aggregator, MOU’s executed with Company, transactions done with the Company as well as outstanding balances, if any, at year end.

Information Other than the Financial Statements and Auditor’s Report Thereon

- The Parent’s Board of Directors is responsible for the other information. The other information comprises of information included in the Management Discussion and Analysis, Directors’ Report including Annexures to the Directors’ Report, Corporate Governance and Shareholders’ Information, but does not include the consolidated financial statements and our auditor’s report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint venture and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint venture and associates, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Consolidated Financial Statements

The Parent’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its associates and joint venture) are responsible for assessing the ability of the Group (and of its associates and joint venture) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of 28 subsidiaries whose financial statements reflect total assets of ₹ 60,754 millions as at 31 March 2019, total revenues of ₹ 19,623 millions and net cash outflows amounting to ₹ 1,058 millions for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 24 millions for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 2 associates and 1 joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associates is based solely on the reports of the other auditors.

(b) We did not audit the financial information of a subsidiary, whose financial information reflect total assets of ₹ 1 million as at 31 March 2019, total revenues of ₹ 11 millions and net cash outflows amounting to ₹ 1 million for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements and the financial information of the subsidiaries, associates and joint venture referred to in the Other Matters section above 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, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on 31 March 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, none of the directors of the Group companies, its associate companies and joint venture incorporated in India is disqualified as on 31 March 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture incorporated in India. Our report expresses qualified opinion on the operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture; refer Note 34 to the Consolidated Financial Statements.

ii) The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies, associate companies and joint venture incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488

Mumbai, 27 May 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE) REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Zee Entertainment Enterprises Limited (hereinafter referred to as 'the Parent/the Company') and its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

With respect to the Parent, according to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls over financial reporting as at 31 March 2019 relating to certain operating ineffectiveness in controls in respect of advance payments to agencies (sub-agents) of aggregators for movie library acquisition on the basis of Memorandum of Understanding (MOU). As a consequence of the said operating ineffectiveness in control for movie library acquisitions, there is a potential effect that the advances may be paid without adequate approvals.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, associate companies and joint venture, which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of 31 March 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent's and its subsidiary companies', associate companies' and joint venture's internal financial controls over financial reporting were operating effectively as of 31 March 2019.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended 31 March 2019, and the material weakness does not affect our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 7 subsidiary companies, 1 associate company and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

A. B. Jani
Partner
Membership No. 46488

Mumbai, 27 May 2019

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2019

(₹ Millions)

	Note	Mar-19	Mar-18
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	5,959	6,005
(b) Capital work-in-progress	5	1,083	780
(c) Investment property	6	1,551	1,555
(d) Goodwill	7	5,252	5,467
(e) Other intangible assets	7	1,383	1,734
(f) Intangible assets under development	7	478	139
(g) Financial assets			
(i) Investments			
a) Investments in associates	8	3	2
b) Investments in joint ventures	8	217	194
c) Other investments	8	969	1,397
(ii) Other financial assets	9	523	758
(h) Income tax assets (net)		7,982	7,026
(i) Other non-current assets	11	591	340
Total non-current assets		**25,991**	**25,397**
Current assets			
(a) Inventories	12	38,505	26,278
(b) Financial assets			
(i) Other investments	13	8,576	13,696
(ii) Trade receivables	14	18,274	15,365
(iii) Cash and cash equivalents	15	9,677	9,345
(iv) Bank balances other than (iii) above	15	2,541	6,772
(v) Loans		2,135	2,428
(vi) Other financial assets	9	10,055	1,798
(c) Other current assets	11	13,576	10,218
Total current assets		**103,339**	**85,900**
Total assets		**129,330**	**111,297**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	960	960
(b) Other equity	17	88,279	74,657
Equity attributable to shareholders		**89,239**	**75,617**
Non-controlling interests	17	143	142
Total equity		**89,382**	**75,759**
Liabilities			
Non-current liabilities			
(a) Financial liabilities - borrowings			
(i) Redeemable preference shares	18	7,409	11,443
(ii) Others	18	20	9
(b) Provisions	19	1,350	892
Total non-current liabilities		**8,779**	**12,344**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables		14,897	11,497
(ii) Other financial liabilities			
a) Redeemable preference shares	20	3,704	3,802
b) Others	20	8,029	2,579
(b) Other current liabilities	21	1,096	1,438
(c) Provisions	19	101	83
(d) Income tax liabilities (net)		2,080	1,799
(e) Deferred tax liabilities (net)	10	1,262	1,996
Total current liabilities		**31,169**	**23,194**
Total liabilities		**39,948**	**35,538**
Total equity and liabilities		**129,330**	**111,297**

See accompanying notes to the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

A. B. Jani

Partner

Place: Mumbai **Date:** 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

		Note	Mar-19	Mar-18
Revenue				
Revenue from operations		22	79,339	66,857
Other income		23	2,515	4,403
Total Income	**I**		**81,854**	**71,260**
Expenses				
Operational cost		24	30,758	25,275
Employee benefits expense		25	7,249	6,657
Finance costs		26	1,304	1,448
Depreciation and amortisation expense		27	2,347	1,821
Fair value (gain) / loss on financial instruments at fair value through profit and loss		28	(36)	68
Other expenses		29	15,693	14,164
Total Expenses	**II**		**57,315**	**49,431**
Profit before share of profit / (loss) in associate / joint venture, exceptional items and tax	**III=(I-II)**		**24,539**	**21,829**
Add: Share of profit in associates and joint ventures	IV		24	12
Profit before exceptional items and tax	**V=(III+IV)**		**24,563**	**21,841**
(Less) / Add: Exceptional items	VI	30	(218)	1,346
Profit before tax	**VII=(V+VI)**		**24,345**	**23,187**
Less : Tax expense				
Current tax - current year		31	9,686	8,792
- earlier years		31	(1,147)	(14)
Deferred tax benefit		31	134	(369)
	VIII		**8,673**	**8,409**
Profit for the year	**IX=(VII-VIII)**		**15,672**	**14,778**
Other comprehensive income				
A Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation			(99)	47
(ii) Fair value changes of equity instruments through other comprehensive income			(88)	(68)
(b) Income tax relating to items that will not be reclassified to profit or loss			35	(14)
	X		**(152)**	**(35)**
B Items that will be reclassified profit or loss				
(i) Exchange differences on translation of financial statements of foreign operations	XI		1,449	(364)
Total other comprehensive profit / (loss)	**XII=(X+XI)**		**1,297**	**(399)**
Total comprehensive income for the year	**XIII=(IX+XII)**		**16,969**	**14,378**
Profit for the year				
Attributable to:				
Shareholders of the Company	XIV=(IX-XV)		15,671	14,791
Non-controlling interests	XV		1	(14)
			15,672	**14,778**
Total comprehensive income for the year				
Attributable to:				
Shareholders of the Company	XVI=(XIII-XVII)		16,968	14,392
Non-controlling interests	XVII		1	(14)
			16,969	**14,378**
Earnings per equity share (face value ₹ 1 /- each)		32		
Basic			16.32	15.40
Diluted			16.32	15.40

See accompanying notes to the Consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai

Date: 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

	Mar-19	Mar-18
A.Cash flow from operating activities		
Profit before tax	24,345	23,187
Adjustments for :		
Depreciation and amortisation expense	2,347	1,821
Impairment of goodwill	218	-
Bad debts and advances written off	4	16
Liabilities / excess provision written back	(111)	(10)
Unrealised loss / (gain) on exchange adjustments (net)	13	(2)
Loss on sale / write off of Property, plant and equipment (net)	24	105
Loss on sale of investments classified as fair value through profit and loss	3	-
Loss on sale of investments classified at amortised cost	216	-
Profit on sale of investments	(292)	(12)
Allowances for doubtful debts and advances	834	547
Interest expenses	139	101
Fair value (gain) / loss on financial instruments at fair value through profit and loss	(36)	68
Share based payment expense	12	6
Share of profit in associates and joint ventures	(24)	(12)
Profit on sale of sports business	-	(1,346)
Remeasurement income	-	(1,609)
Dividend on redeemable non convertible preference shares	1,149	1,328
Dividend income	(6)	(195)
Interest income	(1,033)	(1,603)
Operating profit before working capital changes	**27,802**	**22,390**
Adjustments for :		
(Increase) in inventories	(11,542)	(9,359)
(Increase) in trade and other receivables	(14,255)	(2,509)
Increase in trade and other payables	8,646	3,318
Cash generated from operations	**10,651**	**13,840**
Direct taxes paid (net)	(9,299)	(8,295)
Net cash flow from operating activities (A)	**1,352**	**5,544**
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(1,967)	(1,743)
Purchase of intangible assets	(856)	(847)
Purchase of investment property	-	(601)
Sale of property, plant and equipment / intangible assets	9	45
Fixed deposit invested	(2,505)	(17,432)
Fixed deposit matured	6,749	11,677
Payment towards acquisition of subsidiary companies	-	(2,015)
Purchase of non current investments	(10)	(171)
Proceeds from sale of non current investments	131	-
Proceeds received from sale of sports broadcasting business	-	1,346
Purchase of current investments (net)	(27,850)	(45,424)
Sale / redemption of current investments	33,659	44,182
Loans repaid by others	293	-
Loans given to others	-	(722)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

(₹ Millions)

	Mar-19	Mar-18
Dividend received	6	5
Interest received	1,004	1,203
Net cash flow from / (used in) investing activities (B)	**8,663**	**(10,497)**
C. Cash flow from financing activities		
Redemption of redeemable preference shares and tax thereon	(4,891)	(4,030)
Proceeds from long-term borrowings	26	-
Repayment of long-term borrowings	(11)	(2,937)
Dividend paid on equity shares and tax thereon	(3,357)	(2,399)
Dividend paid on Redeemable Non-Convertible Preference Shares	(1,377)	(1,435)
Interest paid	(54)	(101)
Net cash flow used in financing activities (C)	**(9,664)**	**(10,902)**
Net cash flow during the year (A+B+C)	**351**	**(15,855)**
Cash and bank balances received on acquisition of subsidiary	-	38
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(19)	46
Cash and cash equivalents at the beginning of the year	9,345	25,116
Net cash and cash equivalents at the end of the year	**9,677**	**9,345**

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai

Date: 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

	(₹ Millions)
As at 1 April 2017	**960**
Add: Issued during the year (Refer note 16)	0
As at 31 March 2018	**960**
Add: Issued during the year (Refer note 16)	0
As at 31 March 2019	**960**

'0' (zero) denotes amounts less than a million.

B. Other equity

(₹ Millions)

	Reserves and surplus					Other comprehensive income		Total other equity	Attributable to non-controlling interests
	Capital redemption reserve	Shared based payment reserve	Capital reserve	General Reserves	Retained earnings	Foreign currency translation reserve	Equity instruments		
As at 1 April 2017	**22**	**2**	**340**	**2,820**	**62,898**	**(444)**	**306**	**65,944**	**10**
Profit for the year	-	-	-	-	14,791	-	-	14,791	(14)
Less: Foreign currency translation loss for the year	-	-	-	-	-	(364)	-	(364)	-
Add: Options granted during the year	-	6	-	-	-	-	-	6	-
Add/Less: Transfer on redemption of preference shares	4,034	-	-	-	(4,034)	-	-	-	-
Add: Re-measurement gain on defined benefit plans	-	-	-	-	47	-	-	47	-
Less: Income tax impact thereon	-	-	-	-	(14)	-	-	(14)	-
Add: Non-controlling interest arising on account of acquisition of a subsidiary	-	-	-	-	-	-	-	-	146
Less: Loss on fair value of financial assets through other comprehensive income (Refer note 17)	-	-	-	-	-	-	(68)	(68)	-
Less: Deferred tax liability on redemption of preference shares	-	-	-	-	(3,284)	-	-	(3,284)	-
Less: Dividend on equity shares	-	-	-	-	(2,401)	-	-	(2,401)	-
As at 31 March 2018	**4,056**	**8**	**340**	**2,820**	**68,003**	**(808)**	**238**	**74,657**	**142**
Profit for the year	-	-	-	-	15,671	-	-	15,671	1
Add: Foreign currency translation gain for the year	-	-	-	-	-	1,449	-	1,449	-
Add/Less: Transfer on redemption of preference shares	4,073	-	-	-	(4,073)	-	-	-	-
Add: Options granted during the year	-	12	-	-	-	-	-	12	-
Less: Re-measurement loss on defined benefit plans	-	-	-	-	(99)	-	-	(99)	-
Add: Income tax impact thereon	-	-	-	-	35	-	-	35	-
Add: Reversal of deferred tax liability on redemption of preference shares	-	-	-	-	828	-	-	828	-
Less: Dividend distribution tax on redemption of preference shares	-	-	-	-	(828)	-	-	(828)	-
Add: Loss on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	-	-	-	-	(278)	-	278	-	-

B. Other equity

(₹ Millions)

	Reserves and surplus					Other comprehensive income		Total other equity	Attributable to non-controlling interests
	Capital redemption reserve	Shared based payment reserve	Capital reserve	General Reserves	Retained earnings	Foreign currency translation reserve	Equity instruments		
Less: Loss on fair value of financial assets through other comprehensive income (Refer note 17)	-	-	-	-	-	-	(88)	(88)	-
Less: Dividend on Equity Shares	-	-	-	-	(2,785)	-	-	(2,785)	-
Less: Tax on dividend on equity shares	-	-	-	-	(573)	-	-	(573)	-
As at 31 March 2019	**8,129**	**20**	**340**	**2,820**	**75,901**	**641**	**428**	**88,279**	**143**

See accompanying notes to the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai

Date: 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ('ZEEL' or 'the Company') is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Mumbai 400013, India. The Company along with its subsidiaries (collectively referred as 'the Group') engaged in the business of media and entertainment. The Group is mainly in the following businesses:

i) Broadcasting of Satellite Television Channels and digital media;

ii) Space Selling agent for other satellite television channels;

iii) Sale of Media Content i.e. programs / film rights / feeds / music rights

2 SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (The Act) read with the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

b) Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accural basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of ZEEL and entities controlled by ZEEL and its subsidiaries.

Control is achieved when the parent has power over the investees, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

These financial statements are prepared by applying uniform accounting policies in use at the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

d) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractual agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet as cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in the associate or the joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

When necessary, the entire amount of the investment is tested for impairment in accordance with Ind AS 36 - Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss is recognised in profit and loss.

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Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Principal place of business
Direct Subsidiaries		
ATL Media Ltd	100 (100)	Mauritius
Essel Vision Productions Limited	100 (100)	India
Zee Unimedia Limited	100 (100)	India
Zee Digital Convergence Limited	100 (100)	India
Zee Network Distribution Limited (Zee Turner Limited)	74 (74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100 (100)	Mauritius
India Web Portal Private Limited (w.e.f 22nd July 2017)	100 (100)	India
Fly-By-Wire International Private Limited (w.e.f 14th July 2017)	100 (100)	India
Margo Networks Private Limited (w.e.f 3rd May 2017)	80 (80)	India
Indirect Subsidiaries		
Asia TV Limited	100 (100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100 (100)	Singapore
OOO Zee CIS Holding LLC #	100 (100)	Russia
OOO Zee CIS LLC	100 (100)	Russia
Taj TV Limited	100 (100)	Mauritius
Asia Today Singapore Pte Limited	100 (100)	Singapore
Asia TV USA Limited, Wyoming	100 (100)	United States of America
Asia Today Limited	100 (100)	Mauritius
Zee Technologies (Guangzhou) Limited	100 (100)	China
Zee Entertainment Middle East FZ-LLC	100 (100)	U.A.E.
ATL Media FZ-LLC	100 (100)	U.A.E.
Zee TV South Africa (Proprietary) Limited	100 (100)	South Africa
Zee TV USA Inc.	100 (100)	United States of America
Asia Multimedia Distribution Inc.	100 (100)	Canada
Idea Shop Web and Media Private Limited	51.04 (51.04)	India
Eevee Multimedia Inc.	100 (100)	United States of America
Asia TV GmbH	100 (100)	Germany
ZEE Radio Network Middle East FZ -LLC $	Nil (Nil)	U.A.E.
Pantheon Productions Limited^	100 (100)	Canada
Z5X Global FZ-LLC	100 (100)	U.A.E.
Zee Studios International Limited	100 (100)	Canada

Zero capital company, ^ Incorporated on 29 March 2018, $ Deregistered on 24 December 2017 effective 3 September 2017.

Associate

Name of the Associates	Percentage of holding	Principal place of business
Aplab Limited (Upto 15 January 2019)	9.50% (26.42%)	India
Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand
Fly-by-Wire International Private Limited (upto 13 July 2017)	Nil (49%)	India

Jointly controlled entities

Name of the jointly controlled entities	Percentage of holding	Principal place of business
Media Pro Enterprise India Private Limited *	50% (50%)	India
India Webportal Private Limited $	Nil (51%)	India

* Through subsidiary Zee Turner Limited, $ upto 21 July 2017

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e) Business Combinations

Business combinations have been accounted for using the acquisition method. The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is achieved by the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferrred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirers's previously held equity interest in the acquiree (if any) over the net acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after assessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests proportionate share of recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in the business combination includes assets and liabilities resulting from the contingent consideration arrangement, the contingent consideration arrangement is measured at its acquistion date fair value and included as a part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration are recognised in profit or loss.

When the business combination is achieved in stages, the Group previously held equity interest in the acquiree is remeasured to its acquistion date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amount arising from interest in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassifed to profit or loss where such treatment would be appropriate if that interest were disposed off.

f) Property, plant and equipment

i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price and related expenses and for qualifying assets, borrowing costs are capitalised based on the Group's accounting policy. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

iii) Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

iv) The estimate of the useful life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc. The estimated useful life of items of property, plant and equipment is as mentioned below:

Furniture and Fixtures - 5 years^

Buildings - 60 years *

Computers - 3 and 6 years *

Equipment - 3 to 5 years ^

Plant and Machinery ^

Gas plant - 20 years

Others - 5 to 10 years

Vehicles - 5 years ^

Aircraft - 15 years ^

* Useful life is as prescribed in Schedule II to the Companies Act, 2013

^ Useful life is lower than as prescribed in Schedule II to the Companies Act, 2013

g) Investment property

i) Investment property are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment, if any.

ii) Depreciation on investment property is provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

h) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units that is expected to benefit from the synergies of the combination. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an

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indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. Any impairment loss for the goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

i) Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful life and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination:

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

j) Impairment of property, plant and equipment / other intangible assets / investment property

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in consolidated statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in profit or loss.

k) Derecognition of property, plant and equipment / other intangible assets / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles / investment property is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss.

l) Leases

i) Finance lease

The Group as a lessee:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

ii) Operating lease

The Group as a lessee:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments / revenue are recognised on straight-line basis over the lease period in the consolidated statement of profit and loss unless increase is on account of inflation.

The Group as a lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

m) Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n) Inventories

i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) including content in digital form are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed. Programs, film rights, music rights are expensed / amortised as under :

1) Programs - reality shows, chat shows, events, game shows and sports rights etc. are fully expensed on telecast / upload.

2) Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast/upload, as per management estimate of future revenue potential.

3) Film rights are amortised on a straight-line basis over the licensed period of sixty months from the commencement of rights, whichever is shorter.

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4) Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

5) Films produced and/or acquired for distribution/sale of rights :

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :

a) Satellite rights - Allocated cost of right is expensed immediately on sale.

b) Theatrical rights - 80% of allocated cost is amortised immediately on theatrical release and balance allocated cost is amortised equally in following six months.

c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

ii) Raw Stock :
Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

o) Financial Instruments
Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Initial Recognition
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the consolidated statement of profit and loss.

ii) Financial assets

a) Classification of financial assets
Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

b) Subsequent measurement

- Debt Instrument - amortised cost
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

- Fair value through other comprehensive income (FVTOCI)
A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

b) The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

- Fair value through Profit and Loss (FVTPL)
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

- Equity investments
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to consolidated statement of profit and loss. Dividends from such investments are recognised in consolidated statement of profit and loss as other income when the Group's right to receive payment is established.

- Derivative financial instruments
Derivative financial instruments are classified and measured at fair value through profit and loss.

c) Derecognition of financial assets
A financial asset is derecognised only when:

i) The Group has transferred the rights to receive cash flows from the asset or the rights have expired or

ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

d) Impairment of financial assets
The Group measures the expected credit loss associated with its financial assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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iii) Financial liabilities and equity instruments

a) Classification of Debt & Equity
Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Subsequent measurement

- Financial liabilities measured at amortised cost
Financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit and loss.

- Financial liabilities measured at fair value through profit and loss (FVTPL)
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the consolidated statement of profit and loss.

c) Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

iv) Fair value measurement
The Group measures financial instruments such as debt and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p) Borrowings and Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

q) Provisions, contingent liabilities and contingent assets
The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainities surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurance or non-occurance of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised in the consolidated financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

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r) Revenue recognition

Ind AS 115 " Revenue from Contracts with Customers"
The Companies (Indian Accounting Standards) Amendment Rules, 2018 issued by the Ministry of Corporate Affairs (MCA) notified Ind AS 115 "Revenue from Contracts with Customers" related to revenue recognition which replaces all existing revenue recognition standards and provide a single, comprehensive model for all contracts with customers. The revised standard contains principles to determine the measurement of revenue and timing of when it is recognized.

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

ii) Sales of media content - Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

iii) Commission revenue - Commision of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

iv) Revenue from other services is recognised as and when such services are completed / performed.

v) Interest income from debt instruments is recognised using the effective interest rate (EIR) method.

vi) Dividend income is recognised when the Group's right to receive dividend is established.

vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

s) Retirement and other employee benefits
Payments to defined contribution plans viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity and leave encashment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to consolidated statement of profit and loss. Past service cost is recognised in consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expense or income; and

iii) remeasurement

The Group presents the first two components of defined benefit costs in consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

t) Transactions in foreign currencies
The functional currency of the Group is Indian Rupees (₹)

i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous consolidated financial statements are recognised as income or as expenses in the period in which they arise.

iii) Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

iv) On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

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u) Accounting for taxes on income

Tax expense comprises of current and deferred tax.

i) **Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

v) Earnings per share

Basic earnings per share 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.

w) Share based payments

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to consolidated statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

3 KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a) Income taxes

The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Business combinations and intangible assets

Business combinations are accounted for using IND AS 103, Business Combinations. IND AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

c) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

d) Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash-generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins.

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Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Group has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Group believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Group and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

e) Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the consolidated statement of profit and loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

f) Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

g) Media Content, including content in digital form

The Group has several types of inventory such as general entertainment, movies and music. Such inventories are expensed/amortised based on certain estimates and assumptions made by Group, which are as follows:

i) Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.

ii) The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii) Cost of movie rights - The Group's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast / upload on digital platform. Hence, it is amortised on a straight line basis over the license period or 60 months from the date of acquisition, whichever is shorter.

iv) Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

v) Films produced and/or acquired for distribution/sale of rights :

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :

a) Satellite rights - Allocated cost of right is expensed immediately on sale.

b) Theatrical rights - 80% of allocated cost is amortised immediately on theatrical release and balance allocated cost is amortised equally in following six months.

c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

4) Standards issued but not yet effective

On 30 March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Indian Accounting Standards (Ind AS) 116, "Leases", which is applicable to the Company w.e.f. 1 April, 2019. Ind AS 116 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognize right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. Ind AS 116 is effective for financial year beginning on or after 1 April 2019. The Company will adopt the standard for the financial year beginning 1 April 2019. Based on the preliminary assessment performed by the Group, the impact of application of the Standard is not expected to be material.

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5. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of Assets	Buildings	Plant and machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Aircraft	Leasehold improvements	Total
I. Cost									
As at 1 April 2017	1,169	4,884	344	262	620	627	-	590	8,496
Additions	25	524	130	12	316	466	-	250	1,723
Transfer on acquisition	-	-	1	-	4	19	764	-	788
Transfer from investment property	198	-	-	-	-	-	-	-	198
Disposals	-	572	7	25	4	8	-	2	618
Translation	21	4	3	1	3	1	-	4	37
As at 31 March 2018	**1,413**	**4,840**	**471**	**250**	**939**	**1,105**	**764**	**842**	**10,624**
Additions	10	711	30	62	67	393	9	160	1,442
Transfer to investment property	(37)	-	-	-	-	-	-	-	(37)
Disposals	-	77	11	35	22	2	-	2	149
Translation	0	34	(4)	3	1	3	-	(1)	36
As at 31 March 2019	**1,386**	**5,508**	**486**	**280**	**985**	**1,499**	**773**	**999**	**11,916**
II. Accumulated depreciation									
As at 1 April 2017	55	2,380	153	126	302	305	-	303	3,624
Depreciation charge for the year	45	478	69	39	136	181	56	188	1,192
Transfer on acquisition	-	-	1	-	2	15	214	-	232
Disposals	-	442	6	21	3	7	-	-	479
Translation	0	31	5	(6)	9	3	-	8	50
Upto 31 March 2018	**100**	**2,447**	**222**	**138**	**446**	**497**	**270**	**499**	**4,619**
Depreciation charge for the year	19	633	82	40	150	261	49	199	1,433
Transfer to investment property	(20)	-	-	-	-	-	-	-	(20)
Disposals	-	53	5	32	22	1	-	2	115
Translation	0	26	(1)	3	10	2	-	0	40
Upto 31 March 2019	**99**	**3,053**	**298**	**149**	**584**	**759**	**319**	**696**	**5,957**
Net book value									
As at 31 March 2019	**1,287**	**2,455**	**188**	**131**	**401**	**740**	**454**	**303**	**5,959**
As at 31 March 2018	1,313	2,393	249	112	493	608	494	343	6,005

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(₹ Millions)

Net book value	Mar-19	Mar-18
Property, plant and equipment	5,959	6,005
Capital work-in-progress	1,083	780

1 '0' (zero) denotes amounts less than a million.

2 Buildings include ₹ 0 Million (₹ 0 Million), ₹ 114,100 (₹ 114,100) the value of share in a co-operative society.

3 Part of property, plant and equipment have been given on operating lease.

4 Property, plant and Equipment written off during the year aggregating ₹ 13 Millions (₹ 12 Millions) is charged to the consolidated statement of profit and loss.

5 Certain vehicles have been hypothecated against borrrowings for vehicles aggregating to ₹ 32 Millions (₹ 17 Millions).

6. Investment property

(₹ Millions)

Description of Assets	Land and Building
I. Cost	
As at 1 April 2017	1,402
Additions	601
Transfer to property, plant and equipment	198
Translation	3
As at 31 March 2018	**1,808**
Additions	
Transfer from property, plant and equipment	37
Translation	34
As at 31 March 2019	**1,879**
II. Accumulated depreciation	
As at 1 April 2017	252
Depreciation Charge for the year	6
Translation	(1)
Transfer to property, plant and equipment	4
Upto 31 March 2018	**253**
Depreciation charge for the year	31
Transfer from property, plant and equipment	20
Translation	24
Upto 31 March 2019	**328**
Net book value	
As at 31 March 2019	**1,551**
As at 31 March 2018	1,555

The fair value of the Group's investment property ₹ 2,769 Millions (₹ 3,620 Millions) has been arrived at on the basis of a valuation carried out as at Balance Sheet date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value measurement is categorized as Level 3.

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7. Goodwill and other intangible assets

(₹ Millions)

Description of Assets	Goodwill	Trademark	Customer list and websites	Software	Channels	Total
I. Cost						
As at 1 April 2017	2,676	291	-	545	202	3,714
Additions	2,791	31	1,081	788	-	4,691
Transfer on acquisition	-	-	-	1	-	1
Disposals	-	-	-	-	30	30
Translation	-	-	-	12	-	12
As at 31 March 2018	**5,467**	**322**	**1,081**	**1,346**	**172**	**8,388**
Additions	-	-	-	517	-	517
Disposals	-	-	-	22	-	22
Translation	3	-	-	23	-	26
As at 31 March 2019	**5,470**	**322**	**1,081**	**1,864**	**172**	**8,909**
II. Accumulated amortisation						
As at 1 April 2017	-	77	-	436	67	580
Amortisation for the year	-	128	250	183	62	623
Transfer on acquisition	-	-	-	1	-	1
Disposals	-	-	-	-	18	18
Translation	-	-	-	1	-	1
Upto 31 March 2018	**-**	**205**	**250**	**621**	**111**	**1,187**
Amortisation for the year	-	86	360	411	26	883
Impairment	218	-	-	-	-	218
Disposals	-	-	-	22	-	22
Translation	-	-	-	8	-	8
Upto 31 March 2019	**218**	**291**	**610**	**1,018**	**137**	**2,274**
Net book value						
As at 31 March 2019	**5,252**	**31**	**471**	**846**	**35**	**6,635**
As at 31 March 2018	5,467	117	831	725	61	7,201

Net book value	Mar-19	Mar-18
Goodwill	5,252	5,467
Other intangible assets	1,383	1,734
Intangibles assets under development	478	139

'0' (zero) denotes amounts less than a million.

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NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The carrying amount of goodwill which is tested for impairment is allocated to following cash generating units:

(₹ Millions)

Cash generating unit	Mar-19	Mar-18
Regional Channel in India	621	621
International business	2013	2013
Online media business	2,397	2,615

Regional Channel in India and International business

The recoverable amount of this Cash Generating Unit (CGU) is determined based on a value in use. The estimated value in use of this CGU is based on the future cash flows using a 2% terminal growth rate for periods subsequent to the 5 years and discount rate of 16.2%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long term growth rate), based on a reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Online media business

As at 31 March 2019, the Company assessed the recoverable amount of goodwill allocated to the Online Media Business as per the requirement of Ind AS 36 on Impairment of assets. The recoverable amount of this CGU is determined based on the fair value less cost of disposal using revenue multiples which is based on international valuation standards by an independent valuer. The excess of carrying value of CGU over the recoverable amount has been accounted as an impairment charge of ₹ 218 millions which is disclosed as exceptional item. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on Fair value measurement.

8. NON-CURRENT INVESTMENTS

(₹ Millions)

		Mar-19	Mar-18
a	**Investments in associates**		
	Investments accounted using equity method		
	Investments in equity instruments		
	In Associate - Quoted		
	475,000 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42% upto 15 January 2019)	-	-
	Less: Reclassified as investment at fair value through other comprehensive income#	-	-
	In Associate - Unquoted		
	10,000 (10,000) Equity shares of Baht 100/- each of Asia Today Thailand Limited (Extent of holding 25%)	3	2
		3	**2**
b	**In Joint venture - Unquoted**		
	2,500,000 (2,500,000) Equity shares of ₹ 10/- each of Media Pro Enterprise India Private Limited (extent of holding 50%)	217	194
		217	**194**
c	**Other investments**		
i)	**Investments in redeemable debentures at amortised cost**		
	Others - Quoted		
	50 (50) 10.20% Unsecured redeemable non-convertible debentures of ₹ 1,000,000 /- each of Yes Bank Limited (Tenure - 10 years)	52	52
	Others - Unquoted		
	50,000 (50,000) 9.35% Secured redeemable non-convertible debentures of ₹ 1,000 /- each of IFCI Limited (Tenure - 5 years)	71	62
	50,000 (50,000) 9.80% Secured redeemable non-convertible debentures of ₹ 1,000 /- each of IFCI Limited (Tenure - 5 years)	51	55

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ii)	**Investments at fair value through other comprehensive income**		
	Investments in equity instruments - Quoted		
	3,644,000 (1,822,000) Equity shares of ₹ 2/- (₹ 2/-) each of Essel Propack Limited*	425	438
	475,000 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited#	4	-
	Nil (1,000,000) Equity shares of USD 5.995 /- each of DHX Media Ltd	-	191
	Investments in equity instruments - Unquoted		
	396,715 (396,715) Equity shares of USD 2.521/- each of Sensory Cloud Inc**	69	65
	1 (1) Equity shares of ₹ 10/- each of Tagos Design Innovations Private Limited	0	0
	30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited ₹ 300,000 (₹ 300,000)	0	0
	Less: Impairment in value of investment ₹ 300,000 (₹ 300,000)	0	0
		-	-
iii)	**Investments at fair value through profit and loss**		
	Others - Unquoted		
	1,069.6 (1,069.6) Units of ₹ 1,000,000 /- each of Morpheus Media Fund	165	323
	100 (100) Units of ₹ 1,000,000 /- each (Partly paid: ₹ 450,000(₹ 350,000) /- each) of Exfinity Technology Fund-Series II	30	27
	2,905 (2,905) Compulsorily convertible preference shares of ₹ 10/- each of Tagos Design Innovations Private Limited	102	184
		969	**1,397**
	Total	**1,189**	**1,593**

(All the above securities are fully paid-up except where specifically mentioned as partly paid)
"0' (zero) denotes amounts less than a million.

Aggregate amount and market value of quoted investments	481	681
Aggregate carrying value of unquoted investments	708	912
Aggregate amount of impairment in value of investments ₹ 300,000 (₹ 300,000)	0	0

During the year, the Group has sold 846,200 shares i.e. 16.92% stake in Aplab Limited and accordingly, the Aplab Limited is no longer an associate. The Group has elected to classify the balance stake at fair value through other comprehensive income.

* During the year, the company issued bonus shares in 1:1 ratio.

** During the year, Vapor Communications Inc, merged with Sensory Cloud Inc, as a result of the merger the company was allotted shares of the new company.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-current		Current	
	Mar-19	**Mar-18**	**Mar-19**	**Mar-18**
Deposits - unsecured and considered good				
- to related parties	45	75	343	365
- to others (Refer note 42)	478	293	7,884	291
Unbilled revenue	-	-	830	444
Interest accrued	-	-	72	67
Other receivables - Related parties	-	-	775	619
- Others	417	390	151	12
Less: Provision for doubtful receivables	(417)	-	-	-
Total	**523**	**758**	**10,055**	**1,798**

10. DEFERRED TAX (LIABILITIES) / ASSETS (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-19	Mar-18
Deferred tax assets		
Employee retirement benefits obligation	474	309
Allowances for doubtful debts and advances	390	418
Unutilised tax losses	118	147
Disallowances under section 40(a)	131	449
Other disallowances	223	132
Deferred tax assets	**1,336**	**1,455**
Deferred tax liabilities		
Depreciation and amortisation	142	167
Dividend distribution tax on preference shares redemption	2,456	3,284
	2,598	**3,451**
Deferred tax liabilities (net)	**(1,262)**	**(1,996)**

11. OTHER ASSETS

(₹ Millions)

	Non-current		Current	
	Mar-19	**Mar-18**	**Mar-19**	**Mar-18**
Capital advances (unsecured)	384	117	-	-
Other loans and advances (unsecured)				
Other advances (unsecured)				
- Considered good				
to related parties	27	39	45	104
others (Refer note 42)	-	-	12,487	9,216
- Considered doubtful	-	-	276	339
	27	**39**	**12,808**	**9,659**
Less: Allowance for doubtful advances	-	-	276	339
	27	**39**	**12,532**	**9,320**
Prepaid expenses	180	184	330	165
Balance with government authorities	-	-	714	733
Total	**591**	**340**	**13,576**	**10,218**

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12. INVENTORIES
(VALUED AT LOWER OF COST / UNAMORTISED COST OR REALISABLE VALUE)

(₹ Millions)

	Mar-19	Mar-18
Raw stock - tapes	10	9
Media content *	37,531	24,228
Under production- Media content	964	2,041
Total	**38,505**	**26,278**

*Includes rights ₹ 4,756 Miilions (₹ 3,607 Millions), which will commence at a future date.
Inventories expected to be recovered post 12 months is 66% (60%).

13. CURRENT INVESTMENTS

(₹ Millions)

		Mar-19	Mar-18
A	**Investment at amortised cost**		
	Investment in redeemable debentures - unquoted		
	Nil (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited	-	1,725
	Others:		
	Certificate of Deposit (Non-Transferable) - Unquoted		
	7.10% (7.10%) Housing Development Finance Corporation Ltd. (Tenure - 6 months)	1,516	1,500
	7.10% (7.10%) Housing Development Finance Corporation Ltd. (Tenure - 6 months)	503	500
	7.55% (Nil) Housing Development Finance Corporation Ltd. (Tenure - 1 year)	500	-
		2,519	**3,725**
B	**Investments carried at fair value through profit and loss**		
	Mutual Funds - Quoted		
	Nil (3,610,705) Units of ₹ 100/- each of Aditya Birla Sun Life Cash Plus- Growth	-	1,005
	Nil (791,763) Units of ₹ 1,000/- each of Essel Liquid Fund- Growth	-	1,515
	Nil (211,533) Units of ₹ 1,000/- each of Invesco India Liquid Fund- Growth	-	506
	Nil (515,751) Units of ₹ 1,000/- each of UTI Money Market Fund- Growth	-	1,006
	Nil (386,159) Units of ₹ 100/- each of SBI Arbitrage fund	-	5
	Nil (19.834) Units of ₹ 100/- each of SBI Corporate bond Fund	-	0
	222,884 (319,582) units of ₹ 100/- each of ICICI Prudential Savings Fund - Direct Plan - Growth	65	86
	Nil (240,172) units of ₹ 100/- each of Aditya Birla Sun Life Savings Fund - Growth - Direct Plan	-	83
	80,401 (6,972,862) units of ₹ 10/- each of Franklin India Ultra Short Bond SI - Direct - Growth	2	168
	Nil (2,127,406) units of ₹ 10/- each of JM High Liquidity Fund (Direct) - Growth Option	-	101
	Nil (53,187) units of ₹ 1,000/- each of Essel Liquid Fund - Direct Plan - Growth	-	102
	Mutual Funds - unquoted		
	29,850 (29,850) units of USD 1,000/- each of Actinium Investments Funds Limited	2,196	1,976
	43,499 (44,107) units of USD 1,000/- each of Poseidon Opportunities Fund Limited	3,794	3,418
		6,057	**9,971**
	Total (A+B)	**8,576**	**13,696**
	(All the above securities are fully paid-up)		
	Aggregate amount and market value of quoted investments	67	4,577
	Aggregate carrying value of unquoted investments	8,509	9,118

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14. TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	Mar-19	Mar-18
Considered good	18,274	15,365
Considered doubtful	1,720	1,759
	19,994	**17,124**
Less: Allowance for doubtful debts	1,720	1,759
Total	**18,274**	**15,365**

For transactions relating to related party receivables, refer note 43.

15. CASH AND BANK BALANCES

(₹ Millions)

		Mar-19	Mar-18
a	**Cash and cash equivalents**		
	Balances with banks -		
	In Current accounts	3,039	2,857
	In Deposit accounts	5,102	5,284
	Cheques in hand	1,532	1,200
	Cash in hand	4	4
	Total	**9,677**	**9,345**
b	**Other balances with banks**		
	Balances with banks		
	In deposit accounts	2,505	6,749
	In unclaimed dividend accounts		
	- Preference shares	16	4
	- Equity shares	20	19
		2,541	**6,772**
	Total	**12,218**	**16,117**

16. EQUITY SHARE CAPITAL

(₹ Millions)

	Mar-19	Mar-18
Authorised *		
2,000,000,000 (2,000,000,000) Equity Shares of ₹ 1/- each	2,000	2,000
	2,000	2,000
Issued, subscribed and paid up		
960,466,500 (960,453,620) Equity Shares of ₹ 1/- each fully paid up	960	960
Total	960	960

*Authorised capital of 2,100,000,000 (2,100,000,000) Redeemable Preference Shares of ₹ 10/- (₹ 10/-) each is not considered above.
Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. (Refer Note 18).

i) Reconciliation of number of Equity Shares and Share capital

	Mar-19		Mar-18	
	Number of Equity Shares	₹ Millions	Number of Equity Shares	₹ Millions
At the beginning of the year	960,453,620	960	960,448,720	960
Add : Issued during the year	12,880	0	4,900	0
Outstanding at the end of the year	**960,466,500**	**960**	**960,453,620**	**960**

ii) Terms / rights attached to Equity Shares

The Group 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 Group declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii) 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 2019.

	Mar-19	Mar-18
Equity Shares bought back and cancelled	-	4,812,357

iv) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the shareholders	Mar-19		Mar-18	
	Number of Equity Shares	% Shareholding	Number of Equity Shares	% Shareholding
Cyquator Media Services Private Limited	219,024,694	22.80%	241,412,908	25.14%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	68,644,603	7.15%	65,300,739	6.80%

As per the records of the Group, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

v) Employees Stock Option Scheme (ESOP):

The Group has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Group in 2009 for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Group as at 31 March 2009 i.e. up to 21,700,355 equity shares of ₹ 1 /- each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Group as well as that of its subsidiaries. The said ESOP 2009 was amended during the previous year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year, the Nomination and Remuneration Committee of the Board granted 17,300 stock options convertible at ₹ 1 /- each to an employee of the Group. The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1,2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the equity shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	Number of Options
Opening at beginning of the year	23,800
Grant during the year	17,300
Exercised during the year	(12,880)
Outstanding at the end of the year	28,220

During the year, the Group recorded an employee stock compensation expense of ₹ 12 Millions (₹ 6 Millions) in the statement of profit and loss.
The market price at the date of grant was ₹ 580/- (₹ 529/-) per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	22%	20%	16%
Expected dividend yield on the underlying share for the expected term of the option	2.90	2.90	2.90
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year had an weighted average remaining contractual life of 176 days.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

17. a) OTHER EQUITY

(₹ Millions)

	Mar-19	Mar-18
Capital Redemption Reserve		
As per last Balance Sheet	4,056	22
Add: Transfer from retained earnings	4,073	4,034
	8,129	**4,056**
Capital reserve		
As per last Balance Sheet	**340**	**340**
Share based payment reserve		
As per last balance sheet	8	2
Add: Options granted during the year	12	6
	20	**8**
General reserve		
As per last Balance Sheet	**2,820**	**2,820**
Retained earnings		
As per last Balance Sheet	68,003	62,898
Add : Profit for the year	15,671	14,791
Less: Transfer to Capital redemption reserve	(4,073)	(4,034)
(Less) / Add: Re-measurement (loss) / gains on defined benefit plans	(99)	47
Less: Loss on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	(278)	-
Add: Reversal of deferred tax liability on redemption of preference shares	828	-
Less: Dividend distribution tax on redemption of preference shares	(828)	-
Add / (Less) : Income tax impact thereon	35	(14)
Less: Payment of dividend on equity shares	(2,785)	(2,401)
Less: Tax on dividend on equity shares	(573)	-
Less: Deferred tax liability on redemption of preference shares	0	(3,284)
	75,901	**68,003**
Other comprehensive income		
Foreign currency translation reserve		
As per last balance sheet	(808)	(444)
Add / (Less): Foreign currency translation gain / (loss) for the year	1,449	(364)
	641	**(808)**
Equity instruments		
As per last Balance Sheet	238	306
Add: Loss on sale of equity investment classified as fair value through other comprehensive income transferred to retained earnings	278	-
Less: Loss on fair value of financial assets through other comprehensive income	(88)	(68)
	428	**238**
Total	**88,279**	**74,657**

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b) NON-CONTROLLING INTEREST

(₹ Millions)

	Mar-19	Mar-18
As per last Balance Sheet	142	10
Less: Profit / (Loss) for the year	1	(14)
Add: Non-controlling interest arising on account of acquisition of a subsidiary	-	146
Total	**143**	**142**

1) Capital Redemption Reserve is created on redemption of redeemable preference shares issued.

2) Share based payment reserve is reserve related to share options granted by the Company to its employee under its employee share option plan.

3) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

4) Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.

5) Other Comprehensive income includes:

a) Exchange differences relating to translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency are directly recognised in other comprehensive income.

b) Cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

18. LONG-TERM BORROWINGS

(₹ Millions)

		Mar-19	Mar-18
a	**Redeemable preference shares - Unsecured, at fair value through profit and loss**		
	2,016,942,312 (2,016,942,312) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 6/- (₹ 8/-) each fully paid up - quoted	11,113	15,206
	Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	3,704	3,802
		7,409	**11,404**
b	**Nil (3,949,105) 6% Series B Cumulative Redeemable Non Convertible Preference shares of ₹ 10/- each fully paid up - Unsecured, at amortised cost**	**-**	**39**
		7,409	**11,443**
c	**Vehicle loans from bank, at amortised cost ***	32	17
	Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	12	8
		20	**9**
	Total (a+b+c)	**7,429**	**11,452**

* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 8.37% p.a. - 10.72% p.a. and are repayable upto March 2023.

Terms / rights attached to Preference Shares

i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Quoted

During year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 /- each (consolidated to face value of ₹ 10 each in FY 2017) by way of bonus in the ratio of 21 Bonus Preference Shares of ₹ 1 /- each fully paid up for every one Equity share of ₹ 1 each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. During the year ended 31 March 2017, 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each has been converted to 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each.

The Company redeems at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company has an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

During the year, the Company redeemed 20% (₹ 2/- each) of the Nominal Value of 2,016,942,312 Bonus preference shares of ₹ 10/- each (Par value) consequent to which the face value of these Preference Shares stand revised to ₹ 6/- each.

ii) 6% Series B Cumulative Redeemable Non-Convertible Preference Shares - unquoted

During the previous year the Company had issued and allotted 3,949,105 6% cumulative redeemable non-convertible unlisted preference shares of ₹ 10/- each towards acquisition of the general entertainment television broadcasting undertakings. These Preference shares are redeemed at par in the current year.

NOTES

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19. PROVISIONS

(₹ Millions)

	Non-Current		Current	
	Mar-19	Mar-18	Mar-19	Mar-18
Provision for employee benefits				
- Gratuity	876	499	23	15
- Compensated absences	474	392	78	68
- Super annuation	-	1	-	-
Total	**1,350**	**892**	**101**	**83**

20. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ Millions)

	Mar-19	Mar-18
Current maturities of long term borrowings - Redeemable preference shares (Refer Note 18 a)	**3,704**	**3,802**
Current maturities of long-term borrowings - vehicle loan from banks (Refer Note 18 c)	12	8
Deposits received*	5,480	164
Unclaimed preference shares redemption / dividend	16	4
Unclaimed dividends	20	19
Creditors for capital expenditure	223	179
Employee benefits payable	1,237	811
Dividend payable on redeemable preference shares and tax thereon	876	1,104
Temporary overdrawn balances	153	13
Other payables	12	277
	8,029	**2,579**
Total	**11,733**	**6,381**

For transactions relating to related party payables, refer note 43.

Dividend ₹ 2 Millions (₹ 2 Million) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2019.

* During the year, the Group has received interest free business deposits aggregating ₹ 5,000 millions from customers which are callable after eleven months / adjustable against digital content / subscription.

21. OTHER CURRENT LIABILITIES

(₹ Millions)

	Mar-19	Mar-18
Advances received from customers	575	931
Statutory dues payable	521	507
Total	**1,096**	**1,438**

22. REVENUE FROM OPERATIONS

(₹ Millions)

	Mar-19	Mar-18
Services - Broadcasting revenue		
Advertisement	50,367	42,048
Subscription	23,105	20,287
Commission	448	676
Sales - Media content	3,227	2,775
Transmission revenue	110	104
Other operating revenue	2,082	967
Total	**79,339**	**66,857**

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23. OTHER INCOME

(₹ Millions)

	Mar-19	Mar-18
Interest income		
- Bank deposits	473	493
- Other financial assets	385	807
- Others	175	303
Dividend income from :		
- Investment classified as fair value through other comprehensive income	4	4
- Investment classified as fair value through profit and loss	2	191
Gain on sale of investments classified as fair value through profit and loss	292	12
Foreign exchange gain (net)	-	357
Liabilities / excess provision written back	111	10
Rent income	497	435
Remeasurement income*	-	1,609
Miscellaneous income	576	182
Total	**2,515**	**4,403**

* Represents fair value gain of ₹ 1,609 Millions (net) arising due to re-measurement of previously held equity interests in India Webportal Private Limited and Fly By Wire International Private Limited to its acquisition-date fair value.

24. OPERATIONAL COST

(₹ Millions)

	Mar-19	Mar-18
a) Media content		
Opening - Inventory	26,268	16,952
Add: Purchase of inventory	34,993	27,565
Less: Closing - Inventory	38,495	26,268
Amortisation of inventory#	22,766	18,249
Add: Production expenses	5,885	5,322
	28,651	23,571
b) Telecast and technical cost	2,107	1,704
Total (a+b)	**30,758**	**25,275**

Media content of ₹ 1,228 Millions (₹ 1,225 Millions) are written down during the year as the estimated net realisable value was lower than cost.

25. EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	Mar-19	Mar-18
Salaries and allowances	6,791	6,241
Share based payment expense	12	6
Contribution to provident and other funds	308	296
Staff welfare expenses	138	114
Total	**7,249**	**6,657**

26. FINANCE COSTS

(₹ Millions)

	Mar-19	Mar-18
Interest - vehicle loans	2	2
- Others	137	99
Dividend on redeemable preference shares	1,149	1,328
Other financial charges	16	19
Total	**1,304**	**1,448**

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27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	Mar-19	Mar-18
Depreciation on property, plant and equipment	1,433	1,192
Depreciation on investment properties	31	6
Amortisation of intangible assets	883	623
Total	**2,347**	**1,821**

28. FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

(₹ Millions)

	Mar-19	Mar-18
Fair value loss / (gain) on financial assets (net)	22	(96)
Fair value (gain) / loss on financial liabilities (net)	(58)	164
Total	**(36)**	**68**

29. OTHER EXPENSES

(₹ Millions)

		Mar-19	Mar-18
Rent		889	959
Repairs and maintenance			
- Buildings		38	18
- Plant and machinery		103	117
- Others		272	177
Insurance		43	25
Rates and taxes		125	117
Electricity and water charges		185	181
Communication charges		178	172
Printing and stationery		87	36
Travelling and conveyance expenses		870	843
Legal and professional charges		801	803
Directors remuneration and sitting fees		23	22
Deferred consideration		-	49
Payment to auditors (Refer Note 38)		35	39
Corporate Social Responsibility expenses		228	75
Donations		-	4
Hire and service charges		1,024	677
Advertisement and publicity expenses		6,993	5,773
Commission expenses		159	218
Marketing, distribution and promotion expenses		2,259	2,822
Conference expenses		179	297
Allowances for doubtful debts and advances		834	547
Loss on sale of investments classified as fair value through profit and loss		3	8
Loss on sale of investments classified at amortised cost (pertains to reversal of interest accured)		216	-
Bad debts and advances written off	554	-	16
Less: Provision for doubtful debts and advances	550	4	-
Foreign exchange loss (net)		66	-
Loss on sale / write off of property, plant and equipment and investments (net)		24	105
Miscellaneous expenses		55	64
Total		**15,693**	**14,164**

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30. EXCEPTIONAL ITEMS

(₹ Millions)

	Mar-19	Mar-18
Impairment loss on goodwill (Refer note 7)	(218)	-
Profit on sale of sports business	-	1,346
Total	**(218)**	**1,346**

31. TAX EXPENSE

The major components of income tax for the year are as under:

(₹ Millions)

	Mar-19	Mar-18
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	9,686	8,792
- earlier years	(1,147)	(14)
Deferred tax charge / (benefit)	134	(369)
Total	**8,673**	**8,409**
Effective tax rate	**35.6%**	**36%**

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to income tax expense at the Company's effective income tax rate for the year ended 31 March 2019 and 31 March 2018 is as follows:

(₹ Millions)

	Mar-19	Mar-18
Profit before tax	**24,345**	**23,187**
Income tax		
Statutory income tax rate of 34.944% (34.608%) on profit	8,507	8,024
Effect of differential tax rates for components	258	(2,882)
Tax effect on non-deductible expenses	1,178	791
Prior Years tax loss carry forward utilised	-	2
Non creation of deferred tax asset on unused tax losses	75	134
Additional allowances for tax purposes	(6)	(120)
Effect of exempt income and income taxed at lower rates	(199)	2,788
Tax credit availed	-	(450)
Tax effect for earlier years	(1,147)	(14)
Others	7	136
Tax expense recognised in the income statement	**8,673**	**8,409**

Deferred tax recognized in consolidated statement of other comprehensive income

(₹ Millions)

For the year ended 31 March	Mar-19	Mar-18
Employee retirement benefits obligation	(35)	14
Foreign currency translation reserve	-	2
Total	**(35)**	**16**

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.944% (34.608%) for the year ended 31 March 2019. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

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Deferred tax recognized as on 31 March 2019 (₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefits obligation	309	130	35	-	474
Allowances for doubtful debts and advances	418	(28)	-	-	390
Unutilized tax losses	148	(30)	-	-	118
Disallowances under section 40(a)	449	(318)	-	-	131
Other disallowances	132	91	-	-	223
Depreciation and amortisation	(167)	21	4*	-	(142)
Dividend distribution tax liability on redemption of preference shares	(3,284)	-	-	828	(2,456)
Total	**(1,996)**	**(134)**	**39**	**828**	**(1,262)**

* Represents foreign currency translation reserve.

Deferred tax recognized as on 31 March 2018 (₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefits obligation	265	30	14	-	309
Allowances for doubtful debts and advances	313	105	-	-	418
Unutilized tax losses	318	(170)	-	-	148
Disallowances under section 40(a)	(17)	466	-	-	449
Other disallowances	79	53	-	-	132
Depreciation and amortisation	(55)	(115)	2*	-	(167)
Dividend distribution tax liability on redemption of preference shares	-	-	-	(3,284)	(3,284)
Total	**903**	**369**	**16**	**(3,284)**	**(1,996)**

* Represents foreign currency translation reserve

The group has unused tax losses of ₹ 200 Millions (₹ 635 Millions) with no expiry on carry forward whereas ₹ 953 Millions (₹ 1,113 Millions) are available for offsetting over a period of time till 2026-27. The losses are mainly in the nature of business losses.

32. EARNINGS PER SHARE (EPS)

	Mar-19	Mar-18
a. Profit after Tax (₹/Millions)	15,671	14,791
b. Weighted average number of equity shares for basic EPS (in numbers)	960,464,265	960,450,559
c. Nominal value of equity shares (₹)	1	1
d. Basic EPS (₹)	16.32	15.40
e. Weighted average number of equity shares for diluted EPS (in numbers)	960,494,595	960,477,265
f. Nominal value of equity shares (₹)	1	1
g. Diluted EPS (₹)	16.32	15.40

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33. LEASES

A. Operating leases:

The Group as a lessee:

(a) The Group 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 ranging from 6 months to 120 months.

(₹ Millions)

	Mar-19	Mar-18
Lease rental charges for the year	1,719	2,078
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1,163	1,072
Later than one year but not later than five years	569	783
Later than five years	28	90

The Group as a lessor:

(b) The Group has given part of its buildings / investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 48 months.

(₹ Millions)

	Mar-19	Mar-18
Lease rental income for the year	497	435
Future Lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	130	150
Later than one year but not later than five years	919	826
Later than five years	167	342

(c) The Group has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agree ments that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

(₹ Millions)

	Mar-19	Mar-18
Sub lease rent income	117	91
Future sub lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	68	87

34. (A) CONTINGENT LIABILITIES

(₹ Millions)

	Mar-19	Mar-18
a. Corporate Guarantees		
- For other related parties ^^	1,137	1,037
b. Disputed Indirect Taxes	585	536
c. Disputed Direct Taxes *	3,352	4,746
d. Claims against the Group not acknowledged as debts #	440	650
e.Legal cases against the Group @	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 Group before various appellate authorities (including Dispute Resolution panel) against disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases are likely to be decided in its favour and hence no provision is considered necessary.

The amount represents the best possible estimate arrived at on the basis of available information. The Group has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

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(B) The Group has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of Media Rights contract for telecast of cricket matches between India and other countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ 1,236 Millions (plus interest) in favour of the Group. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Company has also filed an execution petition in April 2018. Accordingly, pending final outcome, income has not been recognised in these financial statements. During the year, Group has received ₹ 300 Millions which is accounted as deposits received in other financial liabilities.

35. CAPITAL AND OTHER COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 586 Millions (₹ 426 Millions).

(ii) Other Commitments as regards media content and others (net off advances) ₹ 8,551 Millions (₹ 3,088 Millions).

(iii) Uncalled Liability / contractual obligation on investments committed is ₹ 55 Millions (₹ 65 Millions).

36.

(A) Operational cost, Employee benefits expense and other expenses are net off recoveries ₹ 335 Millions (₹ 348 Millions).

(B) The Company has been deploying its surplus funds by way of inter-corporate deposits, debt instruments etc. and the parties are generally regular in the payment of interest and hence considered good.

37. SEGMENT INFORMATION

(a) Business Segment

The Group operates only in one Segment namely 'Content and Broadcasting' and hence business segment disclosure as per Ind AS-108 - Segment Reporting is not applicable.

(b) Geographical Segment

The geographical segments considered for disclosure are India and Rest of the World.

(₹ Millions)

	Segment revenue *	
	Mar-19	**Mar-18**
India	69,051	57,241
Rest of the world	10,288	9,616
Total	**79,339**	**66,857**

There are no transactions with single external customers which amounts to 10% or more of the Group's revenue.

(₹ Millions)

	Carrying cost of segment non-current assets ** @	
	Mar-19	**Mar-18**
India	18,226	21,013
Rest of the world	3,973	2,033
Total	**22,199**	**23,046**

* The revenues are attributable to countries based on location of customers.

** Based on location of assets

@ Excluding financial assets and deferred tax assets

Considering the nature of business of the Group in which it operates, the Group deals with various customers including multiple geographies. Consequently, none of the customers contribute materially to the revenue of the Group.

38. PAYMENT TO AUDITORS

(₹ Millions)

For standalone	Mar-19	Mar-18
Audit fees	9	9
Certification	2	3
Other services (₹ 500,000 (₹ 500,000))	1	1
Reimbursement of expenses (₹ 435,976 (₹ 148,479))	0	0
Total	**12**	**13**

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(₹ Millions)

For subsidiaries	Mar-19	Mar-18
Audit fees	21	25
Tax audit fees	1	1
Certification and tax representation (₹ 316,000)	1	0
Other services (₹ 265,529 (₹ 414,320))	0	0
Reimbursement of expenses (₹ 121,781 (₹ 136,001))	0	0
Total	**23**	**26**

39. EMPLOYEE BENEFITS

Disclosures as per Ind AS 19 - Employee Benefits are as follows:

(a) Defined contribution plans: 'Contribution to provident and other funds' is recognised as an expense in Note 25 'Employee benefits expense' of the Consolidated Statement of Profit and Loss.

(b) Defined benefit plans: The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method.

(₹ Millions)

	Mar-19	Mar-18
	Gratuity (Non Funded)	
i) Expenses recognised during the year		
1) Current Service Cost	72	69
2) Interest Cost	35	27
3) Actuarial Losses / (Gains)	-	-
4) Past Service cost	231	50
Total Expenses	**338**	**146**
ii) Amount recognised in other comprehensive income (OCI)		
1) Opening amount recognised in OCI	(26)	22
2) Remeasurement during the period due to		
Experience adjustments		
- Changes in financial assumptions	16	(30)
- Changes in experience charges	84	(18)
Closing amount recognised in OCI	**74**	**(26)**
iii) Net Liability recognised in the Balance Sheet as at 31 March		
1) Present value of defined benefit obligation (DBO)	802	410
2) Net Liability	802	410
iv) Reconciliation of Net Liability recognised in the Balance Sheet as at 31 March		
1) Net Liability at the beginning of year	410	344
2) Transferred during the year	0	8
3) Expense as per I above	338	146
4) Other comprehensive income as per II above	100	(47)
5) Liabilities transferred on divestiture	(8)	(3)
6) Benefits paid	(38)	(38)
Net Liability at the end of the year	**802**	**410**
v) The following payments are expected to defined benefit plan in future years :		
1) Expected benefits for year 1	22	16
2) Expected benefits for year 2 to year 5	129	91
3) Expected benefits beyond year 5	2,895	1,118

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	Mar-19	Mar-18
vi) Actuarial Assumptions		
1) Discount rate	7.71%	7.85%
2) Expected rate of salary increase	9.50%	9.50%
3) Mortality	IAL (2012-14)	IAL (2006-08)

vii) The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

viii) Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

	Mar-19	Mar-18
Impact of increase in 50 bps on DBO - discount rate	748	381
Impact of decrease in 50 bps on DBO - discount rate	861	444
Impact of increase in 50 bps on DBO - salary escalation rate	847	435
Impact of decrease in 50 bps on DBO - salary escalation rate	761	388

Notes

(a) The current service cost recognised as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary. Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(c) Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the Projected Unit Credit Method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.

40. DISCLOSURE IN RESPECT OF ASSOCIATES AND JOINT VENTURES

(a) The summarised financial information of the Group's associates and joint ventures are set out below.

(b) The principal place of business for all associates and joint ventures is in India, except for Asia Today Thailand Limited which operates in Thailand.

1. Aplab Limited - Associate Company (till 15 January 2019) (₹ Millions)

Particulars	Mar-19	Mar-18
Current assets	-	367
Non-current assets	-	828
Current liabilities	-	(1,473)
Non-current liabilities	-	(104)
Equity	-	(382)
Proportion of Group ownership	-	26.42%
Carrying amount of investment		
Unrecognised share of profit / (loss) for the year	4	(56)
Unrecognised share of cumulative losses	-	(130)
Fair value of the investment	-	27

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(₹ Millions)

Particulars	Mar-19	Mar-18
Total revenue	388	618
Profit / (loss) for the year	15	(212)
Other comprehensive income	7	11
Total comprehensive income	22	(201)

2. Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited) - Associate Company

(₹ Millions)

Particulars	Mar-19	Mar-18
Current assets	26	29
Non-current assets	2	1
Current liabilities	(15)	(21)
Equity	13	9
Proportion of Group ownership	25%	25%
Carrying amount of the investment	3	2

(₹ Millions)

Particulars	Mar-19	Mar-18
Total revenue	100	102
Profit / (loss) for the year	2	5
Total comprehensive income	2	5
Group's Share of profit / (loss)	0	1

3. Fly by Wire International Private Limited - Associate Company (till 13 July 2017)

(₹ Millions)

Particulars	Mar-19	Mar-18
Total revenue	-	88
Profit for the year	-	11
Total comprehensive income	-	11
Group's share of profit	-	6

4. Media Pro Enterprise India Private Limited - Joint Venture

(₹ Millions)

Particulars		Mar-19	Mar-18
Current assets		534	217
Non-current assets		37	297
Current liabilities		(2)	(9)
Equity		569	505
Proportion of Group ownership		37%	37%
Proportion of Group share	(A)	210	186
Adjustment for proportionate share of investment	(B)	7	7
Carrying amount of investment	(A+B)	217	193
Cash and cash equivalents		236	2

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(₹ Millions)

Particulars	Mar-19	Mar-18
Total revenue	88	92
Income tax expense	12	(2)
Profit for the year	64	81
Total comprehensive income	64	81
Group's Share of profit	24	30

5. India Webportal Private Limited -Joint Venture (till 21 July 2017)

(₹ Millions)

Particulars	Mar-19	Mar-18
Total revenue	-	170
Interest income	-	-
Depreciation and amortisation	-	1
Interest expense	-	0
Income tax expense	-	-
Loss for the year	-	(50)
Other comprehensive Income	-	1
Total comprehensive income	-	(49)
Group's Share of Loss	-	(25)

The Group's share of contingencies is ₹ Nil (₹ Nil) and Group's share of commitments is ₹ Nil (₹ Nil).

41. FINANCIAL INSTRUMENTS

(a) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stake holders through optimisation of debt and equity balance. The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group.

(b) Categories of financial instruments and fair value thereof

(₹ Millions)

Particulars	Mar-19		Mar-18	
	Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets				
i) Measured at amortised cost				
Trade receivables	18,274	18,274	15,365	15,365
Cash and cash equivalents	9,677	9,677	9,345	9,345
Other bank balances	2,541	2,541	6,772	6,772
Loans	2,135	2,135	2,428	2,428
Other financial assets	10,578	10,578	2,556	2,556
Redeemable non-convertible debentures	174	174	169	169
Redeemable non-convertible subordinate debentures	-	-	1,725	1,725
Certificate of deposits	2,519	2,519	2,000	2,000
	45,898	**45,898**	**40,360**	**40,360**
ii) Measured at fair value through profit and loss account				
Investments				
Compulsorily convertible preference shares	102	102	184	184
Morpheus Media Fund	165	165	323	323
Exfinity Technology Fund-Series II	30	30	27	27
Mutual fund	6,057	6,057	9,971	9,971
iii) Measured at fair value through other comprehensive income				
Equity shares	498	498	694	694

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Particulars	Mar-19		Mar-18	
	Carrying amount	Fair value	Carrying amount	Fair value
B Financial liabilities				
i) Measured at amortised cost				
Trade payables	14,897	14,897	11,497	11,497
Other financial liabilities	8,017	8,017	2,571	2,571
Vehicle loans *	32	32	17	17
6% Series B cumulative redeemable non-convertible preference shares	-	-	39	39
ii) Fair value through Profit and Loss				
6% Cumulative redeemable non-convertible preference shares *	11,113	11,113	15,206	15,206

*Includes current maturities of long term borrowings. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost
The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) Fair value measurement
The following table provides the fair value measurment hierarchy of the Group's assets and liabilities. Quantative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2019.

(₹ Millions)

	Mar-19	Mar-18	Fair Value Hierarchy	Valuation Technique(s) & key inputs used
Financial assets at fair value through other comprehensive income				
Investment in Equity shares	429	629	Level 1	Quoted in an active market
Investment in equity shares	69	65	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method.
Financial assets at fair value through profit and loss				
Investment in Mutual funds	67	4,578	Level 1	Quoted in an active market
Investment in Mutual funds	5,990	5,393	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.
Investment in compulsorily convertible preference shares	102	184	Level 3	
Morpheus Media Fund	165	323	Level 3	
Exfinity Technology Fund-Series II	30	27	Level 3	
Financial liabilities at fair value through profit and loss				
Quoted 6% Cumulative redeemable non-convertible preference shares	11,113	15,206	Level 1	Quoted in an active market
Unquoted 6% Series B Cumulative redeemable non-convertible preference shares	-	39	Level 2	Based on quoted share price of Company's listed non-convertible preference shares

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models which includes discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties.

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Reconciliation of Level 3 category of financial assets:

(₹ Millions)

	Mar-19	Mar-18
Opening balance	**5,992**	**4,776**
Additions	10	2,101
Redeemed	-	(967)
(Loss) / Gains recognised	(25)	68
Effect of foreign currency translation	379	14
Closing balance	**6,356**	**5,992**

(d) Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings (majorly comprises redeemable preference shares issued by the Company), interest free busines deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, unsecured interest free deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.
Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk.

- Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk. The carrying amounts of financial assets and financial liabilities the Group denominated in currencies other than its functional currency are as follows:

Currency	Assets as at		Liabilities as at	
	Mar-19	**Mar-18**	**Mar-19**	**Mar-18**
Indian Rupees (INR)	270	282	5	38
United States Dollar (USD)	182	232	243	44
Euro (EUR)	0	0	43	39
Great Britain Pound (GBP)	0	0	3	4
Mauritian Rupee	1	2	-	0
Australian Dollar (AUD)	30	-	-	-
UAE Dirhams (AED)	16	13	25	21
Singapore Dollar (SGD)	22	24	139	16
Pakistani Rupee (PKR)	38	327	4	3
Egypt Pound (EGP)	45	15	-	-

'0' (zero) denotes amounts less than a million.

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- Foreign Currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used while reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-19		Mar-18	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Indian Rupees (INR)	(27)	27	(24)	24
United States Dollar (USD)	6	(6)	(19)	19
Euro (EUR)	4	(4)	4	(4)
Great Britain Pound (GBP)	0	(0)	0	(0)
Mauritian Rupee	(0)	0	(0)	0
Australian Dollar (AUD)	(3)	3	-	-
UAE Dirhams (AED)	1	(1)	1	(1)
Singapore Dollar (SGD)	12	(12)	(1)	1
Pakistani Rupee (PKR)	(3)	3	(32)	32
Egypt Pound (EGP)	(5)	5	(2)	2

'0' (zero) denotes amounts less than a million.

The Group is mainly exposed to USD currency fluctuation risk.
The Group's sensitivity to foreign currency assets has marginally decreased during the current year in line with decrease in foreign currency trade receivables.
The Group's sensitivity to foreign currency liabilities has increased during the current year mainly on account of increase in Trade Payables.

- Interest rate risk

The borrowing of the Group includes redeemable preference shares and vehicle loan which carries fixed coupon rate and consequently the Group is not exposed to interest rate risk. The Group's investment in debt instruments and loans given by the Group are at fixed interest rates, consequently the Group is not exposed to interest rate risk.

- Other price risk

The Group is exposed to equity price risks arising from equity investments. The Group's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis:

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 10% lower / higher:

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-19		Mar-18	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Other comprehensive income for the year ended would (decrease) / increase by	(43)	43	(63)	63

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(ii) Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations and arises principally from the Group's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Group does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 45 days. The Group's exposure to customers is diversified and except for two customer, no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ Millions)

	Mar-19	Mar-18
Trade Receivables (Unsecured)		
Over six months	3,447	2,359
Less than six months	16,547	14,765
Total	**19,994**	**17,124**

(₹ Millions)

	Mar-19	Mar-18
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	1,759	1,319
Add: Transferred on account of amalgamation	-	67
Add: Provided during the year	471	370
Less: Reversal during the year	(554)	(1)
Impact of Foreign Translation	44	4
Balance as at the end of the year	**1,720**	**1,759**
Net Trade receivable	**18,274**	**15,365**

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

Loans given aggregating ₹ 1,784 Millions (including interest) is outstanding and overdue as at 31 March 2019 from related parties. The Company does not consider any credit risk on such loan given as a promoter company has provided a letter of comfort for repayment of such outstanding loans.

Further, as explained in Note 42, to the financial statements, unsecured interest free deposits aggregating ₹ 6,930 million are outstanding as at 31 March 2019.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The credit risk on mutual funds, commercial paper, non convertible debentures, certificates of deposit and other debt instruments is limited because the counterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

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(iii) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short term as well as in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019:

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	22,914	-	-	22,914	22,914
Borrowings	4,046	8,088	-	12,134	11,146
Total	**26,960**	**8,088**	**-**	**35,048**	**34,060**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018.

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	14,069	-	-	14,069	14,069
Borrowings	4,041	12,151	-	16,192	15,262
Total	**18,110**	**12,151**	**-**	**30,261**	**29,331**

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

42. Considering the increasing competition and content cost inflation, the Company adopted an aggressive differentiated movie library expansion strategy and entered into strategic content partnerships with major production houses, movie studios and creative partners for movies monetization on Zee5, domestic and international broadcast businesses.

Accordingly, the Company had entered into various agreements with content aggregators and their agencies (sub-agents) for movie library acquisition and provided, from time to time, advances aggregating ₹ 22,790 millions to the agencies. In those cases where agencies could not fulfill their obligations in terms of the arrangement within the agreed timelines, the Company has terminated those Memorandum of Understandings (MOU) and advances aggregating ₹ 17,340 millions were received back. Interest aggregating ₹ 175 Millions recovered in terms of the MOU, where applicable, is accounted under the head 'Other income'. Advances aggregating ₹ 2,450 Millions (net of inventories acquired of ₹ 3,000 Millions) are outstanding as on 31 March 2019. Such advances are accounted under the sub-head 'Other advances (unsecured) - Considered good' under the head 'Other assets'.

Further, during the year, considering the cost inflation and to mitigate the possibility of non-availability of films, to ensure a robust content pipeline for future, the Company has entered into certain output deals and given unsecured interest-free deposits aggregating ₹ 6,930 millions for a period of eleven months to the aggregators, which are outstanding as at 31 March 2019. Such deposits are accounted under sub-head 'Deposits - unsecured and considered good - to others' under the head 'Other financial assets'.

With regard to the aforesaid advances, with reference to standard operating procedures, the Company as a part of its enterprise risk assessment and internal control evaluation, with a view of enhancing the related effectiveness of control, is modifying its systems and processes with technology enablement for film acquisition.

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43. RELATED PARTY DISCLOSURES

(i) Associates

(₹ Millions)

Name of the Associate	Extent of holding	Country of Incorporation
Aplab Limited*	9.50% (26.42%)	India
Fly by Wire International Private Limited**	100% (49%)	India
Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand

* Associate upto 15 January 2019

** Became wholly owned subsidiary w.e.f. 14 July 2017

(ii) Joint Ventures

Name of the Jointly Controlled Entity	Extent of holding	Country of Incorporation
India Webportal Private Limited***	100% (51%)	India
Media Pro Enterprise India Private Limited (held through Zee Network Distribution Limited formerly known as Zee Turner Limited)	50% (50%)	India

*** Became wholly owned subsidiary w.e.f. 22 July 2017

(iii) Other Related parties consists of companies controlled by key management personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Asian Satellite Broadcast Private Limited; Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Creantum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Edisons Infrapower & Multiventures Private Limited; Essel Business Excellence Services Limited; Essel Finance VKC Forex Limited; Essel Corporate LLP; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Essel Finance Wealth Zone Private Limited; Essel Realty Private Limited; Essel Solar Energy Private Limited; EZ Buy Private Limited; EZ Mall Online Limited; Indian Cable Net Company Limited; Konti Infrapower & Multiventures Private Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Procall Infra and Utilities Private Limited; Real Media FZ-LLC; Shirpur Gold Refinery Limited; Siti Networks Limited; Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Smart Wireless Private Limited; Subhash Chandra Foundation; Today Merchandise Private Limited; Veria International Limited; Widescreen Holdings Private Limited; Zee Akaash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited

(iv) Directors/Key Management Personnal

Dr. Subhash Chandra (Non-Executive Director); Punit Goenka (Managing Director & CEO); Ashok Kurien (Non-Executive Director); Subodh Kumar (Non-Executive Director); Professor Sunil Sharma (Independent Director); Professor Neharika Vohra (Independent Director); Manish Chokhani (Independent Director); Adesh Kumar Gupta (Independent Director)

(v) Relatives of key Management Personnal

Amit Goenka, CEO international business

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(vi) Disclosure in respect of related party transactions and balances as at and during the year

(₹ Millions)

	Particulars	Mar-19	Mar-18
	Transactions during the year		
A)	**Fixed assets**		
I)	**Assets purchased**		
	Other related parties	8	-
B)	**Non-Current investments**		
I)	**Investments sold**		
	Associate	2	-
C)	**Revenue from operations**		
I)	**Advertisement income**		
	Other related parties	129	108
II)	**Subscription income**		
	Other related parties	6,227	3,481
III)	**Share of subscription income payable**		
	Other related parties	683	713
IV)	**Commission - Space selling**		
	Other related parties	389	392
V)	**Sales - Media content**		
	Joint venture	-	58
	Other related parties	35	21
VI)	**Other operating revenue**		
	Other related parties	112	76
D)	**Other income**		
I)	**Rent/ Miscellaneous income**		
	Other related parties	349	277
II)	**Interest income**		
	Other related parties	172	-
III)	**Liabilities / Excess provision written back**		
	Other related parties	68	-

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(₹ Millions)

	Particulars	Mar-19	Mar-18
E)	**Purchase - Media content**		
	Other related parties	-	43
F)	**Purchase of services**		
	Associate	-	165
	Other related parties	3,034	2,365
G)	**Advances and deposits received**		
	Other related parties	-	2
H)	**Recoveries / (Reimbursement) (net)**		
	Other related parties	335	348
I)	**Loans, advances and deposits repayment received**		
	Other related parties	24	44
J)	**Loans, advances and deposits repayment given**		
	Other related parties#	1,752	-
K)	**Corporate Social Responsibility**		
	Other related parties	222	75
L)	**Remuneration to Managing Director & CEO and CEO international business**		
	Short term employee benefits*	137	139
M)	**Commission and sitting fees**		
	Non-executive directors	23	22
N)	**Dividend paid**		
	Director (2019: ₹ 1,140; 2018: ₹ 870)	0	0

Includes assignment of loan given worth ₹ 1,706 million.

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

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(₹ Millions)

	Particulars	Mar-19	Mar-18
	Balance as at 31 March		
A)	**Investment**		
	Associates	3	2
	Joint venture	217	194
B)	**Trade receivables**		
	Joint venture	-	1
	Associates (2019: ₹ 45,490; 2018: ₹ 42,547)	0	0
	Other related parties	5,335	1,159
C)	**Loans, advances and deposits given**		
	Other related parties	2,233	427
D)	**Other receivables**		
	Joint venture (2018: ₹ 213,400)	-	0
	Other related parties	773	724
E)	**Trade advances and deposit received**		
	Joint venture	2	-
	Other related parties	83	25
F)	**Trade/Other payables**		
	Joint venture	-	1
	Associates	-	2
	Other related parties	816	564
G)	**Corporate guarantees given**		
	Other related parties	1,137	1,037

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(vii) Disclosure in respect of material related party which account for 10% or more of the transactions and balances as at and during the year

(₹ Millions)

	Particulars	Mar-19	Mar-18
	Transactions during the year		
A)	**Fixed assets**		
I)	**Assets purchased**		
	Zee Media Corporation Limited	8	-
B)	**Non-Current investments**		
I)	**Investments sold**		
	Aplab Limited	2	-
C)	**Revenue from operations**		
I)	**Advertisement income**		
	Dish TV India Limited	112	94
	Zee Media Corporation Limited	13	10
	Others	4	4
II)	**Subscription income**		
	Dish TV India Limited	4,839	2,442
	Siti Networks Limited	1,012	746
	Others	376	293
III)	**Share of subscription income payable**		
	Living Entertainment Enterprises Private Limited	210	238
	Zee Media Corporation Limited	473	475
IV)	**Commission - Space selling**		
	Diligent Media Corporation Limited	-	70
	Zee Akaash News Private Limited	23	65
	Zee Media Corporation Limited	345	241
	Others	21	16
V)	**Sales - Media content**		
	India Webportal Private Limited	-	58
	EZ Mall online Limited	3	-
	Living Entertainment Enterprises Private Limited	30	20
	Others	2	1
VI)	**Other operating revenue**		
	Living Entertainment Enterprises Private Limited	33	20
	Zee Media Corporation Limited	79	56
	Others (2018 ₹ 14,000)	-	0

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-19	Mar-18
D)	**Other income**		
I)	**Rent/ Miscellaneous income**		
	Siti Networks Limited	29	36
	Zee Media Corporation Limited	133	106
	Essel Business Excellence Services Limited	44	30
	Essel Infra Projects Limited	49	27
	Others	94	78
II)	**Interest income**		
	Widescreen Holdings Private Limited	47	-
	Konti Infrapower & Multiventures Private Limited	57	-
	Edisons Infrapower & Multiventures Private Limited	57	-
	Asian Satellite Broadcast Private Limited	11	-
III)	**Liabilities / Excess provision written back**		
	Dish TV India Limited	68	-
E)	**Purchase - Media content**		
	Zee Media Corporation Limited	-	6
	Living Entertainment Enterprises Private Limited	-	37
F)	**Purchase of services**		
	Broadcast Audience Research Council	383	287
	Zee Media Corporation Limited	289	144
	Digital Subscriber Management and Consultancy Services Private Limited	582	563
	Essel Business Excellence Services Limited	743	302
	Siti Networks Limited	229	270
	Essel Corporate Resources Private Limited	-	366
	Essel Corporate LLP	212	-
	Others	596	598
G)	**Advances and deposits received**		
	Zee Learn Limited	-	2
H)	**Recoveries / (Reimbursement) (net)**		
	Dish TV India Limited	44	41
	Essel Business Excellence Services Limited	34	6
	Living Entertainment Enterprises Private Limited	(15)	43
	Zee Media Corporation Limited	152	154
	Others	120	104

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-19	Mar-18
I)	**Loans, advances and deposits repayment received**		
	Essel Corporate LLP	12	-
	Essel Corporate Resources Private Limited	-	35
	Cyquator Media Services Private Limited	3	-
	Broadcast Audience Research Council	9	9
J)	**Loans, advances and deposits repayment given#**		
	Widescreen Holdings Private Limited	460	-
	Konti Infrapower & Multiventures Private Limited	560	-
	Edisons Infrapower & Multiventures Private Limited	570	-
	Others	162	-
K)	**Corporate Social Responsibility**		
	Subhash Chandra Foundation	222	75
L)	**Remuneration paid**		
	Punit Goenka, Managing Director and CEO	83	104
	Amit Goenka, CEO International business	54	35
M)	**Commission and sitting fees**		
	Non-executive directors	23	22
N)	**Dividend paid**		
	Director (2019: ₹ 1,140; 2018: ₹ 870)	0	0

Includes assignment of loan given worth ₹ 1,706 million.

(₹ Millions)

	Particulars	Mar-19	Mar-18
	Balance as at 31 March		
A)	**Investment**		
	Equity shares of Media Pro Enterprises India Private Limited	217	194
	Others	3	2
B)	**Trade receivable**		
	Dish TV India Limited	3,289	268
	Siti Networks Limited	1,691	639
	Others	355	253

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Extent of holding	Country of Incorporation
C)	**Loans, advances and deposits given**		
	Widescreen Holdings Private Limited	481	-
	Konti Infrapower & Multiventures Private Limited	586	-
	Edisons Infrapower & Multiventures Private Limited	595	-
	Digital Subscriber Management and Consultancy Services Private Limited	340	340
	Others	231	87
D)	**Other receivables**		
	Zee Media Corporation Limited	106	268
	Essel Infra Projects Limited	120	53
	Living Entertainment Enterprises Private Limited	147	139
	Essel Business Excellence Services Limited	92	70
	Siti Networks Limited	105	61
	Others	203	133
E)	**Trade advances and deposit received**		
	Essel Corporate Resources Private Limited	-	10
	Essel Corporate LLP	10	-
	Essel Infra Projects Limited	12	12
	Zee Media Corporation Limited	46	-
	Others	17	3
F)	**Trade/Other payables**		
	Dish TV India Limited	75	113
	Essel Business Excellence Services Limited	187	31
	Zee Media Corporation Limited	130	153
	Siti Network Limited	133	0
	Indian Cable Net Company Limited	80	229
	Others	211	41
G)	**Corporate Guarantees given**		
	Broadcast Audience Research Council	170	170
	Siti Networks Limited	967	867

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

44. Additional information, as required to consolidated financial statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended 31 March 2019.

(₹ Milions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	Zee Entertainment Enterprises Limited	80%	71,314	106%	16,550	-7%	(87)	97%	16,463
	SUBSIDIARIES								
	Indian								
1	Zee Network Distribution Limited (Formerly known as Zee Turner Limited)	0%	52	0%	(1)	0%	-	0%	(1)
2	Essel Vision Productions Limited	0%	(49)	1%	79	0%	3	0%	82
3	Zee Digital Convergence Limited	0%	(18)	0%	(13)	0%	-	0%	(13)
4	Zee Unimedia Limited	0%	27	0%	(6)	0%	(0)	0%	(6)
5	Margo Networks Private Limited	1%	690	0%	13	0%	0	0%	13
6	Fly by Wire International Private Limited	0%	165	1%	83	0%	(0)	0%	83
7	India Webportal Private Limited	0%	1	0%	(3)	0%	-	0%	(3)
8	Idea Shopweb and Media Private Limited	0%	(7)	0%	(2)	0%	-	0%	(2)
	Foreign								
1	ATL Media Limited (Formerly Asia Today Limited)	17%	15,160	5%	751	0%	-	4%	751
2	Zee Multimedia Worldwide (Mauritius) Limited	6%	5,730	1%	139	0%	1	1%	140
3	Asia TV Limited (UK)	1%	1,115	0%	68	0%	-	0%	68
4	Expand Fast Holdings (Singapore) Pte Limited	0%	146	0%	0	0%	-	0%	0
5	OOO Zee CIS Holding LLC	0%	-	0%	-	0%	-	0%	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Milions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
6	OOO Zee CIS LLC	0%	19	0%	2	0%	-	0%	2
7	Taj TV Limited	2%	1,787	-4%	(550)	0%	-	-3%	(550)
8	Zee Technologies (Guangzhou) Limited	0%	(78)	0%	(3)	0%	-	0%	(3)
9	Zee Entertainment Middle East FZ-LLC	3%	2,402	3%	430	0%	-	3%	430
10	ATL Media FZ-LLC	0%	(166)	1%	81	0%	-	0%	81
11	Zee TV South Africa (Proprietary) Limited	0%	(209)	0%	14	0%	-	0%	14
12	Zee TV USA Inc.	0%	-	0%	-	0%	-	0%	-
13	Asia Multimedia Distribution Inc.	0%	35	0%	17	0%	-	0%	17
14	Eevee Multimedia Inc.	0%	(67)	0%	(1)	0%	-	0%	(1)
15	Asia Today Singapore Pte Limited	0%	45	0%	29	0%	-	0%	29
16	Asia TV (USA) Limited, Wyoming	0%	208	0%	68	0%	-	0%	68
17	Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	0%	345	-4%	(568)	-5%	(70)	-4%	(638)
18	Zee Studio International Limited	0%	(66)	0%	(56)	0%	-	0%	(56)
19	Z5X Global FZ - LLC	-1%	(1,083)	-5%	(753)	0%	-	-4%	(753)
20	Asia TV Gmbh	0%	10	0%	6	0%	-	0%	6
21	Pantheon Productions Limited	0%	(0)	0%	(0)	0%	-	0%	(0)
	Non Controlling Interests in all subsidiaries	**0%**	**143**	**0%**	**1**	**0%**	**0**	**0%**	**1**
	ASSOCIATES (INVESTMENT AS PER THE EQUITY METHOD)								

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Milions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	Foreign								
1	Asia Today Thailand Limited	0%	3	0%	0	0%	-	0%	0
	JOINT VENTURES (INVESTMENT AS PER THE EQUITY METHOD)								
	Indian								
1	Media Pro Enterprise India Private Limited	0%	217	0%	24	0%	-	0%	24
	TOTAL	**109%**	**97,871**	**105%**	**16,399**	**-12%**	**(153)**	**96%**	**16,246**
	Less: Effect of Elimination		(8,489)		(727)		1,450		723
	TOTAL		**89,382**		**15,672**		**1,297**		**16,969**

0' (zero) denotes amounts less than a million.

Note: The figures have been computed based on the respective audited financial statements of the Companies vis-à-vis consolidated figures. Impact of consolidation adjustments have not been considered in the companywise details.

45.DIVIDEND

Dividend on equity shares is approved by the Board of Directors in their meeting held on 27 May, 2019, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend distribution tax thereon). Appropriation of dividend is done in the financial statements subsequent to approval by the shareholders.

Final dividend on equity shares for the current year is ₹ 3.5 per share (₹ 2.9 per share) which aggregates to ₹ 3,362 Millions (₹ 2,785 Millions).

46. The consolidated financial statements of the Group for the year ended 31 March 2019, were reviewed by the Audit Committee and were approved for issue by the Board of Directors at their meeting held on 27 May 2019.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai **Date:** 27 May 2019

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Rohit Kumar Gupta
Chief Financial Officer

M Lakshminarayanan
Company Secretary

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Registered office: 18th floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013
Tel : 91 22 7106 1234 Fax : 91 22 2300 2107
CIN : L92132MH1982PLC028767 Website : www.zeeentertainment.com

ATTENDENCE SLIP

37TH ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 on Tuesday the 23rd day of July 2019 at 4:00 p.m.

Name of Shareholder/Proxy (IN BLOCK LETTERS) ______________________

Signature of Shareholder/Proxy ______________________

Folio No.______________________

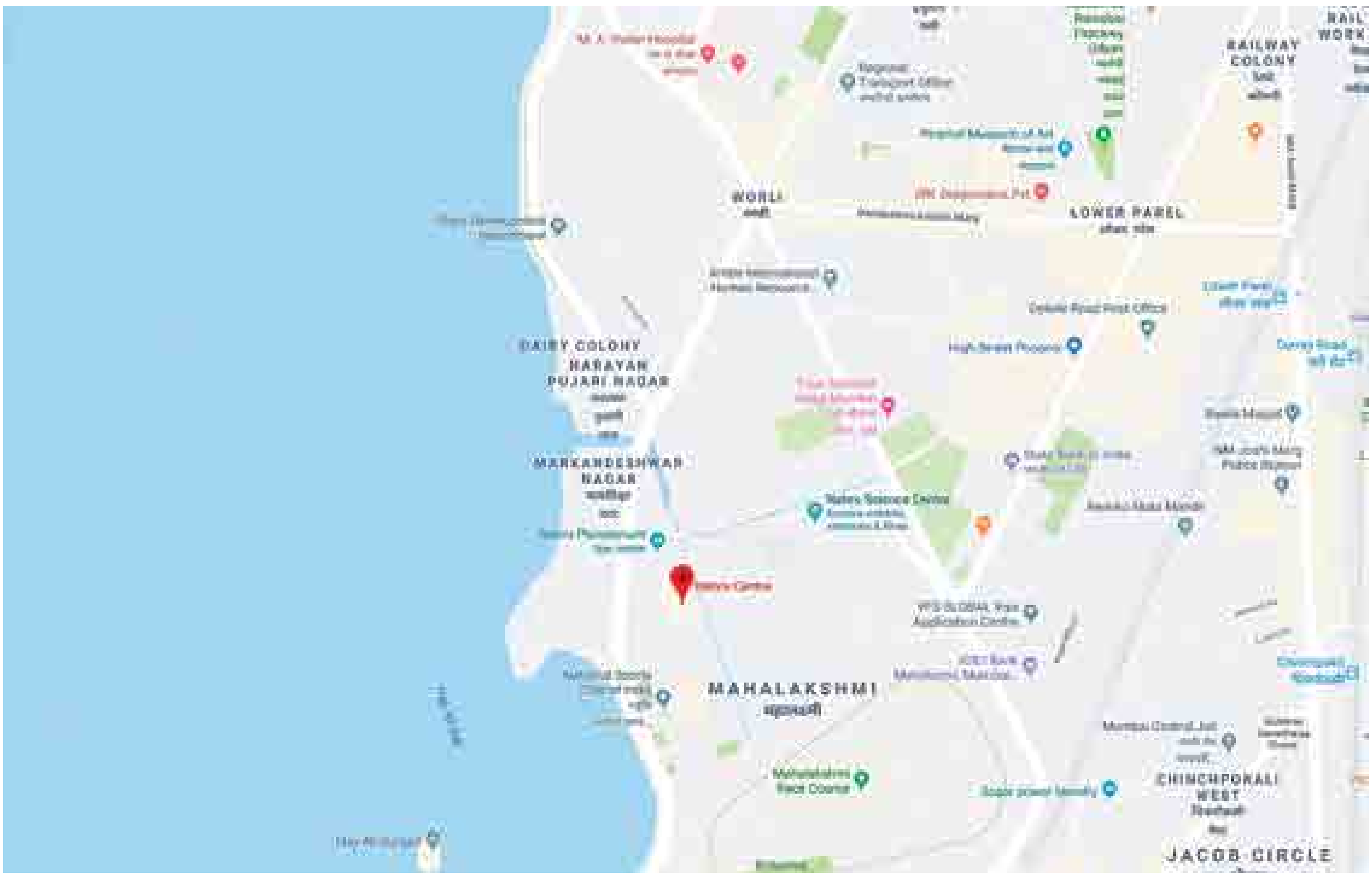
Client ID No.# ______________________

DP ID No. ______________________

No of Shares ______________________

#(Applicable for shareholders holding shares in dematerialized form)

ROUTE MAP FOR VENUE OF AGM



ZEE ENTERTAINMENT ENTERPRISES LIMITED

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PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

37TH ANNUAL GENERAL MEETING

Name of Member(s) ____________________

Registered address____________________

E-mail Id____________________

Folio No./ Client ID No.____________________

1/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 Seventh Annual General Meeting of the Company to be held on Tuesday, July 23, 2019 at 4.00 p.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, 2019 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2	Confirmation of Dividend(s) paid on the Preference Shares of the Company during, and for the financial year ended March 31, 2019.		
3	Declaration of Dividend of ₹ 3.50 per Equity Share for the financial year ended March 31, 2019.		
4	Re-appointment of Mr. Subhash Chandra as a Director of the Company.		
5	Ratification of remuneration payable to Cost Auditor for FY 2018-19.		

Signed this ____________day of ________________2019

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.

ZEE ENTERTAINMENT ENTERPRISES LIMITED

SHAREHOLDER INFORMATION

To,
Link Intime India Private Limited
Unit: Zee Entertainment Enterprises Limited
C 101, 247 Park,
L B S Marg, Vikhroli West
Mumbai – 400 083

UPDATION OF SHAREHOLDER INFORMATION FOR PHYSICAL HOLDINGS

I/We request you to record the following information against my/our Folio No:

General Information:
Folio No
Name of the sole/First Shareholder
PAN*
CIN/Registration No.*
(applicable to corporate shareholder)
Tel No with STD code
Mobile no
E-Mail ID

- Self-attested copy of the document(s) enclosed

IFSC: (11 Digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c Type*
Name of the Bank	
Bank Branch Address	

- A Blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declared that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We shall not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above- mentioned Folio no.

Place:
Date:
Encl:

Signature of sole /first holder

Note: .

1. Scan copy of the above form duly completed, along with the necessary documents, can also be sent to us on the following email IDs: rnt.helpdesk@linkintime.co.in or shareservice@zee.esselgroup.com
2. For Members holding shares in in electronic form, any changes in the above details must be intimated directly to their Depository Participant only and not to the Company or its Registrars and Share Transfer Agents.

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

FC-09, 18, 19 & 20, Film City,
Sec-16A, Noida – 201301 (UP)

3rd Floor, United Mansions,
No. 39 MG Road, Bangalore-560001

Olympia Platina, No. 33 B, 2nd floor,
Sidco Industrial Estate, Guindy,
Chennai - 600 032

3rd floor, Crescens Tower, Metro
Pillar No. 327, NH 47, Chengampuzha
Nagar, Kochi – 682033

96, Block B, Kavuri Hills, Jubilee
Hills, Hyderabad – 500033

Utkal Signature, Room No. 209-212
N.H -5, Pahal Bhubaneswar 752101

MEDIASITI,
XI-4, Block - EP, 10th Floor, Electronics
Complex, Salt Lake, Sector - V, Kolkata-700091

INTERNATIONAL

Office No. 202-204, Studio Office 1A,
Studio Office 2, Zee Tower, Dubai Media
City, P.O. Box, 500484, Dubai, UAE

Building B, Ballyoaks Office Park, 35
Ballyclare Road, Bryanston, 2021,
Johannesburg, Republic of South Africa

200, Middlesex Essex Turnpike,
Suite 202, Iselin, NJ, 08830

3rd floor, 14-15 Carlisle Street, London
W1D 3BS. UK

1181, California Ave, Suite 260, Corona,
CA, 92881

3105, NW 107th Ave, Miami-Dade/Doral
County, Florida 33172

5, Temasek Boulevard, 04-01 Suntec Tower 5,
Singapore 038985

Perkantoran Ruko Graha, Kencana Block AH,
Jl. Raya Perjuangan No. 88, Kebon Jeruk,
Jakarta Barat, Indonesia

3660 Hurontario Street Suite 303
Mississauga, Ontario, L5B 3C4

2nd Floor, Ebene House, 33 Cybercity,
Ebene, Mauritius

Nymphenburgerstr. 86, 80636 Munich,
Germany

Office 330, 40/12 – Nizhnaya, Krasnoselskaya
Street, Corpus 2, Moscow – 105066, Russia

Suite 501, 744 West Hasting, V6C 2X1,
Vancouver, Canada

Unit 503, 5th Floor, 132 Timo Street, Diliman,
Quezon City 1103, Metro Manila, Philippines

75/47, Ocean Tower 2, 23rd floor, Soi
Sukhumwit 19 (Wattana), Sukhumwit Road,
Klongtoey-Nua, Wattana, Bangkok 10110,
Thailand

ZEE

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. zeeentertainment.com

/ZeeCorporate

Conceptualised & Designed by **Synapse.co**