



Extraordinary Together

August 18, 2020

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

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

Dear Sirs,

Sub: Outcome of the Board Meeting held on August 18, 2020

In accordance with Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"), we would like to inform that the Board of Directors of the Company in its meeting held today i.e. August 18, 2020 has inter-alia approved the following:

1. Appointment of Shri. Subhash Chandra as Chairman Emeritus

Shri. Subhash Chandra, vide his letter dated August 18, 2020 has tendered his resignation, as the Non-Executive Director of the Company, which was reluctantly accepted by the Board of Directors.

In the mentioned letter of resignation, Shri. Chandra expressed a great sense of satisfaction, having witnessed a Company which he founded 27 years ago, emerge into a global media & entertainment powerhouse. He also expressed his passion as an entrepreneur, to consistently work towards creating a better tomorrow and mentioned about his undivided attention needed for the same.

Referred as the 'Father of Indian Television', Shri. Chandra's pioneering vision has contributed immensely to the Company and the Industry at large, creating millions of jobs across the Nation. For his contributions to the Industry, Shri. Chandra was awarded the 2011 International Emmy Directorate Award at the 39th International Emmy Awards in New York. With this, he became the first Indian ever to receive a Directorate Award recognizing excellence in media outside the United States.

In recognition of the fact that Shri. Chandra founded the Company and considering his unmatched contributions, as a mark of respect, the Board requested him to act as '**Chairman Emeritus**' with effect from August 19, 2020 and the same was accepted by Shri. Chandra. In this advisory role, his rich experience and farsightedness will help the Company immensely and his services, guidance and mentorship will be availed from time to time. This position will not carry any remuneration.

As Chairman Emeritus, Shri. Chandra will continue to guide the Board and Company's Senior Management.

Zee Entertainment Enterprises Limited



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2. Appointment of Mr. R Gopalan as Chairman of the Board

Mr. R. Gopalan was appointed as an Additional Director in the category of Independent Director on November 25, 2019. Mr. R Gopalan, who has done Master of Public Administration & Management from Harvard University, MA in Economics from Boston University and Bachelor's in Chemistry from Madras University, has a rich experience in economic and financial administration of the country with long stints in Ministry of Commerce and Finance Ministry, and in Manufacturing and Services Sectors. He has been appointed as the 'Chairman of the Board' with immediate effect.

As an Officer of Indian Administrative Services (IAS), Mr. Gopalan held various responsible positions including *inter alia*, as Member of Public Enterprises Selection Board, Secretary Dept of Economic affairs, Secretary, Department of Financial Services, CMD Tamilnadu Industrial Development Corporation, CMD Taminadu Newsprints and Papers Ltd, MD Tidel Parks Ltd, MD Tamilnadu Agro Industries Corporation Ltd, Director Department of Chemicals & Petrochemicals etc.

During his career spanning 36 years, Mr Gopalan gained rich experience in establishing and managing a Venture Capital Fund; Infrastructure financing, Managing Financial Institutions, Creating Institutions & Corporates, leading Indian negotiation team in WTO, formulating policy(ies) etc.

3. Approval of Unaudited Financial Results and Limited Review Reports (both Standalone and Consolidated)

Approved Unaudited Financial Results of the Company and Limited Review Reports, both Standalone and Consolidated, for the quarter ended June 30, 2020. Copy of the above Financial Results along with Earnings Release and Limited Review Certificate(s) issued by the Auditors of the Company are enclosed herewith.

The meeting of the Board of Directors commenced at 11.00 a.m. and concluded at 12.45 p.m. Kindly take the above on record.

Thanking you,

Yours faithfully,
For Zee Entertainment Enterprises Limited

Ashish Agarwal
Company Secretary
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GROUP

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Zee Entertainment Enterprises Limited (the Company), for the quarter ended 30 June 2020 (the Statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 on 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We draw attention to Note 8 of the Statement. This Note, inter alia, states regarding the Letter of Comfort (LOC) issued in May 2016, by the Company to Yes Bank Limited (Bank) in connection with a borrowing by Living Entertainment Limited (LEL), a related party, from the said Bank, confirming, among other matters, to support ATL Media Limited (ATL), a wholly owned subsidiary of the Company, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring a Put Option entered into by ATL with LEL which was renewed on 29 July 2019 to be valid until 30 December 2026, to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL), another related party of the Company, at the exercise price of \$52.50 million (Rs. 39,527 lakhs as at 30 June 2020; Rs. 39,270 lakhs as at 31 March 2020), which was assigned by LEL in favour of Axis Bank Limited, DIFC branch, the security trustee for the benefit of the Bank, to secure the said borrowing by LEL. In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling

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the amount called by the Bank under the Put Option, during the current quarter, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, refused the ad-interim relief sought by the Bank. In July 2020, the Bank filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Division Bench set aside the Order and requested single bench to hear the ad-interim application of the plaintiff afresh, which has since been heard and the Order is awaited. Consequently, the Management has not considered the LOC as a financial guarantee and since the matter is sub-judice, has not accounted for any liability in respect of the LOC and the aforesaid contention of the Bank.

In view of the confirmation given by the Company in the LOC issued to the Bank to fund ATL through debt/equity, such LOC partakes the character of an executory contract under Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' which needs to be assessed for any onerous commitment. In the absence of sufficient appropriate evidence, we are unable to determine if the LOC is an onerous commitment and whether any adjustment is required to be made in this regard in the books of account and on compliances required with the provisions of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

This matter was also qualified in our report on the financial results for the quarter and year ended 31 March 2020.


5. Based on our review conducted as stated in paragraph 3 above, except for the possible effect of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 20046488AAAACB9260

 Mumbai, 18 August 2020



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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Standalone unaudited financial results for the quarter ended 30 June 2020

Particulars	Quarter ended on			(₹ in Lakhs) Year ended on
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	Unaudited	Unaudited (Refer Note 3)	Unaudited	Audited
1 Revenue from operations	111,249	172,456	178,989	721,899
2 Other income	1,277	4,102	9,181	22,779
Total income [1 + 2]	112,526	176,558	188,170	744,678
3 Expenses				
(a) Operational cost	54,554	106,389	69,205	331,404
(b) Employee benefits expense	16,121	12,489	15,898	61,692
(c) Finance costs	152	8,372	1,964	13,904
(d) Depreciation and amortisation expenses	4,471	5,169	4,861	17,763
(e) Fair value loss /(gain) on financial instruments at fair value through profit and loss	9,223	8,463	(6,220)	33,143
(f) Advertisement and publicity expenses	8,650	16,295	17,080	57,624
(g) Other expenses	10,470	33,652	12,297	80,432
Total expenses [3(a) to 3(g)]	103,641	190,829	115,085	595,962
4 Profit / (Loss) before tax and exceptional item [1 + 2 - 3]	8,885	(14,271)	73,085	148,716
5 Exceptional item (Refer note 5 and 6)	-	(11,370)	-	(28,432)
6 Profit / (Loss) before Tax [4 + 5]	8,885	(25,641)	73,085	120,284
7 Tax expense :				
(a) Current tax	2,658	6,226	24,193	56,926
(b) Current tax - earlier years	-	431	(1,560)	293
(c) Deferred tax	(200)	(2,724)	(767)	(11,731)
Total tax expense [7(a) + 7(b) + 7(c)]	2,458	3,933	21,866	45,488
8 Profit / (Loss) for the period / year [6 - 7]	6,427	(29,574)	51,219	74,796
9 Other comprehensive income / (loss)				
Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation	114	2,225	(1,046)	1,110
(ii) Fair value changes of equity instruments through other comprehensive income	(3)	(5)	508	643
(b) Income-tax relating to items that will not be reclassified to profit or loss	(29)	(559)	365	(284)
Total other comprehensive income/ (loss) [9(a) to 9(b)]	82	1,661	(173)	1,469
10 Total comprehensive income / (loss) [8 + 9]	6,509	(27,913)	51,046	76,265
11 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605
12 Other equity				755,836
13 Earnings per share (not annualised) :				
Basic (₹)	0.67	(3.08)	5.33	7.79
Diluted (₹)	0.67	(3.08)	5.33	7.79

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Notes to standalone financial results

1. The unaudited standalone financial results have been reviewed by the Audit Committee in their meeting held on 17 August 2020 and approved by the Board of Directors in their meeting held on 18 August 2020. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. The figures for the quarter ended 31 March 2020 are the balancing figures between audited figures for the full financial year ended 31 March 2020 and the unaudited published year-to-date figures up to 31 December 2019, being the date of the end of the third quarter of the financial year which was subjected to limited review.
4. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
5. As at 31 March 2020, the Company assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and 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'.
6. The Company in earlier years, had invested in Inter-corporate Deposits (ICDs)/Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during previous year and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.

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7. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities.

The impact on the results for the current quarter is primarily due to restrictions caused by the COVID-19 on the business activities. Hence, the results for the current quarter are not strictly comparable with the results of the earlier quarters presented.

The Company has assessed the impact of this pandemic and the same has been incorporated in the plans going forward. In accordance with Government directives, restrictions have started to relax, enabling content production to commence. This is expected to result in increase in business activity for the Company.

In addition to the aforesaid assessment and review of the current indicators of future economic conditions, the Company has also taken various steps aimed at augmenting liquidity, conserving cash including various cost saving initiatives, and sale of non-core and other assets.

Based on the assessment and steps being taken, the Company expects no further adjustments to the carrying amounts of the property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets, as at 30 June 2020.

As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic condition.

8. ATL Media Limited (ATL), an overseas wholly-owned subsidiary of the Company is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Company) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,527 lakhs as at 30 June 2020; Rs 39,270 lakhs as at 31 March 2020) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee.

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During the previous year, the Bank enforced the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequently, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the Put Option agreement and consequently, ATL has rescinded the Put Option from the date the Put Option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the Put Option, take or pay agreements and guarantees. The Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans to the Bank and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL to meet its loan repayment obligations to the Bank. However, the Bank and LEL remained in discussion to settle the borrowing.

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. During the current quarter, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, refused the ad-interim relief sought by the Bank. In July 2020, the Bank filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Division Bench set aside the Order and requested single bench to hear the ad-interim application of the plaintiff afresh, which has since been heard and the Order is awaited.

Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the Management and does not create any transaction that requires recognition of a liability in the books of account of the Company or require any compliances with the provisions of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), or with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The statutory auditors have qualified this matter in their report on financial results for the quarter ended 30 June 2020 and for the quarter and year ended 31 March 2020.



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9. During the quarter ended 30 June 2020, the Company has issued and allotted 21,240 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,504,475 Equity Shares of Re. 1/- each i.e. Rs. 9,605 Lakhs.

For and on behalf of the Board

Zee Entertainment Enterprises Limited

Punit Goenka

Managing Director & CEO

Place: Mumbai

Date : 18 August 2020

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Zee Entertainment Enterprises Limited (the Parent) and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its associate and joint venture for the quarter ended 30 June 2020 (the Statement) being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 on 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sr. No.	Particulars
	Parent
	Zee Entertainment Enterprises Limited
	Subsidiaries
1	Essel Vision Productions Limited

Sr. No.	Particulars
2	Zee Digital Convergence Limited (Formerly Zee Sports Limited)
3	Pantheon Productions Limited
4	Zee Unimedia Limited
5	Zee Turner Limited
6	Margo Networks Private Limited
7	Asia Multimedia Distribution Inc.
8	Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)
9	Asia Today Singapore Pte Limited
10	Asia TV Gmbh
11	Asia TV Limited (UK)
12	Asia TV USA Limited
13	ATL Media FZ-LLC
14	ATL Media Limited (Formerly Asia Today Limited)
15	Expand Fast Holdings (Singapore) Pte Limited
16	OOO Zee CIS LLC
17	Taj TV Limited
18	Z5X Global FZ – LLC
19	Zee Entertainment Middle East FZ-LLC
20	Zee Multimedia Worldwide (Mauritius) Limited
21	Zee Studio International Limited
22	Zee Technologies (Guangzhou) Limited
23	Zee TV South Africa (Proprietary) Limited
24	Zee TV USA Inc.
25	India Webportal Private Limited
26	Idea Shop Web Private Limited
27	Fly by Wire International Private Limited
28	OOO Zee CIS Holding LLC
	Joint Venture
1	Media Pro Enterprise India Private Limited
	Associate
1	Asia Today Thailand Limited

5. We draw attention to Note 8 (a) to the Statement, where the Group has explained the reasons for not recognizing the liability against the Put Option Agreement which was initially entered on 20 January 2016 and which was renewed on 29 July 2019 to be valid until 30 December 2026 to purchase 64.38% of the issued share capital held by Living Entertainment Limited (LEL), a related party of the Parent in Veria International Limited (VIL), another related party of the Parent (total value of the Put Option \$52.50 million (Rs. 39,527 lakhs as at 30 June 2020; Rs 39,270 lakhs as at 31 March, 2020) entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent, with LEL. In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of the Bank. As explained in the note, the Put Option matter is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the Put Option in the

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interim financial information of ATL that have been provided for inclusion in the Statement. Further, the auditors of ATL have been unable to comment on the Management's statement in the said note that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2017 to 31 March 2019), they had concluded that the value of the underlying shares in VIL was higher than the exercise price, since they have not been able to obtain appropriate evidence to audit the cash flow projections of VIL included in such valuation reports. In the absence of appropriate audit evidences to support the valuation of the Put Option in the prior periods, the auditors of ATL have been unable to comment if any adjustments are required in the interim financial information of ATL provided for inclusion in the Statement for the prior periods when the Put Option was in existence. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results in respect of the said Put Option, including in respect of the comparative/corresponding amounts for the prior periods presented in these consolidated financial results.

In continuation to the modification described above, we draw attention to Note 8 (b) of the Statement regarding the Letter of Comfort (LOC) issued, in an earlier year, by the Parent to the aforesaid Bank in connection with the said borrowing by LEL, from the Bank, confirming among other matters, to support ATL, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring the aforesaid Put Option entered into by ATL with LEL.

In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the Put Option, during the current quarter, the Bank filed a plaint seeking ad-interim relief against the Parent in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee given by the Parent. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, refused the ad-interim relief sought by the Bank. In July 2020, the Bank filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Division Bench set aside the Order and requested single bench to hear the ad-interim application of the plaintiff afresh, which has since been heard and the Order is awaited.

Since the matters are currently sub-judice, we are unable to determine whether any further adjustment, in addition to any adjustments on the Put Option by ATL referred above, is required to be made in respect of such LOC given by the Parent, in the books of account and on compliance with the requirements of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

This matter was also qualified in our report on the consolidated financial results for the quarter and year ended 31 March 2020.

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6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the possible effect of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms

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of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. We did not review the interim financial results of 8 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 27,034 lakhs for the quarter ended 30 June 2020, total net loss after tax of Rs. 346 lakhs and total comprehensive loss of Rs. 349 lakhs for the quarter ended 30 June 2020, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

8. The consolidated unaudited financial results includes the interim financial results of 20 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 6,920 lakhs for the quarter ended 30 June 2020 and total loss after tax of Rs. 111 lakhs and total comprehensive loss of Rs. 111 lakhs for the quarter ended 30 June 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 4 lakhs and total comprehensive income of Rs. 4 lakhs for the quarter ended 30 June 2020, as considered in the Statement, in respect of an associate and a joint venture, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 20046488AAAACC3313

ml Mumbai, 18 August 2020



Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

Regd. Off. 18th Floor, A Wing, Marathon Futorex, N.M.Joshi Marg, Lower Parel, Mumbai - 400013

www.zeeentertainment.com



Consolidated unaudited financial results for the quarter ended 30 June 2020

('₹ in Lakhs)

Particulars	Quarter ended on			Year ended on
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	Unaudited	Unaudited (Refer Note 3)	Unaudited	Audited
1 Revenue from operations				
(a) Advertisement revenue	42,106	103,894	118,671	468,113
(b) Subscription revenue	74,434	74,136	70,877	288,729
(c) Other sales and services	14,663	17,078	11,264	56,144
2 Other income	2,638	4,066	10,391	28,364
Total Income [1(a) to 1(c) + 2]	133,841	199,174	211,203	841,350
3 Expenses				
(a) Operational cost	65,779	130,462	78,002	382,851
(b) Employee benefits expense	20,012	16,039	20,033	78,051
(c) Finance costs	452	8,637	2,051	14,489
(d) Depreciation and amortisation expense	7,185	7,776	6,899	27,064
(e) Fair value loss / (gain) on financial instruments at fair value through profit and loss	11,233	27,870	(6,788)	25,967
(f) Advertisement and publicity expenses	11,109	18,412	19,546	69,560
(g) Other expenses	12,310	58,581	17,256	119,067
Total expenses [3(a) to 3(g)]	128,080	267,777	136,999	717,049
4 Profit / (loss) before share of profit/(loss) of associates and joint ventures, exceptional item and taxes [1 + 2 - 3]	5,761	(68,603)	74,204	124,301
5 Share of profit/(loss) of associates/joint ventures	4	(330)	230	(240)
6 Profit / (loss) before exceptional items and tax [4 + 5]	5,765	(68,933)	74,434	124,061
7 Exceptional items (Refer note 4 and 5)	-	(11,370)	-	(28,432)
8 Profit / (loss) before tax [6 + 7]	5,765	(80,303)	74,434	95,629
9 Tax expense :				
(a) Current tax - current year	2,907	6,634	24,346	58,148
(b) Current tax - earlier years	-	431	(1,560)	293
(c) Deferred tax	(70)	(10,786)	(1,328)	(15,271)
Total tax expense [9(a) + 9(b) + 9(c)]	2,837	(3,721)	21,458	43,170
10 Profit / (loss) for the period/year [8 - 9]	2,928	(76,582)	52,976	52,459
11 Other comprehensive income / (loss)				
(A) Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation	110	2,189	(1,039)	1,087
(ii) Fair value changes of equity instruments through other comprehensive income	(3)	(635)	508	13
(b) Income-tax relating to items that will not be reclassified to profit or loss	(28)	(551)	362	(280)
(B) Items that will be reclassified to profit or loss				
(a) Exchange differences on translation of financial statements of foreign operations	992	6,660	(2,702)	12,544
Total other comprehensive income/ (loss) [11(A) + 11(B)]	1,071	7,663	(2,871)	13,364
12 Total comprehensive income / (loss) [10 + 11]	3,999	(68,919)	50,105	65,823
13 Profit / (loss) for the year attributable to :				
Shareholders of the Company :	3,037	(76,668)	53,057	52,650
Non-controlling interests	(109)	86	(81)	(191)
14 Total comprehensive income / (loss) attributable to				
Shareholders of the Company	4,108	(69,005)	50,186	66,014
Non-controlling interests	(109)	86	(81)	(191)
15 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605
16 Other equity				924,787
17 Earnings per Share (not annualised) :				
Basic (₹)	0.32	(7.98)	5.52	5.48
Diluted (₹)	0.32	(7.98)	5.52	5.48



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Notes to consolidated financial results

1. The unaudited consolidated financial results of Zee Entertainment Enterprises Limited (Parent/ Company) and its subsidiaries (collectively referred as the Group) and its share of the (loss)/profit of its joint venture and associate have been reviewed by the Audit Committee in their meeting held on 17 August 2020 and approved by the Board of Directors in their meeting held on 18 August 2020. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. The figures for the quarter ended 31 March 2020 are the balancing figures between audited figures for the full financial year ended 31 March 2020 and the unaudited published year-to-date figures up to 31 December 2019, being the date of the end of the third quarter of the financial year which was subjected to limited review.
4. As at 31 March 2020, the Group assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and 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'.
5. The Company in earlier years, had invested in Inter-corporate Deposits (ICDs) / Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during the previous year and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.
6. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities.

The impact on the results for the current quarter is primarily due to restrictions caused by the COVID-19 on the business activities. Hence, the results for the current quarter are not strictly comparable with the results of the earlier quarters presented.

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The Group has assessed the impact of this pandemic and the same has been incorporated in the plans going forward. In accordance with Government directives, restrictions have started to relax, enabling content production to commence. This is expected to result in increase in business activity for the Group.

In addition to the aforesaid assessment and review of the current indicators of future economic conditions, the Group has also taken various steps aimed at augmenting liquidity, conserving cash including various cost saving initiatives, and sale of non-core and other assets.

Based on the assessment and steps being taken, the Group expects no further adjustments to the carrying amounts of the property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets, as at 30 June 2020.

As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic condition.

7. The Group has investments in overseas mutual funds which were measured at fair value through profit or loss. During the quarter ended 31 March 2020, the COVID-19 pandemic caused severe market disruptions and uncertainty resulting in significant decline in the value of similar funds globally. The Group decided to sell these investments during the quarter ended 31 March 2020 and has, subsequently, entered into an agreement to sell these investments at a consideration of Rs 22,587 lakhs (USD 30 million). In accordance with Ind AS 113 on 'Fair Value Measurement', the exit price reflects fair value as at 31 March 2020 and consequently a loss aggregating Rs 38,350 lakhs (USD 54 million) is recognised in the quarter and year ended 31 March 2020. The Group has received Rs 3,397 lakhs (USD 4.5 Million) of the sale consideration and the balance is expected to be received as per the agreed payment terms.
8. a) ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius, is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,527 lakhs as at 30 June 2020; Rs 39,270 lakhs as at 31 March 2020) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee.



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During the previous year, the Bank enforced the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequently, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the Put Option agreement and consequently, ATL has rescinded the Put Option from the date the Put Option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

The Group does not consider that any liability will devolve on it and hence has not recognized any liability against the Put Option agreement (total value of the Put Option \$52.5 million (Rs. 39,527 lakhs as at 30 June 2020; Rs 39,270 lakhs as at 31 March 2020) and any consequential impact on the Statement. Further, the Management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the Put Option in respect of those financial year ends.

b) In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the Put Option, take or pay agreements and guarantees. The Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL to meet its loan repayment obligations to the Bank. However, the Bank and LEL remained in discussion to settle the borrowing.

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. During the current quarter, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, refused the ad-interim relief sought by the Bank. In July 2020, the Bank filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Division Bench set aside the Order and requested single bench to hear the ad interim application of the plaintiff afresh, which has since been heard and the Order is awaited.

Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the Management and does not create any transaction that requires recognition of a liability in the books of account of the Company. Further, the Group has concluded that the matter of LOC will not impact the consolidated financial results since this is an intra-group arrangement and will in any case be eliminated during the preparation of the consolidated financial results.

The statutory auditors have qualified this matter in their report on financial results for the quarter ended 30 June 2020 and for the quarter and year ended 31 March 2020.

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9. During the quarter ended 30 June 2020, the Company has issued and allotted 21,240 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,504,475 Equity Shares of Re. 1/- each i.e. Rs. 9,605 Lakhs.

10. The Group operates in a single reporting segment namely 'Content and Broadcasting'.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka

Managing Director & CEO

Place: Mumbai

Date : 18 August 2020



Earnings Update for Q1'FY21

Zee Entertainment Enterprises Limited – 18th August, 2020



This Release/Communication, except for the historical information, may contain statements, including the words or phrases such as ‘expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should’ and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

Governance	<ul style="list-style-type: none">• New Board members with expertise in Media, Finance or Law to be inducted during FY21• Key financial policies have been redrafted as per shareholders' feedback and are available on website
Granularity	<ul style="list-style-type: none">• ZEE5 revenues and EBITDA disclosure along with operating metrics• Balance Sheet disclosure every quarter along with inventory breakup
Growth	<ul style="list-style-type: none">• Strong rebound in viewership share across channels post lockdown• ZEE5 witnessed strong growth in subscription revenue
Goodwill	<ul style="list-style-type: none">• Independent auditor's report for content advances and related party transaction finds no exception and summary of the same is available on Company's website
Gusto	<ul style="list-style-type: none">• ZEEL won the Great Place To Work award for third year in a row• Teams across businesses created content from home during lockdown and ensured seamless operations

Key highlights for the quarter



- Strong bounce back in viewership shares across the network post lockdown; 19.2% all India entertainment share over the last 4 weeks
- ZEE5 released 18 original series/movies during the quarter
- ZEE5 enters short video content space with beta launch of HiPi
- ZEE5 global MAUs and DAUs stood at 39.7mn and 4.0mn respectively in Jun-20
- ZEE5 continues to expand its partnership network across the globe
- Zee Studios' released its first movie directly on digital platform
- Domestic subscription revenue increased by 6.2% for the quarter
- Consolidated revenue stood at Rs.13,120 mn, a decline of 34.7%
- EBITDA for the quarter stood at Rs. 2,199 mn, a decline of 66.7%

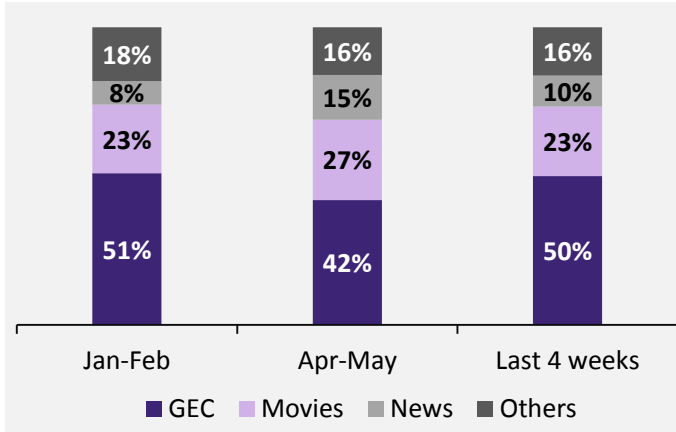


Business Performance

Broadcast business sees sharp rebound in viewership share

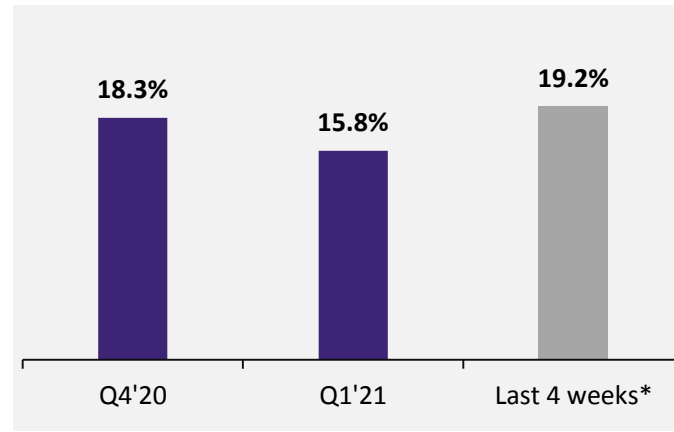


Genre shares reverting to pre-COVID levels



News and movies share normalising post spike during lockdown phase

Sharp bounce back in ZEE's viewership share



*Wk 28-31'2020

Resumption of original content and launch of two channels on FTA platform led to recovery in market share

Shot from home shows across channels during lockdown



Our channels created content from home during lockdown, keeping audience engaged with new content

Focus areas



Regain market share in Hindi; Strengthen leadership and second position in Bengali and Tamil markets, respectively

Extraordinary Together

HiPi launch to accelerate ZEE5 growth



- 39.7 mn* global MAUs, 4.0 mn global DAUs in Jun'20
- 112 minutes average watch time per viewer per month in Jun'20
- Fall in metrics due to lack of original TV content during lockdown
- ZEE5 continues to expand its partnership network, globally
- Q1 Revenue and EBITDA# stand at Rs. 949 mn and Rs. (1,451) mn

18 original shows and movies released during the quarter



*India MAU based on Comscore data, rest of the data based on internal ZEE analytics
#EBITDA loss excludes costs incurred by the business on ZEEL network

ZEE5 enters short-video space with beta launch of HiPi



Extraordinary Together

Zee Studios strengthening in-house movie production pipeline

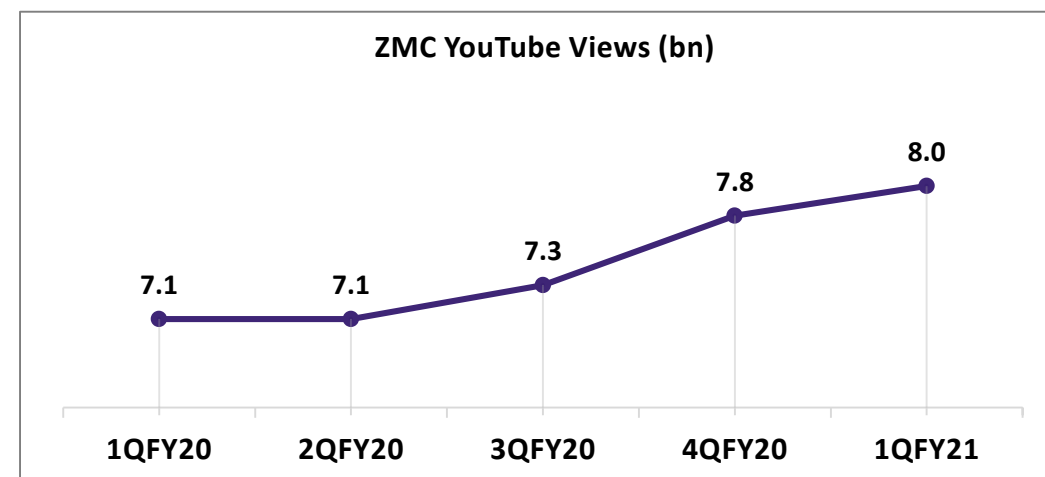
ZEE



- Zee Studio's *Gunjan Saxena: The Kargil Girl* was released directly on OTT platform, skipping theatrical release
- 'Khaali Peeli' scheduled for direct to digital release in this quarter
- Zee Studios' show *Abhay-2* released on ZEE5; it also bagged its first digital show from outside the network during the lockdown



- ZMC adds 6mn subscribers on YouTube; with 60mn subscribers, it is the second most subscribed Indian music channel
- Release of new film music delayed due to lockdown



Extraordinary Together

Zee LIVE leads the way in taking live events to the virtual world

ZEE

ZEELIVE



Supermoon Live to Home keeps you engaged and entertained with fitness, food & entertainment content

**24 ARTISTS
12 WEEKS**
AN INTERNATIONAL COMIC & MUSIC FESTIVAL



International Comic & Music Festival streamed on ZEE5 and TV channels across geographies

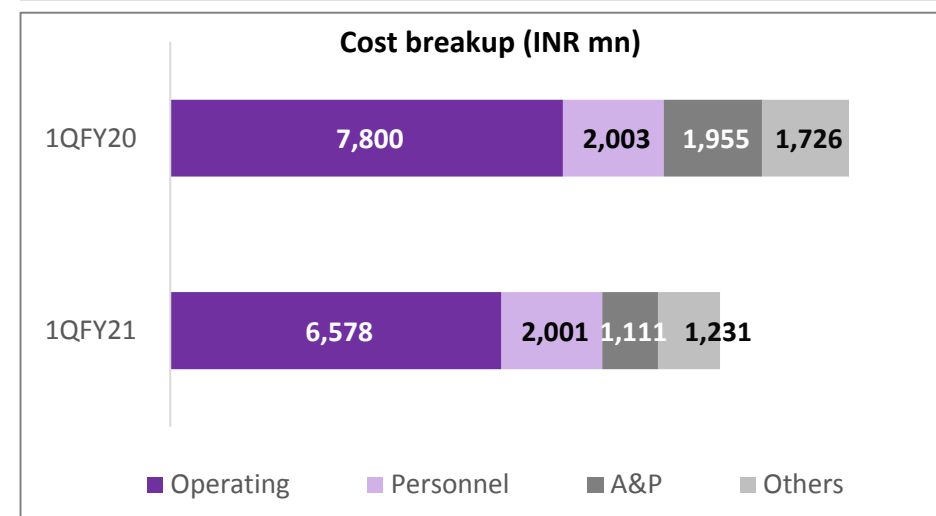
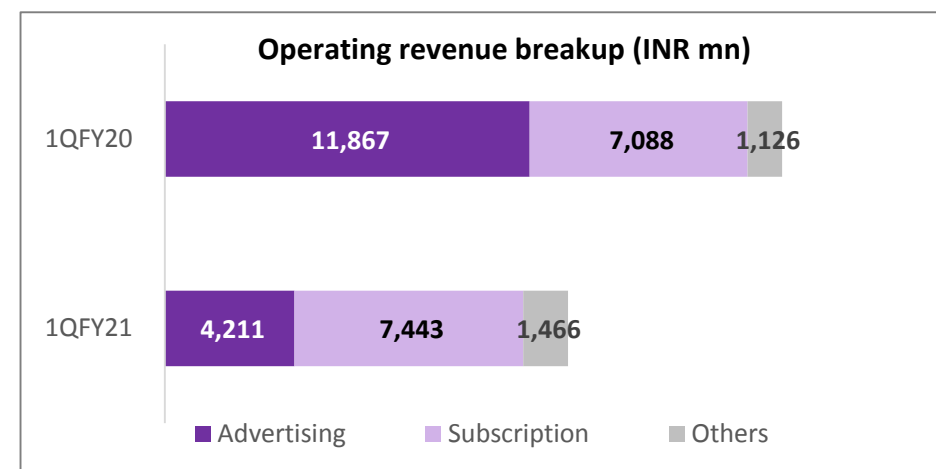


Financial Performance

Sharp fall in advertising revenues due to COVID-19

ZEE

INR million	1QFY21	1QFY20	Growth
Operating revenue	13,120	20,081	-34.7%
Expenditure	(10,921)	(13,484)	-19.0%
EBITDA	2,199	6,598	-66.7%
Add: Other income	264	1,039	-74.6%
Less: Depreciation	(719)	(690)	4.1%
Less: Finance cost	(45)	(205)	-78.0%
Less: Fair value through P&L	(1,123)	679	
Profit before Tax (PBT)	576	7,420	-92.2%
Less: Provision for Tax	(284)	(2,146)	-86.8%
Add: Share of Profit of Associates	0	23	-98.3%
Profit after Tax (PAT)	293	5,298	-94.5%



Extraordinary Together

1QFY21: Subscription revenue steady; syndication revenue jumps



Subscription revenues	Domestic subscription revenues grew by 6.2% YoY on a higher base (47% growth in base quarter), primarily led by ZEE5 subscription revenue
Advertising revenues	Despite a sharp increase in viewership across mediums, monetization was really weak in Apr-May leading to 66% YoY decline in domestic advertising revenues
Other Sales & Services	Increased due to sale of rights of movie to OTT platform
Operating cost	No fresh episodes of existing shows were produced in the first two months, leading to a drop in programming cost. This reduction was partially offset by content shot at homes and purchase of licensed content for linear and digital businesses. Additionally, amortization cost of movies and digital shows continued
A&P and Other expenses	Marketing investments in our digital business continued, leading to only 36% YoY decline in our A&P and other expenses
Fair Value through P&L	Increased due to change in market price of Redeemable Preference Shares
International revenue break-up	Advertising revenue - Rs. 371mn, Subscription revenue - Rs. 818mn, Other Sales & Services – Rs. 150mn

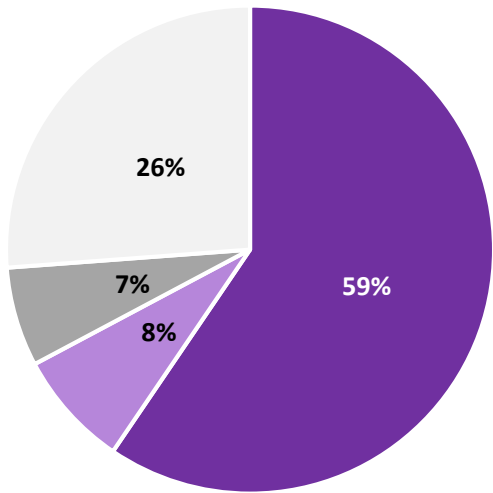
Condensed Balance Sheet



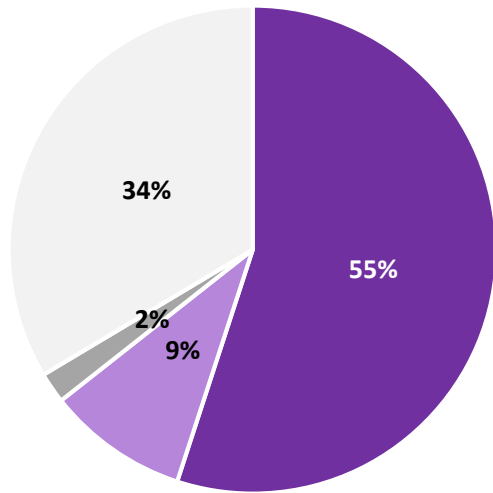
Assets (Rs. mn)	Jun' 20	Mar' 20	Sep' 19
Non-Current Assets			
Fixed assets	13,646	13,979	16,153
Investments	440	478	833
Other financial assets	490	429	557
Income tax & Deferred tax assets (net)	6,923	6,844	4,477
Others Non-Current Assets	102	90	346
Current Assets			
Inventories	52,177	53,475	43,059
Cash, Loans and other investments	13,203	10,115	14,609
Trade receivables	17,355	20,847	24,185
Others financial assets	3,621	3,732	13,760
Other current assets	12,902	12,804	14,654
Non-current assets - Held for Sale	949	945	-
Total Assets	121,808	123,737	132,631

Liabilities (Rs. mn)	Jun' 20	Mar' 20	Sep' 19
Equity Capital	93,950	93,549	95,061
Non-Current Liabilities			
Preference shares	3,520	2,975	7,059
Other borrowings	459	526	306
Provisions	1,458	1,405	1,671
Current Liabilities			
Trade Payables	15,890	16,803	14,075
Redeemable preference shares	3,520	2,975	3,530
Other financial liabilities	1,568	2,808	6,582
Other current liabilities	1,104	1,668	1,156
Provisions	140	121	134
Income tax liabilities	198	906	2,234
Deferred tax liabilities (net)	-	-	824
Total Equity & Liabilities	121,808	123,737	132,631

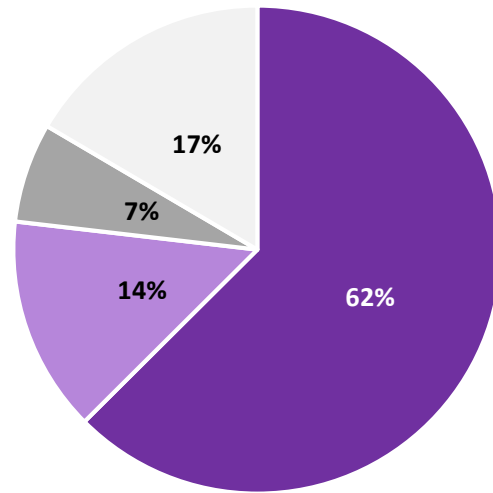
Break-up of content inventory, advances and deposits



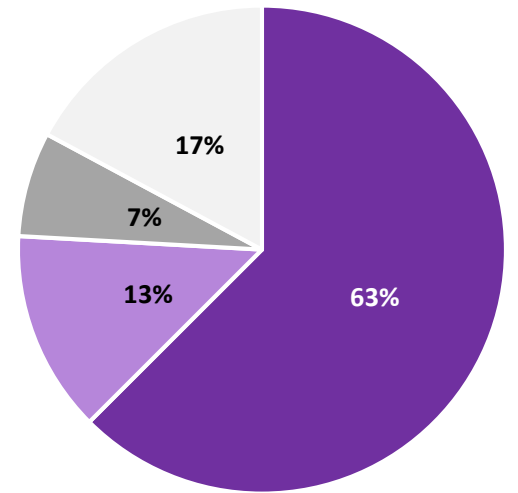
FY18: Rs. 35.6bn



FY19: Rs. 58.0bn



FY20: Rs. 64.1bn



Q1'FY21: Rs. 63.0bn

■ Movie Rights ■ Shows ■ Movie production, Music & Others ■ Content Advances & Deposits



THANK YOU