



Extraordinary Together

July 24, 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**

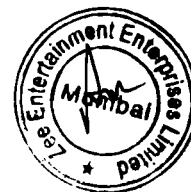
Dear Sirs,

**Sub: Outcome of the Board Meeting held on July 24, 2020**

In Compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we would like to inform that the Board of Directors of the Company at its Meeting held today i.e. July 24, 2020 has inter-alia approved:

- a) the Annual Audited Financial Results of the Company for the fourth quarter and Financial Year ended March 31, 2020, both on Standalone and Consolidated basis, along with the Auditors' Report(s) issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants ("Statutory Auditors"), thereon, Statement of asset and liabilities as on March 31, 2020 and statement of cash flow for the year ended March 31, 2020 as recommended by the Audit Committee of the Board (Financial Results");
- b) recommended for approval of the Equity Shareholders, Equity Dividend of Rs. 0.30/- per equity share of Re 1/- each (equivalent to 30% of the Paid-up Equity Share Capital) for the Financial year 2019-20;
- c) convening the 38<sup>th</sup> Annual General Meeting of the Equity Shareholders of the Company on Friday, September 18, 2020; and
- d) Friday, September 11, 2020 as the Record date for the purpose of Annual General Meeting and payment of Equity Dividend to the Equity Shareholders of the Company for Financial year 2019-20, if declared at the ensuing Annual General Meeting.

We hereby state that Statutory Auditors have issued Audit Reports with modified opinion on the Standalone and Consolidated Audited Financial Results for the fourth quarter and financial year ended March 31, 2020.



**Zee Entertainment Enterprises Limited**

Regd. Office : 18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400 013, India  
P: +91 22 7106 1234 | F: +91 22 2300 2107 | CIN: L92132MH1982PLC028767 | www.zeeentertainment.com



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In respect of the above, we hereby enclose the following:

- Annual Audited Financial Results for the 4<sup>th</sup> Quarter and Financial Year ended March 31, 2020, as per Regulation 33 of the Listing Regulations along with the Auditors' Reports thereon issued by the Statutory Auditors on the standalone and consolidated financials;
- Statement pursuant to Regulation 33 (3)(d) of the Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Standalone and Consolidated Audited Financial Results) as per the format prescribed by SEBI vide its circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016;
- Notice for Record date for purpose of AGM and Equity Dividend in the prescribed format; and
- Earnings Release in connection with the Audited financials for the 4<sup>th</sup> Quarter and financial year ended March 31, 2020.

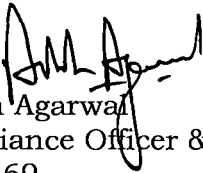
The Board meeting commenced at 2.30 p.m. and concluded at 4.30 p.m.

Kindly acknowledge receipt.

Thanking You,

Yours faithfully,

**Zee Entertainment Enterprises Limited**

  
Ashish Agarwal  
Compliance Officer & Company Secretary  
FCS6669



Encl: As above

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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE  
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

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

**Qualified Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended 31 March 2020 and (b) reviewed the Standalone Financial Results for the quarter ended 31 March 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying 'Statement of Standalone Financial Results for the Quarter and Year Ended 31 March 2020 of Zee Entertainment Enterprises Limited' (the Company), (the Statement), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

**(a) Qualified Opinion on Annual Standalone Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matter described in Basis for Qualified Opinion/Conclusion section below, the Standalone Financial Results for the year ended 31 March 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended 31 March 2020**

With respect to the Standalone Financial Results for the quarter ended 31 March 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, except for the possible effect of the matter described in Basis for Qualified Opinion/Conclusion section below nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended 31 March 2020, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

#### **Basis for Qualified Opinion/Conclusion**

We draw attention to Note 11 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. 39,275 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 the amount called by the Bank under the put option, subsequent to the year-end, the Bank filed a plaint in the Hon'ble High Court of Bombay on the grounds, among other matters, seeking an interim application with a main prayer that the aforesaid LOC is a guarantee given by the Company. The Hon'ble High Court has refused the ad-interim relief sought by the Bank. The Bank has preferred an appeal against the Order and the Company is contesting the Bank's claim in the Hon'ble High Court. Consequently, the Management has not considered the LOC as a financial guarantee and since the matter is sub-judice, has not accounted for any liability in respect of the LOC and the aforesaid contention of the Bank.

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31 March 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended 31 March 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 2020 that give a true and fair view of the net loss/profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities**

#### **(a) Audit of the Standalone Financial Results for the year ended 31 March 2020**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended 31 March 2020 as a whole is 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 this Standalone Financial Results.

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

*M*

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Company 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 Statement 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 Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results 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 Annual Standalone Financial Results.

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

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

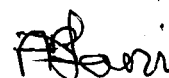
**(b) Review of the Standalone Financial Results for the quarter ended 31 March 2020**

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the 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 SAs specified under section 143(10) of the Act 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.

**Other Matters**

- As stated in Note 3 of the Statement, the figures for the corresponding quarter ended 31 March 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended 31 December 2018. We have not issued a separate limited review report on the results and figures for the quarter ended 31 March 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

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



A. B. Jani  
Partner

Membership No. 46488  
UDIN: 20046488AAAABP4965

Mumbai, 24 July 2020





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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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## Standalone Balance Sheet

('₹ in Lakhs)

Particulars	As at 31-Mar-2020 Audited	As at 31-Mar-2019 Audited
<b>A) Assets</b>		
<b>I) Non-current assets</b>		
(a) Property, plant and equipment	38,274	34,774
(b) Capital work-in-progress	2,155	1,749
(c) Investment property	7,966	14,477
(d) Goodwill	18,810	30,180
(e) Other Intangible assets	4,594	8,453
(f) Financial Assets		
(i) Investments		
a) Investments in subsidiaries	61,914	62,187
b) Other investments	13,296	69,835
(ii) Other financial assets	1,987	2,890
(g) Income tax assets (net)	11,145	54,094
(h) Deferred tax assets (net)	21,241	-
(i) Other non-current assets	794	1,676
<b>Total non-current assets</b>	<b>182,176</b>	<b>280,315</b>
<b>II) Current assets</b>		
(a) Inventories	441,012	325,642
(b) Financial assets		
(i) Investments	10,220	25,190
(ii) Trade receivables	205,198	165,949
(iii) Cash and cash equivalents	38,264	85,850
(iv) Bank balances other than (iii) above	10,052	1,094
(v) Loans	-	17,841
(vi) Other financial assets	43,067	98,442
(c) Other current assets	95,380	86,586
<b>Total current assets</b>	<b>843,193</b>	<b>806,594</b>
<b>III) Non-current asset classified as held for sale</b>	<b>7,687</b>	<b>-</b>
<b>Total Assets (I + II + III)</b>	<b>1,033,056</b>	<b>1,086,909</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A) Equity</b>		
(a) Equity Share capital	9,605	9,605
(b) Other equity	755,836	703,539
<b>Total equity</b>	<b>765,441</b>	<b>713,144</b>
<b>B) Liabilities</b>		
<b>I) Non-current liabilities</b>		
(a) Financial Liabilities - borrowings		
Redeemable preference shares	29,750	74,089
Others	3,575	172
(b) Provisions	12,645	12,488
<b>Total non-current liabilities</b>	<b>45,970</b>	<b>86,749</b>
<b>II) Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	3	1
total outstanding dues of creditors other than micro enterprises and small enterprises	143,553	130,275
(ii) Other financial liabilities		
Redeemable preference shares	29,750	37,043
Others	24,514	76,975
(b) Other current liabilities	13,794	6,674
(c) Provisions	797	564
(d) Income tax liabilities (net)	9,234	20,717
(e) Deferred tax liabilities (net)	-	14,767
<b>Total current liabilities</b>	<b>221,645</b>	<b>287,016</b>
<b>Total liabilities (I + II)</b>	<b>267,615</b>	<b>373,765</b>
<b>Total equity and liabilities (A + B)</b>	<b>1,033,056</b>	<b>1,086,909</b>

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Standalone financial results for the quarter and year ended 31 March 2020

(₹ in Lakhs)

Particulars	Quarter ended on			Year ended on	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Unaudited (Refer Note 3)	Unaudited	Audited (Refer Note 3)	Audited	Audited
1 Revenue from operations	172,456	185,289	168,730	721,899	685,786
2 Other income	4,102	4,145	3,866	22,779	18,936
Total income [1 + 2]	176,558	189,434	172,596	744,678	704,722
3 Expenses					
(a) Operational cost	106,389	74,328	68,452	331,404	240,064
(b) Employee benefits expense	12,489	16,489	16,591	61,692	54,186
(c) Finance costs	8,372	1,845	11,329	13,904	12,842
(d) Depreciation and amortisation expenses	5,169	4,239	3,675	17,763	15,894
(e) Fair value Loss/(gain) on financial instruments at fair value through profit and loss	8,463	9,528	(6,927)	33,143	(677)
(f) Advertisement and publicity expenses	16,295	15,140	17,101	57,624	58,222
(g) Other expenses	33,652	19,305	9,602	80,432	62,472
Total expenses [3(a) to 3(g)]	190,829	140,874	119,823	595,962	443,003
4 (Loss)/Profit before exceptional item and taxes [1+2-3]	(14,271)	48,560	52,773	148,716	261,719
5 Exceptional items (Refer note 6 and 7)	(11,370)	-	(2,180)	(28,432)	(2,180)
6 (Loss)/Profit before tax [4-5]	(25,641)	48,560	50,593	120,284	259,539
7 Tax expense :					
(a) Current tax	6,226	16,583	19,686	56,926	94,819
(b) Current tax - earlier years	431	1,299	174	293	(2,095)
(c) Deferred tax	(2,724)	(2,714)	(96)	(11,731)	1,334
Total tax expense [7(a) + 7(b) + 7(c)]	3,933	15,168	19,764	45,488	94,058
8 (Loss)/Profit for the period / year [6 - 7]	(29,574)	33,392	30,829	74,796	165,481
9 Other comprehensive (loss)/income					
Items that will not be reclassified to profit or loss					
(a) (i) Re-measurement of defined benefit obligation	2,225	132	(72)	1,110	(1,038)
(ii) Fair value changes of equity instruments through other comprehensive income	(5)	74	208	643	(190)
(b) Income tax relating to items that will not be reclassified to profit or loss	(559)	(39)	25	(284)	363
Total other comprehensive income / (loss) [9(a) to 9(b)]	1,661	167	161	1,469	(865)
10 Total comprehensive (loss)/income [8 + 9]	(27,913)	33,559	30,990	76,265	164,616
11 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605
11 Other equity				755,836	703,539
12 Earnings per share (not annualised) :					
Basic (₹)	(3.08)	3.48	3.21	7.79	17.23
Diluted (₹)	(3.08)	3.48	3.21	7.79	17.23

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Standalone Statement of Cash Flow year ended 31 March 2020

Particulars	31-Mar-20	31-Mar-19
	Audited	Audited
<b>A. Cash flow from operating activities</b>		
Profit before tax	120,284	259,539
<b>Adjustments for:</b>		
Depreciation and amortisation expense	17,763	15,894
Allowances for doubtful debts and advances	31,098	1,304
Exceptional item	28,432	2,180
Bad debts and advances written off	-	41
Share based payment expense	112	121
Liabilities and excess provision written back	(164)	(1,102)
Unrealised (gain)/loss on exchange adjustments (net)	(1,060)	134
(Profit)/Loss on sale or impairment of property, plant and equipment (net)	(21)	136
Interest expenses	768	1,332
Fair value loss/(gain) on financial instruments classified as fair value through profit and loss	33,143	(677)
Loss on sale of investments	-	2,310
Dividend on redeemable preference shares	8,546	11,491
Dividend income	(950)	(59)
Net gain on sale of investments classified as fair value through profit and loss	(1,042)	(2,682)
Interest income	(14,366)	(8,815)
<b>Operating profit before working capital changes</b>	<b>222,543</b>	<b>281,147</b>
<b>Adjustments for:</b>		
(Increase) in inventories	(115,368)	(107,641)
(Increase) in trade and other receivables	(22,568)	(154,776)
(Decrease)/Increase in trade and other payables	(28,209)	90,570
<b>Cash generated from operations</b>	<b>56,398</b>	<b>109,300</b>
Direct taxes paid (net)	(25,534)	(82,973)
<b>Net cash flow from operating activities (A)</b>	<b>30,864</b>	<b>26,327</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment / capital work-in-progress	(8,202)	(7,477)
Purchase of intangible assets	(2,080)	(3,240)
Sale of property, plant and equipment / intangible assets	171	129
Fixed deposit invested	(19,639)	(860)
Fixed deposit matured	10,749	67,492
Receipt of sale of equity shares of associate company	-	19
Purchase of non current investments	(145)	(12,486)
Sale of non current investments	7,693	1,200
Purchase of current investments	(318,500)	(278,500)
Proceeds from Sale / redemption of current investments	340,523	331,589
Dividend received from subsidiary company	900	-
Dividend received from others	46	44
Interest received	13,927	8,163
<b>Net cash flow from investing activities (B)</b>	<b>25,443</b>	<b>106,073</b>
<b>C. Cash flow from financing activities</b>		
Redemption of redeemable Non-Convertible preference shares	(48,414)	(48,910)
Payment of lease liability	(3,140)	-
Proceeds from long-term borrowings	18	206
Repayment of long-term borrowings	(123)	(99)
Dividend paid on equity shares	(40,486)	(33,569)
Dividend paid on Redeemable Non-Convertible Preference Shares	(11,464)	(13,769)
Interest paid	(284)	(477)
<b>Net cash flow used in financing activities (C)</b>	<b>(103,893)</b>	<b>(96,618)</b>
<b>Net cash flow during the year (A+B+C) (Refer note 8)</b>	<b>(47,586)</b>	<b>35,782</b>
Cash and cash equivalents at the beginning of the year	85,850	50,068
<b>Net cash and cash equivalents at the end of the year</b>	<b>38,264</b>	<b>85,850</b>

*[Handwritten signatures and initials]*



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## Notes to standalone financial results

1. The standalone financial results have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their respective meetings held on 24 July 2020. These results have been subjected to audit/limited review carried out by the Statutory Auditors.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS), 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 last quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between audited figures for the full financial year ended 31 March 2020 and 31 March 2019 and the unaudited published year-to-date figures up to 31 December 2019 and 31 December 2018 respectively, being the date of the end of the third quarter of the respective financial year. The figures for the last quarter ended 31 March 2020 were subjected to limited review.
4. In relation to the listed 6% Cumulative Redeemable Non-convertible Preference Shares (ISIN : INE256A04022) of the Company, the following information is disclosed as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Outstanding listed redeemable preference shares 2,016,942,312 of Rs. 4 each (Paid-up value) (31 March 2019 : 2,016,942,312 of Rs. 6 each)#	80,678	121,017
Net worth** as at	824,941	824,276
Cumulative profit for the year ended*	74,796	165,479
Free reserves as at	622,695	606,599
Securities premium account balance as at	-	-
Dividend payment on Preference Shares for the financial year 2019-20 and 2018-19 paid before the due date	7,089	9,509
Breach of any covenants under the terms of non-convertible preference shares for the year ended	Nil	Nil
Credit rating by Brickworks rating for the year ended***	Refer note below	
Next due date for the payment of dividend	15 April 2020	
Previous due date the payment of dividend	15 April 2019	
Amount of dividend and principal payable	As per terms of issue dividend @6% p.a. is payable on preference shares and the 20% of the principal value i.e. Rs. 2 per preference share is due for redemption in March 2021	

*Handwritten signature/initials*



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**ZEE ENTERTAINMENT ENTERPRISES LIMITED**

CIN No : L92132MH1982PLC028767

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Parel, Mumbai – 400013

[www.zeeentertainment.com](http://www.zeeentertainment.com)



\*Excludes other comprehensive income

\*\* Includes 6% Cumulative Redeemable Non-convertible preference share capital of Rs. 59,500 Lakhs as at 31 March 2020 and Rs. 111,132 Lakhs as at 31 March 2019.

\*\*\* During the year under review, Brickwork Ratings India Private Ltd had revised the rating assigned to the Company as the issuer and Bonus Preference Shares of the Company, listed at the Stock Exchanges, from 'BWR AAA' to 'BWR AA' with the change in outlook from 'Credit watch with developing implication' to 'Credit watch with Negative implications'.

# Total Borrowing of the Company as at 31 March, 2020 was Rs 80,900 lakhs including Redeemable Bonus preference shares of Rs 80,700 lakhs as Redeemable preference shares forms part of the borrowings as per INDAS. Accordingly, actual outstanding borrowing of the Company as at 31 March, 2020 was Rs 200 lakhs i.e less than Rs 10,000 lakhs. Hence, Mandatory borrowing to be done through issuance of debt securities was not required

5. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
6. 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'.
7. 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 quarter ended 30 September 2019 and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts
8. The Company had a fixed deposit with a bank of Rs. 20,000 lakhs. During the month of July 2019, the bank had prematurely and unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain non-group related parties (promoter group entities). Subsequently, these related parties have paid the said amount to the Company along with the interest thereon amounting to Rs. 251 lakhs. The Audit Committee had advised the management to investigate the matter fully and take appropriate action. The report of the findings was presented to the Audit Committee and taken on record that there were no exceptions.

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Based on legal advice, and the fact that the related parties have paid the said amount, along with interest, the Audit Committee and the Board of Directors of the Company had approved the setting-off of the amounts received from the related parties with the aforesaid fixed deposit based on communication received from related parties. Subsequent to the year end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.

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

The Company has assessed the impact of this pandemic on its business operations. The same has been incorporated in the plans going forward.

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

The Company has also assessed the recoverability of its assets including property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets considering the internal and external information including subsequent collections of receivables, credit risk and industry reports available. The Company made necessary adjustments to the carrying amounts by recognizing provisions/impairment of assets wherever necessary.

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

10. The Company has trade receivables aggregating Rs 81,552 lakhs from two key strategic customers as at 31 March 2020, which include amounts which are long overdue. For one of the customer, the Management, based on detailed assessment of recoverability, has agreed on revised individual plans with this customer, which involve recovering the amounts over a period of 12 to 24 months. Subsequently, the customer has been paying as per the agreed plan. Accordingly, the Management has considered the aforesaid amounts as good of recovery and, in line with Ind AS 109 on 'Financial Instruments' recorded expected credit loss aggregating Rs 3,764 lakhs (recorded in the quarter ended 31 December 2019) towards time value of money on account of the delayed collections from this customer. Further, in respect of the other key customer (a related party), based on the assessment of it's credit risk as well as the potential impact of the COVID 19 pandemic on this customer, the Company has recorded an expected credit loss aggregating Rs. 11,787 lakhs.

Further, provision of Rs 4,133 lakhs has been recorded with respect to advertising and subscription customers as a matter of abundant caution, on account of potential credit risk due to COVID-19 pandemic.



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11. ATL Media Limited (ATL), an overseas wholly-owned subsidiary of the Company, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with Living Entertainment Limited (LEL) to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Company) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

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

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub-judice.

Since the matters are sub-judice and based on legal 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).



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12. Effective 1 April 2019, the Company adopted Ind AS 116 on 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the standalone financial results for the quarter and year ended 31 March 2020.
13. During the year ended 31 March 2020, the Company has issued and allotted 16,735 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 960,483,235 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
14. The Board of directors have recommended Equity Dividend of Rs. 0.30 Per equity share of Rs. 1 each and fixed Friday, 11 September 2020 as record date for the purposes of payment of equity dividend and Annual General Meeting.

For and on behalf of the Board

Zee Entertainment Enterprises Limited

Punit Goenka

Managing Director & CEO

Place: Mumbai

Date : 24 July 2020

## Annexure I

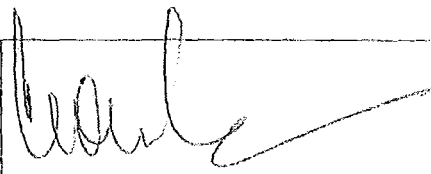
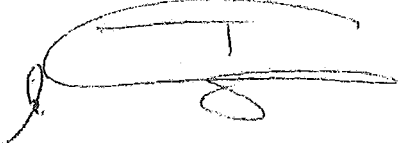
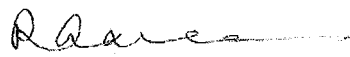
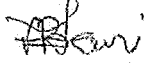
### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020</b> <i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I	Sr No	Particulars	Audited Figures (Rs in lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs in lakhs) (as reported after adjusting for qualifications)*
	1	Turnover / Total income	744,678	744,678
	2	Total Expenditure ( <i>Including exceptional item</i> )	624,394	624,394
	3	Net Profit/(Loss) after tax	74,796	74,796
	4	Earnings Per Share	7.79	7.79
	5	Total Assets	1,033,056	1,033,056
	6	Total Liabilities	208,115	208,115
	7	Net Worth ( <i>Includes 6% Cumulative Redeemable Non-convertible preference share capital</i> )	824,941	824,941
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
	* Since the modification pertains to a matter where the auditors have been unable to quantify the impact, if any, no adjustment has been made in the table above for such modification.			
II	<b>Audit Qualifications</b> <b>(a) Details of Audit Qualification</b>  We draw attention to Note 11 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 30 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. 39,275 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 the amount called by the Bank under the put option, subsequent to the year-end, the Bank filed a plaint in the Hon'ble			



	<p>High Court of Bombay on the grounds, among other matters, seeking an interim application with a main prayer that the aforesaid LOC is a guarantee given by the Company. The Hon'ble High Court has refused the ad-interim relief sought by the Bank. The Bank has preferred an appeal against the Order and the Company is contesting the Bank's claim in the Hon'ble High Court. Consequently, the Management has not considered the LOC as a financial guarantee and since the matter is sub-judice, has not accounted for any liability in respect of the LOC and the aforesaid contention of the Bank.</p> <p>In view of the confirmation given by the Company in the LOC issued to the Bank to fund ATL through debt/equity, such LOC partakes the character of an executory contract under Ind AS 37 on 'Provisions, Contingent Liabilities and Contingent Assets' which needs to be assessed for any onerous commitment. In the absence of sufficient appropriate audit evidence, we are unable to determine if the LOC is an onerous commitment and whether any adjustment is required to be made in this regard in the books of account and on compliances required with the provisions of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.</p>		
	<table border="1"> <tr> <td data-bbox="359 929 1125 1041">(b) Type of Audit Qualification (Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion</td><td data-bbox="1125 929 1465 1041"><b>Qualified</b></td></tr> </table>	(b) Type of Audit Qualification (Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion	<b>Qualified</b>
(b) Type of Audit Qualification (Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion	<b>Qualified</b>		
	<table border="1"> <tr> <td data-bbox="359 1041 1125 1086">(c) Frequency of qualification</td><td data-bbox="1125 1041 1465 1086"><b>First</b></td></tr> </table>	(c) Frequency of qualification	<b>First</b>
(c) Frequency of qualification	<b>First</b>		
	<p>(d) For Audit qualification(s) where impact is quantified by the auditor, Management Views :</p> <p><b>Not Applicable</b></p>		
	<p>(e) For Audit qualifications(s) where impact is not quantified by the auditor, Management Views :</p> <p>The impact is not quantifiable since the matter is sub-judice. Refer (e) (ii) below.</p>		
	<p>(i) Management's estimation on the impact of audit qualification :</p> <p>The impact is not quantifiable since the matter is sub-judice. Refer (e) (ii) below.</p>		
	<p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>ATL Media Limited (ATL), an overseas wholly-owned subsidiary of the Company, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with Living Entertainment Limited (LEL) to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Company) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and</p>		

		<p>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.</p> <p>In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the put option, take or pay agreements and guarantees. The Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans to the Bank and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.</p> <p>The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub - judice.</p> <p>Since the matters are sub-judice and based on legal advise obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company.</p>
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		<p>(iii) Auditors Comments on (i) or (ii) above:</p> <p>Refer our qualification in point II (a) above</p>
III	Signatories	
	<p>Punit Goenka Managing Director &amp; CEO Mumbai, July 24, 2020</p>	
	<p>Rohit Kumar Gupta Chief Financial Officer Mumbai, July 24, 2020</p>	
	<p>R Gopalan Chairman of Audit Committee New Delhi, July 24, 2020</p>	
	<p>Statutory Auditors For Deloitte Haskins &amp; Sells LLP Chartered Accountants Firm Registration No. (117366W/W-100018)  A. B. Jani Partner Membership Number 46488 UDIN : 20046488AAAABV9348 Mumbai July 24, 2020</p>	

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**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED  
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS****TO THE BOARD OF DIRECTORS OF  
ZEE ENTERTAINMENT ENTERPRISES LIMITED****Qualified Opinion and Conclusion**

We have (a) audited the Consolidated Financial Results for the year ended 31 March 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended 31 March 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying 'Statement of Consolidated Financial Results for the Quarter and Year Ended 31 March 2020' 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 joint venture and associate for the quarter and year ended 31 March 2020, (the Statement) being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

**(a) Qualified Opinion on Annual Consolidated Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiaries, associate and joint venture referred to in Other Matters section below, except for the possible effect of the matter described in Basis for Qualified Opinion/Conclusion section below the Consolidated Financial Results for the year ended 31 March 2020:

(i) includes the results of the following entities:

Sr. No.	Particulars
	<b>Parent</b>
	Zee Entertainment Enterprises Limited
	<b>Subsidiaries</b>
1	Essel Vision Productions Limited
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)

Sr. No.	Particulars
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	Eevee Multimedia Inc.
16	Expand Fast Holdings (Singapore) Pte Limited
17	OOO Zee CIS LLC
18	Taj TV Limited
19	Z5X Global FZ – LLC
20	Zee Entertainment Middle East FZ-LLC
21	Zee Multimedia Worldwide (Mauritius) Limited
22	Zee Studio International Limited
23	Zee Technologies (Guangzhou) Limited
24	Zee TV South Africa (Proprietary) Limited
25	Zee TV USA Inc.
26	India Webportal Private Limited
27	Idea Shop Web Private Limited
28	Fly by Wire International Private Limited
29	OOO Zee CIS Holding LLC
	<b>Joint Venture</b>
1	Media Pro Enterprise India Private Limited
	<b>Associate</b>
1	Asia Today Thailand Limited

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended 31 March 2020.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended 31 March 2020**

With respect to the Consolidated Financial Results for the quarter ended 31 March 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, except for the possible effect of the matter described in Basis for Qualified Opinion/Conclusion section below nothing has come to our attention that causes us to believe that the Consolidated

Financial Results for the quarter ended Month 31 March 2020, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

#### **Basis for Qualified Opinion/Conclusion**

We draw attention to note 10 (a) to the Statement, where the Group has explained the reasons for not recognizing the liability against the put option agreement 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 LEL in Veria International Limited (VIL), another related party of the Company (total value of the put option \$52.50 million (Rs. 39,275 lakhs) as at 31 March 2020) entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent with Living Entertainment Limited (LEL), a related party, to acquire the equity shares of Veria International Limited (VIL), another related party, held by LEL. In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of the Bank. As explained in the note, the put option matter is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the put option in the financial statements of ATL that have been provided for inclusion in the consolidated financial statements of the Parent. Further, the auditors of ATL have been unable to comment on the management's statement in the said note that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2017 to 31 March 2019), they had concluded that the value of the underlying shares in VIL was higher than the exercise price, since they have not been able to obtain appropriate evidence to audit the cash flow projections of VIL included in such valuation reports. In the absence of appropriate audit evidences to support the valuation of the put option in the prior periods, the auditors of ATL have been unable to comment if any adjustments are required in the financial statements of ATL provided for inclusion in the consolidated financial statements of the Parent for the prior periods when the put option was in existence. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results in respect of the said put option, including in respect of the comparative / corresponding amounts for the prior periods presented in these consolidated financial statements and to the opening balances considered in respect of the previous year ended 31 March 2019.

In continuation to the modification described above, we draw attention to Note 10 (b) of the Statement regarding the Letter of Comfort (LOC) issued, in an earlier year, by the Parent to the aforesaid Bank in connection with the said borrowing by LEL, from the Bank, confirming among other matters, to support ATL, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring a the aforesaid put option entered into by ATL with LEL.

In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the put option, subsequent to the year-end, the Bank filed a plaint against the Parent in the Hon'ble High Court of Bombay on the

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grounds, among other matters, seeking an-interim application with a main prayer that the aforesaid LOC is a guarantee given the Parent. The Hon'ble High Court has refused the ad-interim relief sought by the Bank. Consequently, the Parent has not considered the LOC as a financial guarantee. The Bank has preferred an appeal against the Order and the Parent is contesting the bank's claim in the Hon'ble High Court. Since the matters are currently sub-judice, we are unable to determine whether any further adjustment, in addition to any adjustments on the put option by ATL referred above, is required to be made in respect of such LOC given by the Parent, in the books of account and on compliance with the requirements of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended 31 March 2020 under the provisions of the Act and the Rules 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 Other Matters section below is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended 31 March 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended 31 March 2020 that give a true and fair view of the consolidated net profit/loss and consolidated other comprehensive income and other financial information of the Group including its associate and joint venture in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results 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 this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and joint venture entities are responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

### **Auditor's Responsibilities**

#### **(a) Audit of the Consolidated Financial Results for the year ended 31 March 2020**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended 31 March 2020 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 this Consolidated Financial Results.

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 Annual Consolidated Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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

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doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group and its associate and joint venture to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entities included in the Annual Consolidated Financial Results, 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 Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results 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 Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results 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.

**(b) Review of the Consolidated Financial Results for the quarter ended 31 March 2020**

We conducted our review of the Consolidated Financial Results for the quarter ended 31 March 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the

Entity', issued by the 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 SA specified under section 143(10) of the Act 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Qualified Opinion and Conclusion section above.

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.

#### **Other Matters**

- The Statement includes the results for the Quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of 28 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 591,126 lakhs as at 31 March 2020 and total revenues of 51,759 lakhs and Rs. 200,007 lakhs for the quarter and year ended 31 March 2020 respectively, total net loss after tax of Rs. 73,218 lakhs and Rs. 54,309 lakhs for the quarter and year ended 31 March 2020 respectively and total comprehensive loss of Rs. 73,869 lakhs and Rs. 54,951 lakhs for the quarter and year ended 31 March 2020 respectively and net cash inflows of Rs. 6,046 lakhs for the year ended 31 March 2020, as considered in the Statement. The consolidated financial results also includes the Group's share of loss after tax of Rs. 330 lakhs and Rs. 240 lakhs for the quarter and year ended 31 March 2020 respectively and Total comprehensive loss of Rs. 330 lakhs and Rs. 240 lakhs for the quarter and year ended 31 March 2020 respectively, as considered in the Statement, in respect of an associate, and a joint venture whose financial 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 and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement 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.

- The consolidated financial results includes the unaudited financial information of a subsidiary, whose financial information reflect total assets of Rs. 16 lakhs as at 31 March 2020 and total revenues of Rs. 1 lakh and Rs. 88 lakhs for the quarter and year ended 31 March 2020 respectively, total net loss after tax of Rs. 5 lakhs and Rs. 74 lakhs for the quarter and year ended 31 March 2020 respectively and total comprehensive loss of Rs. 5

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Haskins & Sells LLP**

lakhs and Rs. 74 lakhs for the quarter and year ended 31 March 2020 respectively and net cash flows (net) of Rs. nil for the year ended 31 March 2020, as considered in the Statement. These financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, 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 Board of Directors, these financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of the Directors.

- As stated in Note 3 of the Statement, we have not performed a review or audit of the figures relating to the corresponding quarter ended 31 March 2019. Our report on the Statement is not modified in respect of this matter.

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



A. B. Jani  
Partner

Membership No. 46488  
UDIN: 20046488AAAABQ8989



Mumbai, 24 July 2020



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

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Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	As at 31-Mar-2020 Audited	As at 31-Mar-2019 Audited
<b>ASSETS</b>		
<b>I) Non-current assets</b>		
(a) Property, plant and equipment	67,968	59,587
(b) Capital work-in-progress	3,344	10,826
(c) Investment property	7,969	15,510
(d) Goodwill	40,696	52,520
(e) Other intangible assets	14,837	13,834
(f) Intangible assets under development	4,974	4,780
(g) Financial Assets		
(i) Investments		
(a) Investments in associates	35	30
(b) Investments in joint venture	1,927	2,174
(c) Other investments	2,813	9,690
(ii) Other financial assets	4,292	5,232
(h) Income tax assets (net)	41,022	79,822
(i) Deferred tax assets (net)	27,422	-
(j) Other non-current assets	895	5,906
<b>Total non-current assets</b>	<b>218,194</b>	<b>259,911</b>
<b>II) Current assets</b>		
(a) Inventories	534,748	385,053
(b) Financial assets		
(i) Other Investments	27,697	85,759
(ii) Trade receivables	208,469	182,739
(iii) Cash and cash equivalents	55,290	96,769
(iv) Bank balances other than (iii) above	18,162	25,414
(v) Loans	-	21,347
(vi) Other financial assets	37,324	100,547
(c) Other current assets	128,044	135,760
<b>Total current assets</b>	<b>1,009,734</b>	<b>1,033,388</b>
<b>III) Non-current assets classified as held for sale</b>	<b>9,446</b>	<b>-</b>
<b>Total Assets (I + II + III)</b>	<b>1,237,374</b>	<b>1,293,299</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A) Equity</b>		
(a) Equity Share capital	9,605	9,605
(b) Other equity	924,787	882,785
Equity attributable to shareholders (a) + (b)	934,392	892,390
Non controlling interests	1,100	1,431
<b>Total equity</b>	<b>935,492</b>	<b>893,821</b>
<b>B) Liabilities</b>		
<b>I) Non current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings		
Redeemable preference shares	29,750	74,089
Others	5,260	204
(b) Provisions	14,050	13,500
<b>Total non-current liabilities</b>	<b>49,060</b>	<b>87,793</b>
<b>II) Current liabilities</b>		
(a) Financial liabilities		
(i) Trade payables	168,034	148,968
(ii) Other financial liabilities		
Redeemable preference shares	29,750	37,044
Others	28,079	80,292
(b) Other current liabilities	16,683	10,956
(c) Provisions	1,213	1,007
(d) Income tax liabilities (net)	9,063	20,795
(e) Deferred tax liabilities (net)	-	12,623
<b>Total current liabilities</b>	<b>252,822</b>	<b>311,685</b>
<b>Total liabilities (I + II)</b>	<b>301,882</b>	<b>399,478</b>
<b>Total equity and liabilities (A + B)</b>	<b>1,237,374</b>	<b>1,293,299</b>

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Consolidated financial results for the quarter and year ended 31 March 2020

(₹ in Lakhs)

Particulars	Quarter ended on			Year ended ended on	
	31-Mar-20 Unaudited (Refer Note 3)	31-Dec-19 Unaudited	31-Mar-19 Audited (Refer Note 3)	31-Mar-20 Audited	31-Mar-19 Audited
<b>1 Revenue from operations</b>					
(a) Advertisement revenue	103,894	123,082	121,749	468,113	503,666
(b) Subscription revenue	74,136	71,366	56,527	288,729	231,054
(c) Other sales and services	17,078	10,417	23,651	56,144	58,670
<b>2 Other income</b>	4,066	7,095	5,679	28,364	25,145
<b>Total income [1(a) to 1(c) + 2]</b>	<b>199,174</b>	<b>211,960</b>	<b>207,606</b>	<b>841,350</b>	<b>818,535</b>
<b>3 Expenses</b>					
(a) Operational cost	130,462	84,762	88,332	382,851	307,579
(b) Employee benefits expense	16,039	20,752	20,146	78,051	72,494
(c) Finance costs	8,637	2,004	11,417	14,489	13,043
(d) Depreciation and amortisation expense	7,776	6,555	5,678	27,064	23,473
(e) Fair value loss / (gain) on financial instruments at fair value through profit and loss	27,870	4,010	(931)	25,967	(364)
(f) Advertisement and publicity expenses	18,412	19,076	19,301	69,560	69,927
(g) Other expenses	58,581	23,698	17,317	119,067	86,996
<b>Total expenses [3(a) to 3(g)]</b>	<b>267,777</b>	<b>160,857</b>	<b>161,260</b>	<b>717,049</b>	<b>573,148</b>
<b>4 (Loss)/Profit before share of (loss)/profit of associates and joint venture, exceptional item and taxes [ 1+2-3 ]</b>	<b>(68,603)</b>	<b>51,103</b>	<b>46,346</b>	<b>124,301</b>	<b>245,387</b>
<b>5 Share of (loss)/profit of associates/joint venture</b>	<b>(330)</b>	<b>(20)</b>	<b>25</b>	<b>(240)</b>	<b>243</b>
<b>6 (Loss)/Profit before exceptional items and tax [ 4 + 5 ]</b>	<b>(68,933)</b>	<b>51,083</b>	<b>46,371</b>	<b>124,061</b>	<b>245,630</b>
<b>7 Exceptional items (Refer note 4 and 5)</b>	<b>(11,370)</b>	<b>-</b>	<b>(2,180)</b>	<b>(28,432)</b>	<b>(2,180)</b>
<b>8 (Loss)/Profit before tax [ 6 + 7 ]</b>	<b>(80,303)</b>	<b>51,083</b>	<b>44,191</b>	<b>95,629</b>	<b>243,450</b>
<b>9 Tax expense :</b>					
(a) Current tax	6,634	16,757	20,401	58,148	96,855
(b) Current tax - earlier years	431	1,299	(5,243)	293	(11,473)
(c) Deferred tax	(10,786)	(1,833)	(220)	(15,271)	1,344
<b>Total tax expense [9(a) + 9(b) + 9(c)]</b>	<b>(3,721)</b>	<b>16,223</b>	<b>14,938</b>	<b>43,170</b>	<b>86,726</b>
<b>10 (Loss)/Profit for the period/year [ 8 - 9 ]</b>	<b>(76,582)</b>	<b>34,860</b>	<b>29,253</b>	<b>52,459</b>	<b>156,724</b>
<b>11 Other comprehensive income/(loss)</b>					
<b>(A) Items that will not be reclassified to profit or loss</b>					
(a) (i) Re-measurement of defined benefit obligation	2,189	138	(8)	1,087	(990)
(ii) Fair value changes of equity instruments through other comprehensive income	(635)	66	407	13	(880)
(b) Income tax relating to items that will not be reclassified to profit or loss	(551)	(41)	4	(280)	346
<b>(B) Items that will be reclassified to profit or loss</b>					
(a) Exchange differences on translation of financial statements of foreign operations	6,660	2,441	(468)	12,544	14,488
<b>Total other comprehensive income / (loss) [ 11(A) + 11(B)]</b>	<b>7,663</b>	<b>2,604</b>	<b>(65)</b>	<b>13,364</b>	<b>12,964</b>
<b>12 Total comprehensive (loss)/income [ 10 + 11 ]</b>	<b>(68,919)</b>	<b>37,464</b>	<b>29,188</b>	<b>65,823</b>	<b>169,688</b>
<b>13 (Loss) / Profit for the year attributable to :</b>					
Shareholders of the Company	(76,668)	34,943	29,168	52,650	156,709
Non-controlling interests	86	(83)	85	(191)	15
<b>14 Total comprehensive (loss) / income attributable to</b>					
Shareholders of the Company	(69,005)	37,547	29,103	66,014	169,673
Non-controlling interests	86	(83)	85	(191)	15
<b>15 Paid-up Equity share capital of ₹ 1/- each</b>	<b>9,605</b>	<b>9,605</b>	<b>9,605</b>	<b>9,605</b>	<b>9,605</b>
<b>16 Other equity</b>				<b>924,787</b>	<b>882,785</b>
<b>17 Earnings per Share (not annualised) :</b>					
Basic (₹)	(7.98)	3.64	3.04	5.48	16.32
Diluted (₹)	(7.98)	3.64	3.04	5.48	16.32

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## Consolidated Statement of Cash Flow for year ended 31 March 2020

Particulars	31-Mar-20 Audited	31-Mar-19 Audited
<b>A. Cash flow from operating activities</b>		
Profit before tax	95,629	243,450
Adjustments for:		
Depreciation and amortisation expense	27,064	23,473
Allowances for doubtful debts and advances	56,561	8,339
Exceptional items	28,432	2,180
Bad debts and advances written off	-	43
Share based payment expense	112	121
Liabilities and excess provision written back	(414)	(1,110)
Unrealised (gain) / loss on exchange adjustments (net)	(1,060)	134
(Profit)/Loss on sale or impairment of Property, plant and equipment (net)	(2,500)	242
Interest expenses	1,351	1,391
Loss on sale of investments classified as fair value through profit and loss/amortised cost	-	2,189
Profit on sale of investments	(1,046)	(2,918)
Dividend on redeemable non convertible preference shares	8,546	11,491
Fair value loss / (gain) on financial instruments at fair value through profit and loss	25,967	(364)
Share of loss/(profit) in associates and joint ventures	240	(243)
Dividend income	(50)	(59)
Interest income	(15,120)	(10,328)
<b>Operating profit before working capital changes</b>	<b>223,712</b>	<b>278,031</b>
Adjustments for:		
(Increase) in inventories	(148,302)	(115,420)
(Increase) in trade and other receivables	(2,892)	(142,553)
(Decrease)/Increase in trade and other payables	(16,389)	86,455
<b>Cash generated from operations</b>	<b>56,129</b>	<b>106,513</b>
Direct taxes paid (net)	(31,137)	(92,995)
<b>Net cash flow from operating activities (A)</b>	<b>24,992</b>	<b>13,518</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment / capital work-in-progress	(8,096)	(19,675)
Purchase of intangible assets	(10,084)	(8,563)
Sale of property, plant and equipment / intangible assets	3,669	92
Fixed deposit invested	(19,630)	(25,053)
Fixed deposit matured	26,946	67,492
Purchase of non current investments	(150)	(100)
Proceeds from sale of non current investments	6,093	1,310
Purchase of current investments	(318,500)	(278,500)
Proceeds from sale / redemption of current investments	344,182	336,592
Loans repaid by others	780	2,933
Dividend received	50	59
Interest received	13,616	10,041
<b>Net cash flow from investing activities (B)</b>	<b>38,876</b>	<b>86,628</b>
<b>C. Cash flow from financing activities</b>		
Redemption of redeemable non-convertible preference shares	(48,670)	(48,910)
Proceeds from long-term borrowings	20	256
Repayment of lease liabilities	(4,473)	-
Repayment of long-term borrowings	(140)	(109)
Dividend paid on equity shares and tax thereon	(40,806)	(33,569)
Dividend paid on redeemable non-convertible preference shares	(11,464)	(13,769)
Interest paid	(668)	(536)
<b>Net cash flow used in financing activities (C)</b>	<b>(106,201)</b>	<b>(96,637)</b>
<b>Net cash flow during the year (A+B+C) (Refer note 6)</b>	<b>(42,333)</b>	<b>3,509</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	854	(186)
Cash and cash equivalents at the beginning of the year	96,769	93,446
<b>Net cash and cash equivalents at the end of the year</b>	<b>55,290</b>	<b>96,769</b>

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**Notes to consolidated financial results**

1. The 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 and approved by the Board of Directors in their respective meetings held on 24 July 2020. These results have been subjected to audit/limited review carried out by the Statutory Auditors.
2. The 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 last quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between audited figures for the full financial year ended 31 March 2020 and 31 March 2019 and the unaudited published year-to-date figures up to 31 December 2019 and 31 December 2018 respectively, being the date of the end of the third quarter of the respective financial year. The figures for the last quarter ended 31 March 2020 were 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 quarter ended 30 September 2019 and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.



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**ZEE ENTERTAINMENT ENTERPRISES LIMITED**

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Parel, Mumbai – 400013

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6. The Company had a fixed deposit with a bank of Rs. 20,000 lakhs. During the month of July 2019, the bank had prematurely and unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain non-group related parties (promoter group entities). Subsequently, these related parties have paid the said amount to the Company along with the interest thereon amounting to Rs. 251 lakhs. The Audit Committee had advised the management to investigate the matter fully and take appropriate action. The report of the findings was presented to the Audit Committee and taken on record that there were no exceptions.

Based on legal advice, and the fact that the related parties have paid the said amount, along with interest, the Audit Committee and the Board of Directors of the Company had approved the setting-off of the amounts received from the related parties with the aforesaid fixed deposit based on communication received from related parties. Subsequent to the year end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.

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

The Group has assessed the impact of this pandemic on its business operations. The same has been incorporated in the plans going forward.

Based on its review and 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.

The Group has also assessed the recoverability of its assets including property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets considering the internal and external information including subsequent collections of receivables, credit risk and industry reports available. The Group made necessary adjustments to the carrying amounts by recognizing provisions/impairment of assets wherever necessary.

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

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8. The Company has trade receivables aggregating Rs 81,552 lakhs from two key strategic customers as at 31 March 2020, which include amounts which are long overdue. For one of the customer, the Management, based on detailed assessment of recoverability, has agreed on revised individual plans with this customer, which involve recovering the amounts over a period of 12 to 24 months. Subsequently, the customer has been paying as per the agreed plan. Accordingly, the Management has considered the aforesaid amounts as good of recovery and, in line with Ind AS 109 on 'Financial Instruments' recorded expected credit loss aggregating Rs 3,764 lakhs (recorded in the quarter ended 31 December 2019) towards time value of money on account of the delayed collections from this customer. Further, in respect of the other key customer (a related party), based on the assessment of it's credit risk as well as the potential impact of the COVID-19 pandemic on this customer, the Company has recorded an expected credit loss aggregating Rs. 11,787 lakhs.

Further, provision of Rs 4,133 lakhs has been recorded with respect to advertising and subscription customers as a matter of abundant caution, on account of potential credit risk due to COVID-19 pandemic.

9. The Group has investments in overseas mutual funds which were measured at fair value through profit or loss. During the quarter ended 31 March 2020, the COVID-19 pandemic caused severe market disruptions and uncertainty resulting in significant decline in the value of similar funds globally. The Group decided to sell these investments and during the quarter ended 31 March 2020, appointed a consultant to identify a buyer for these investments. While the investments were deployed in high yield assets, due to the impact of the pandemic, the value of the underlying assets declined significantly and potentially delayed the disposal and realisation of these investments. Considering all relevant factors including avoidance of any additional losses on account of such market disruptions and uncertainties, subsequent to the year end, the management has entered into an agreement to sell these investments at a consideration of Rs 22,445 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 (USD 54 million) is recognised in these results.

10. a) ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain

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representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

The Group does not consider that any liability will devolve on it and hence has not recognized any liability against the put option agreement (total value of the put option \$52.5 million (Rs. 39,275 lakhs)) and any consequential impact on the statement of profit and loss. Further, the management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the put option in respect of those financial year ends.

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

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub – judice.. Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company. Further, the Group has concluded that the matter of LOC will not impact the consolidated financial statements since this is an intra-group arrangement and will in any case be eliminated during the preparation of the consolidated financial statements.

11. Effective 1 April 2019, the Group adopted Ind AS 116 on 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the consolidated financial results for the quarter and year ended 31 March 2020.

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12. During the year ended 31 March 2020, the Company has issued and allotted 16,735 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 960,483,235 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.

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

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For and on behalf of the Board  
Zee Entertainment Enterprises Limited

Punit Goenka  
Managing Director & CEO

Place: Mumbai

Date : 24 July 2020

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## Annexure I

### Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020</b> <i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
I	Sr No	Particulars	Audited Figures (Rs in lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs in lakhs) (as reported after adjusting for qualification)*
	1	Turnover / Total income	841,350	841,350
	2	Total Expenditure (Includes Exceptional items)	745,481	745,481
	3	Net Profit/(Loss) after tax	52,459	52,459
	4	Earnings Per Share	5.48	5.48
	5	Total Assets	1,237,374	1,237,374
	6	Total Liabilities	242,382	242,382
	7	Net Worth (Includes 6% Cumulative Redeemable Non-convertible preference share capital)	993,892	993,892
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
	* Since the modification pertains to a matter where the auditors have been unable to quantify the impact, if any, no adjustment has been made in the table above for such modification.			
II	<b>Audit Qualifications</b> <b>(a) Details of Audit Qualification</b>  We draw attention to note 10 (a) to the Statement, where the Group has explained the reasons for not recognizing the liability against the put option agreement (total value of the put option \$52.50 million (Rs. 39,275 lakhs)) as at 31 March 2020 entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent with Living Entertainment Limited (LEL), a related party, to acquire the equity shares of Veria International Limited (VIL), another related party, held by LEL. In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of the Bank. As explained in the note, the put option matter is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the put option in the financial statements of ATL that have been provided for inclusion in the consolidated financial statements of the Parent. Further, the auditors of ATL have been unable to comment on the management's statement in the said note that based on valuation reports provided by LEL			

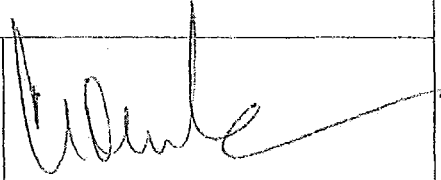
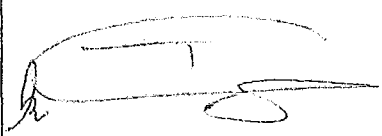
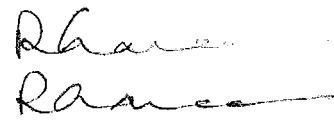
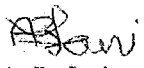
annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), they had concluded that the value of the underlying shares in VIL was higher than the exercise price, since they have not been able to obtain appropriate evidence to audit the cash flow projections of VIL included in such valuation reports. In the absence of appropriate audit evidences to support the valuation of the put option in the prior periods, the auditors of ATL have been unable to comment if any adjustments are required in the financial statements of ATL provided for inclusion in the consolidated financial statements of the Parent for the prior periods when the put option was in existence. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results in respect of the said put option, including in respect of the comparative / corresponding amounts for the prior periods presented in these consolidated financial statements and to the opening balances considered in respect of the previous year ended 31 March 2019.

In continuation to the modification described above, we draw attention to Note 10 (b) of the Statement regarding the Letter of Comfort (LOC) issued, in an earlier year, by the Parent to the aforesaid Bank in connection with the said borrowing by LEL, from the Bank, confirming among other matters, to support ATL, by way of infusion of equity/debt for meeting various requirements of ATL, including honouring a the aforesaid put option entered into by ATL with LEL.

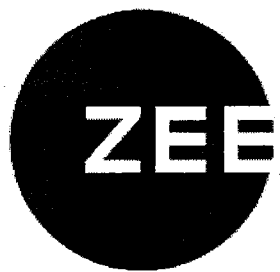
In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the put option, subsequent to the year-end, the Bank filed a plaint against the Parent in the Hon'ble High Court of Bombay on the grounds, among other matters, seeking an-interim application with a main prayer that the aforesaid LOC is a guarantee given the Parent. The Hon'ble High Court has declined the ad-interim relief sought by the Bank. Consequently, the Parent has not considered the LOC as a financial guarantee. The Bank has preferred an appeal against the Order and the Parent is contesting the bank's claim in the Hon'ble High Court. Since the matters are currently sub-judice, we are unable to determine whether any further adjustment, in addition to any adjustments on the put option by ATL referred above, is required to be made in respect of such LOC given by the Parent, in the books of account and on compliance with the requirements of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), SEBI (Listing Obligations and Disclosure Requirements), 2015 (as amended) in relation to the issue of LOC and its consequential impact on our reporting responsibilities under the Companies Act, 2013.

	(b) Type of Audit Qualification (Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion)	Qualified
	(c) Frequency of qualification	First
	(d) For Audit qualification(s) where impact is quantified by the auditor, Management Views : <b>Not Applicable</b>	
	(e) For Audit qualifications(s) where impact is not quantified by the auditor, Management Views : The impact is not quantifiable since the matter is sub-judice. Refer (e) (ii) below.	
	(i) Management's estimation on the impact of audit qualification : The impact is not quantifiable since the matter is sub-judice. Refer (e) (ii) below.	
	<p>(ii) If Management is unable to estimate the impact, reasons for the same</p> <p>ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.</p> <p>The Group does not consider that any liability will devolve on it and hence has not recognized any liability against the put option agreement (total value of the put option \$52.5 million (Rs. 39,275 lakhs)) and any consequential impact on the statement of profit and loss. Further, the management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the put option in respect of those financial year ends.</p>	

	<p>In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the put option, take or pay agreements and guarantees. During the year, the Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.</p> <p>The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order.</p> <p>The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub – judice.. Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company. Further, the Group has concluded that the matter of LOC will not impact the consolidated financial statements since this is an intra-group arrangement and will in any case be eliminated during the preparation of the consolidated financial statements</p>
	<p>(iii) Auditors Comments on (i) or (ii) above:</p> <p>Refer our qualification in point II (a) above.</p>

III	Signatories	
	Punit Goenka Managing Director & CEO Mumbai, July 24, 2020	
	Rohit Kumar Gupta Chief Financial Officer Mumbai, July 24, 2020	
	R Gopalan Chairman of Audit Committee New Delhi, July 24, 2020	
	Statutory Auditors For Deloitte Haskins & Sells LLP Chartered Accountants Firm Registration No. (117366W/W-100018)  A. B. Jani Partner Membership Number 46488 UDIN: 20046488AAAABU8668 Mumbai July 24, 2020	





## Earnings Update for Q4'FY20 and FY20

Zee Entertainment Enterprises Limited – 24<sup>th</sup> July, 2020

## Safe Harbor Statement



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.

## Key highlights for the year



- 33% growth in domestic subscription revenues, highest in the industry
- ZEEL TV network exited the year as the leader with all India entertainment viewership share of 18.3% in Feb-Mar
- 4 regional TV channels launched - Zee Punjabi, Zee Biskope, Zee Thirai and Zee Picchar
- ZEE5 was the largest producer of digital exclusive content in India, released 80+ shows and movies in FY20
- ZEE5 global MAUs and DAUs stood at 63.1mn and 6.0mn respectively in Mar-20
- ZEE5 tops popularity charts in key SAARC markets; commercial roll-out in Canada, UK and key European markets
- Zee Studios was the #3 movie studio in the country in terms of box-office collections
- Zee Music Company continues to expand its music catalogue; 2<sup>nd</sup> biggest Indian music channel on YouTube
- Consolidated revenue stood at Rs. 81,299mn, growth of 2.5%
- EBITDA for the year stood at Rs. 16,346mn
- Board recommends equity dividend of 30%

# Business Performance

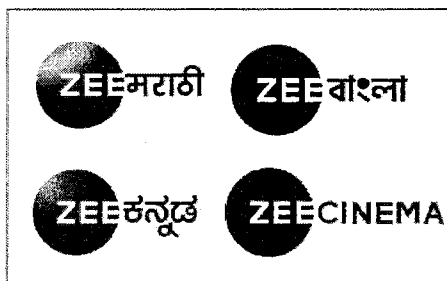


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# Broadcast Business delivered strong operating performance despite a challenging economic environment

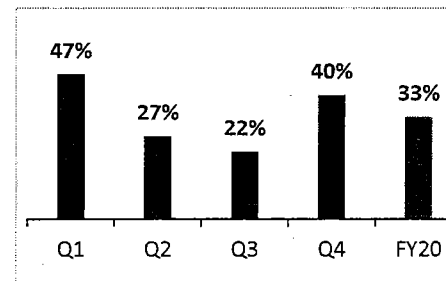


## Leadership reclaimed by the network



ZEE exited FY20 as the market leader with 18.3% viewership share. Maintained leadership in pay Hindi movies, Marathi, Bangla, and Kannada markets

## 30%+ domestic subscription growth



Industry leading domestic subscription\* growth of 33% during the year

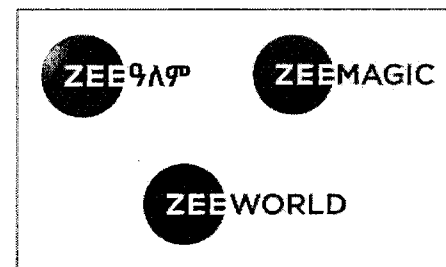
*\*Also includes digital revenue*

## Investments continue despite slowdown



Launch of Zee Punjabi, Zee Thirai, Zee Picchar and Zee Biskope will strengthen network viewership and revenue

## Calibrated investments in international markets



Zee Alem launched in Ethiopia and distribution reach of channels expanded across markets. Zee One was shut down in Germany

# ZEE5 now firmly established as a leading OTT platform, new use cases to further strengthen value proposition



- 63.1 mn\* global MAUs, 6.0 mn global DAUs in Mar'20
- 136 minutes average watch time per viewer per month in Mar'20
- Partnerships with leading telecom operators across the world
- Commercial roll-out in Europe, UK, Canada

Largest digital content producer with 80+ shows/movies in FY20



\*India MAU based on Comscore data, rest of the data based on internal data analytics

## New use cases to add scale and engagement



India's home-grown short video platform



Partnership with GameLoft for hyper casual games



Exclusive licensed content for kids



Partnership with a premier digital learning platform

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# Zee Studios and Zee Music Company strengthening their competitive positions

ZEE

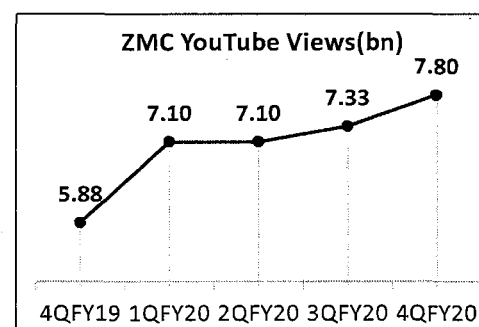
## ZEESTUDIOS

- Zee Studios was the #3 movie studio in the country in terms of box office collections
- 14 movies co-produced/distributed in FY20
- 22 films distributed in international markets during the year
- Strong line-up of in-house production movies ready for release



## ZEEMUSIC CO.

- 190+ movie albums released during the year across languages
- 55mn+ subscribers on YouTube, the second most subscribed Indian music channel
- ZMC continues to acquire over 50% of new Bollywood music rights
- 7,000+ songs in ZMC catalogue, must for every music platform



## Zee LIVE expanded into new genres

ZEE

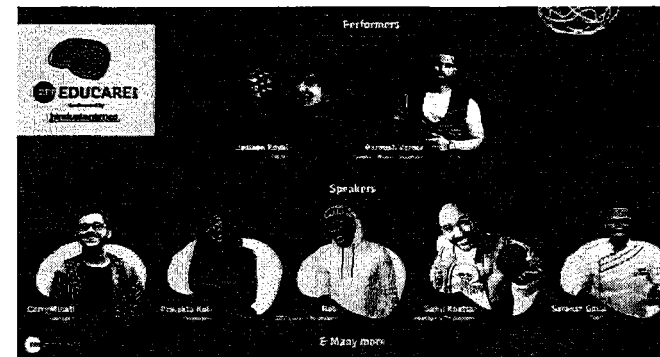
ZEELIVE



*Supermoon* aims to bring the best of global entertainment to India and vice versa; 18 shows attended by 75,000+ people in FY20



*Arth* - India's first multiregional culture festival featuring distinguished panellists. Second season held in Delhi and Kolkata attended by 35,000+



*ZEE Educare* brought alternate career options for students featuring distinguished personalities in non-traditional fields

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# Zee continued to engage viewers during the lockdown

ZEE

## TV

43%\* growth in weekly TV viewership minutes

ZEEL leveraged movie library to keep viewers engaged

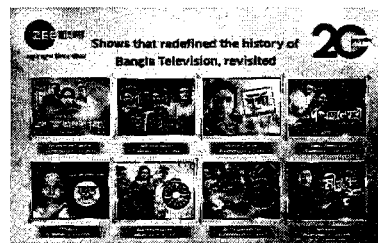
ZEE CINEMA

ZEE टॉकीज

ZEE বাংলা  
জিন্সা

ZEE సినిమాలు

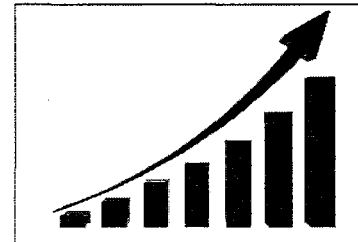
Best shows from library



## Digital

60%+\* growth in consumption on all connected devices

Spike in paid subscribers

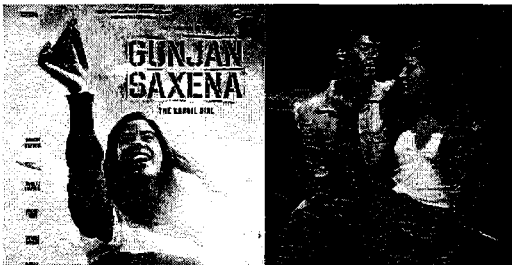


Direct-to-digital movie releases



## Movies

Cinema halls continue to be shut



Zee Studios decided to release some of its movies directly on digital platforms

## Live

Restrictions on live events continue



Supermoon Live to Home in partnership with ZEE5 to bring music, comedy, fitness and food content directly to consumers

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\*Industry numbers based on BARC Nielsen Report

## Financial Performance and Analysis



## FY20: Revenue growth in a challenging macro-environment

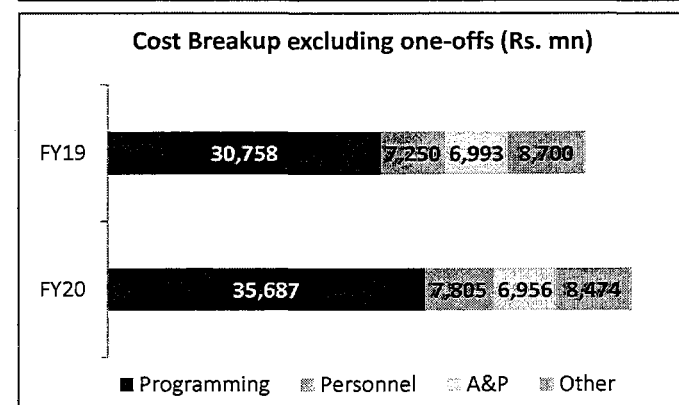
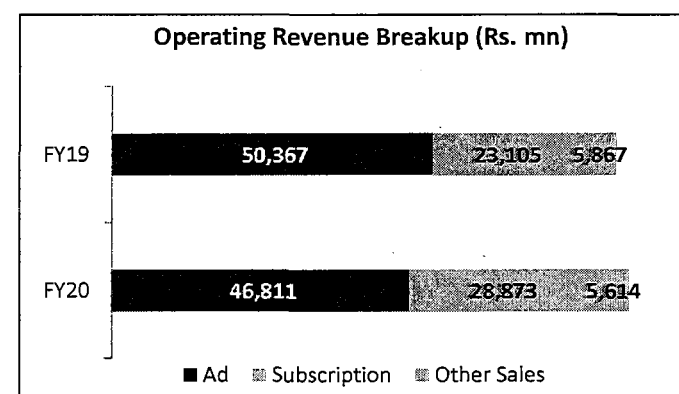


<b>Subscription revenues</b>	Domestic subscription revenues grew by 33% YoY driven by improved monetization of viewership post NTO implementation and ramp-up of ZEE5's subscriber base
<b>Advertising revenues</b>	Advertising revenues for the year declined by 7% YoY due to a weak macro economic environment and conversion of two FTA channels to pay
<b>Operating cost</b>	The underlying operating cost grew by 16% primarily driven by higher movie amortisation costs and ZEE5 content investments. It also includes accelerated content amortisation cost of Rs. 2,598mn
<b>Administrative cost</b>	Administrative cost includes a one time provision of Rs. 3,433mn for the balances related to advertising, subscription and other assets where recovery has become doubtful on account of COVID-19 led uncertainty
<b>Fair Value Through P&amp;L</b>	Includes Rs. 3,835mn loss in overseas investments in accordance with IND-AS 113 to reflect the movement in fair value of these investments as on 31 <sup>st</sup> March
<b>Exceptional Items</b>	Includes goodwill write off of Rs. 1,137mn pertaining to digital publishing business and provision of Rs. 1,706mn relating to Inter Corporate Deposits (ICD)

## Operating revenue grew by 2.5% despite macro-economic challenges

**ZEE**

(Rs. Million)	FY20	FY19	Growth
Operating Revenue	81,299	79,339	2.5%
Expenditure	64,953	53,700	21.0%
<b>EBITDA</b>	<b>16,345</b>	<b>25,640</b>	<b>-36.2%</b>
<b>EBITDA excluding one-offs</b>	<b>22,376</b>	<b>25,640</b>	<b>-12.7%</b>
Add: Other income	2,836	2,515	12.8%
Less: Depreciation	2,706	2,347	15.3%
Less: Finance cost	1,449	1,304	11.1%
Less: Fair value through P&L	2,597	-36	
Exceptional items	2,843	218	
<b>Profit Before Tax (PBT)</b>	<b>9,587</b>	<b>24,321</b>	<b>-60.6%</b>
<b>PBT excl. exceptional and one-offs</b>	<b>22,297</b>	<b>24,539</b>	<b>-9.1%</b>
Less: Provision for Tax	4,317	3,673	-50.2%
Add: Share of Profit of Associates	-24	24	
<b>Profit After Tax (PAT)</b>	<b>5,246</b>	<b>15,673</b>	<b>-66.5%</b>



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## Q4: Strong subscription growth, slowdown in advertising continues

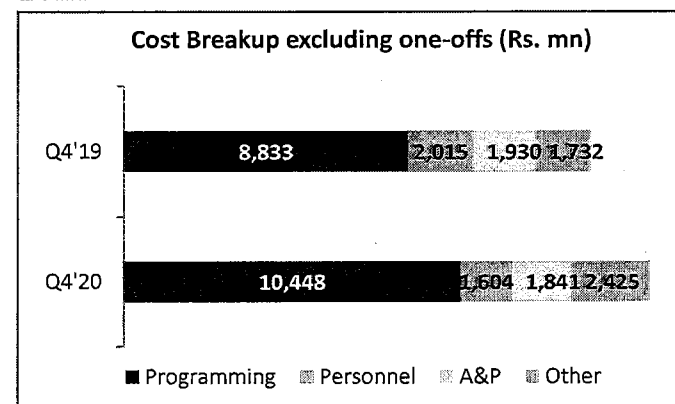
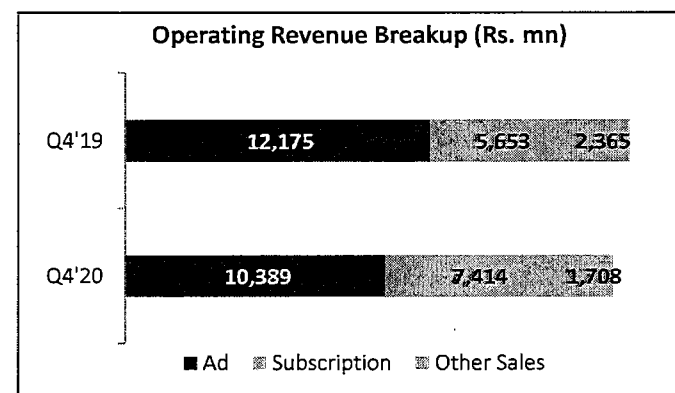


<b>Subscription revenues</b>	41% growth in domestic business, driven by implementation of NTO and growth in ZEE5's subscription revenues
<b>Advertising revenues</b>	Poor macroeconomic environment, conversion of two FTA channels into pay in Mar'19, and market share loss in certain markets drove the decline. Lockdown in March further impacted revenues
<b>International revenue break-up</b>	Advertising revenue - Rs. 560mn, Subscription revenue - Rs. 807mn, Other Sales & Services – Rs. 633mn
<b>Operating cost</b>	Underlying cost increase led by higher movie amortisation, new channels and investments in ZEE5. The reported operating cost includes one time accelerated amortisation of inventory of Rs. 2,598mn
<b>Personnel cost</b>	Personnel cost declined by 20.5% YoY in 4Q due to reversal of provisions for retiral benefit as per actuarial estimates
<b>Administrative cost</b>	Includes a one time provision of Rs. 3,433mn for balances related to ad, subscription and other assets where recovery has become doubtful on account of COVID-19 led uncertainty

Domestic subscription grew by 41%

ZEE

(Rs. Million)	Q4FY20	Q4FY19	Growth
Operating Revenue	19,511	20,193	-3.4%
Expenditure	22,349	14,510	54.0%
<b>EBITDA</b>	<b>-2,839</b>	<b>5,683</b>	
<b>EBITDA excluding one-offs</b>	<b>3,193</b>	<b>5,683</b>	<b>-43.8%</b>
Add: Other income	407	568	-28.4%
Less: Depreciation	778	568	36.9%
Less: Finance cost	864	1,142	-24.4%
Less: Fair value through P&L	2,787	93	
Exceptional items	1,137	218	
<b>Profit Before Tax (PBT)</b>	<b>-7,997</b>	<b>4,417</b>	
<b>PBT excl. exceptional and one-offs</b>	<b>3,006</b>	<b>4,635</b>	<b>-35.1%</b>
Less: Provision for Tax	372	1,494	
Add: Share of Profit of Associates	-33	2	
<b>Profit After Tax</b>	<b>-7,658</b>	<b>2,925</b>	



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# Condensed Balance Sheet

ZEE

Assets (Rs. mn)	Mar' 20	Sep' 19	Mar' 19
<b>Non-Current Assets</b>			
Fixed assets	13,979	16,153	15,706
Investments	478	833	1,189
Other financial assets	429	557	523
Income tax & Deferred tax assets (net)	6,844	4,477	7,982
Others Non-Current Assets	90	346	591
<b>Current Assets</b>			
Inventories	53,475	43,059	38,505
Cash, Loans and other investments	10,115	14,609	22,929
Trade receivables	20,847	24,185	18,274
Others financial assets	3,732	13,760	10,055
Other current assets	12,804	14,654	13,576
Non-current assets - Held for Sale	945	-	-
<b>Total Assets</b>	<b>123,737</b>	<b>132,631</b>	<b>129,330</b>

Liabilities (Rs. mn)	Mar' 20	Sep' 19	Mar' 19
Equity Capital	93,549	95,061	89,382
<b>Non-Current Liabilities</b>			
Preference shares	2,975	7,059	7,409
Other borrowings	526	306	20
Provisions	1,405	1,671	1,350
<b>Current Liabilities</b>			
Trade Payables	16,803	14,075	14,897
Redeemable preference shares	2,975	3,530	3,704
Other financial liabilities	2,808	6,582	8,029
Other current liabilities	1,668	1,156	1,096
Provisions	121	134	101
Income tax liabilities	906	2,234	2,080
Deferred tax liabilities (net)	-	824	1,262
<b>Total Equity &amp; Liabilities</b>	<b>123,737</b>	<b>132,631</b>	<b>129,330</b>

## Balance Sheet variance



<b>Inventories</b>	The increase in inventory was due to acquisition of satellite and digital rights of movies across languages and ramp up of ZEE5 originals
<b>Advances and Deposits to content aggregators</b>	Advances and deposits given in FY19 to content aggregators for acquisition of movie rights have reduced by Rs. 5,180mn to Rs. 4,200mn. The Company acquired movie rights worth Rs. 4,155mn and received a refund of Rs. 1,025mn during the year
<b>Trade Receivables*</b>	Receivable days increased by 10 to 94 days due to delay in payments by one key distribution customer
<b>Redeemable Preference Shares</b>	Total liability, including current liability, stands at Rs. 5,950mn. The reduction in outstanding preference share liability is due to partial redemption during the year and reduction in fair value of preference shares





THANK YOU

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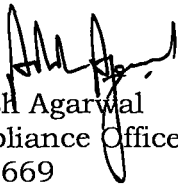
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**NOTICE OF RECORD DATE**  
(pursuant to Regulation 42 of SEBI Listing Regulations)

**NAME OF THE COMPANY: ZEE ENTERTAINMENT ENTERPRISES LIMITED**

Symbol	Type of Security	Record date	Purpose
505537 (BSE) ZEEL EQ(NSE)	Equity Shares of Re 1/- each fully paid up	Friday September 11, 2020	Annual General Meeting and Payment of Equity dividend, if declared, for Financial Year 2019-20

Yours faithfully,  
**Zee Entertainment Enterprises Limited**

  
Ashish Agarwal  
Compliance Officer & Company Secretary  
FCS6669



**Zee Entertainment Enterprises Limited**

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