



Extraordinary Together

November 02, 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 November 02, 2020

The Board of Directors of the Company in its meeting held today has approved Unaudited Financial Results of the Company and Limited Review Reports, both Standalone and Consolidated, for the quarter and half year ended September 30, 2020.

A Copy of the above Financial Results along with Earnings Release and Limited Review Certificate(s) issued by the Auditors of the Company are enclosed herewith.

The meeting of the Board of Directors commenced at 02.30 p.m. and concluded at 04.35 p.m. Kindly take the above on record.

Thanking you,

Yours faithfully,

For Zee Entertainment Enterprises Limited


Ashish Agarwal
Chief Compliance Officer & Company Secretary
FCS6669



Encl: As above

Zee Entertainment Enterprises Limited

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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**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of Zee Entertainment Enterprises Limited (the Company), for the quarter and half year ended 30 September 2020 (the Statement), being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 on 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Haskins & Sells LLP

4. We draw attention to Note 9 of the Statement. This Note 9, 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. 38,656 lakhs as at 30 September 2020; Rs. 39,270 lakhs as at 31 March 2020), which was assigned by LEL in favour of Axis Bank Limited, DIFC branch, the security trustee for the benefit of the Bank, to secure the said borrowing by LEL. In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the Put Option, on 26 June 2020, the Bank filed a primary suit and 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 has refused the ad-interim relief sought by the Bank. The primary suit is yet to be heard by the Hon'ble High Court of Bombay.

Consequently, the Management has not considered the LOC as a financial guarantee and since the matter is sub-judice, has not accounted for any liability in respect of the LOC and the aforesaid contention of the Bank.

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

This matter was also qualified in our report on the financial results for the quarter ended 30 June 2020 and for the quarter and year ended 31 March 2020.

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**Deloitte
Haskins & Sells LLP**


5. Based on our review conducted as stated in paragraph 3 above, except for the possible effect of the matter described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 20046488AAAAEK7366

 Mumbai, 2 November 2020



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Standalone financial results for the quarter and half year ended 30 September 2020

Particulars	Quarter ended on			Half year ended on		(₹ in Lakhs) Year ended on
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	158,048	111,249	185,165	269,297	364,154	721,899
2 Other income	3,643	1,277	5,352	4,920	14,533	22,779
Total income [1 + 2]	161,691	112,526	190,517	274,217	378,687	744,678
3 Expenses						
(a) Operational cost	72,094	54,554	81,482	126,648	150,687	331,404
(b) Employee benefits expense	15,902	16,121	16,816	32,023	32,714	61,692
(c) Finance costs	208	152	1,723	360	3,687	13,904
(d) Depreciation and amortisation expenses	3,706	4,471	3,495	8,177	8,356	17,763
(e) Fair value loss on financial instruments at fair value through profit and loss	586	9,223	21,372	9,809	15,152	33,143
(f) Advertisement and publicity expenses	15,608	8,650	9,109	24,258	26,189	57,624
(g) Other expenses	19,383	10,470	15,178	29,853	27,475	80,432
Total expenses [3(a) to 3(g)]	127,487	103,641	149,175	231,128	264,260	595,962
4 Profit before tax and exceptional Item [1 + 2 - 3]	34,204	8,885	41,342	43,089	114,427	148,716
5 Exceptional Item (Refer note 5, 6 and 8)	(9,710)	-	(17,062)	(9,710)	(17,062)	(28,432)
6 Profit before Tax [4 + 5]	24,494	8,885	24,280	33,379	97,365	120,284
7 Tax expense :						
(a) Current tax	7,850	2,658	9,924	10,508	34,117	56,926
(b) Current tax - earlier years	-	-	123	-	(1,437)	293
(c) Deferred tax	(546)	(200)	(5,526)	(746)	(6,293)	(11,731)
Total tax expense [7(a) + 7(b) + 7(c)]	7,304	2,458	4,521	9,762	26,387	45,488
8 Profit for the period / year [6 - 7]	17,190	6,427	19,759	23,617	70,978	74,796
9 Other comprehensive income / (loss)						
Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	(28)	114	(201)	86	(1,247)	1,110
(ii) Fair value changes of equity instruments through other comprehensive income	63	(3)	67	60	575	643
(b) Income tax relating to items that will not be reclassified to profit or loss	7	(29)	(51)	(22)	314	(284)
Total other comprehensive income / (loss) [9(a) to 9(b)]	42	82	(185)	124	(358)	1,469
10 Total comprehensive income [8 + 9]	17,232	6,509	19,574	23,741	70,620	76,265
11 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605	9,605
12 Other equity						755,836
13 Earnings per share (not annualised) :						
Basic (₹)	1.79	0.67	2.06	2.46	7.39	7.79
Diluted (₹)	1.79	0.67	2.06	2.46	7.39	7.79

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Standalone Balance Sheet

(₹ in Lakhs)

Particulars	As at 30-Sep-2020 Unaudited	As at 31-Mar-2020 Audited
A) Assets		
I) Non-current assets		
(a) Property, plant and equipment	35,377	38,274
(b) Capital work-in-progress	800	2,155
(c) Investment property	5,078	7,966
(d) Goodwill	18,810	18,810
(e) Other Intangible assets	2,449	4,594
(f) Intangible assets under development	692	-
(g) Financial Assets		
(i) Investments		
a) Investments in subsidiaries	61,801	61,914
b) Other investments	23,515	13,296
(ii) Other financial assets	1,870	1,987
(h) Income tax assets (net)	13,805	11,145
(i) Deferred tax assets (net)	21,963	21,241
(j) Other non-current assets	841	794
Total non-current assets	187,001	182,176
II) Current assets		
(a) Inventories	415,285	441,012
(b) Financial assets		
(i) Other investments	53,188	10,220
(ii) Trade receivables	198,178	205,198
(iii) Cash and cash equivalents	32,219	38,264
(iv) Bank balances other than (iii) above	4,805	10,052
(v) Loans	-	-
(vi) Other financial assets	42,169	43,067
(c) Other current assets	85,657	95,380
Total current assets	831,501	843,193
III) Non-current asset classified as held for sale	7,222	7,687
Total Assets (I + II + III)	1,025,724	1,033,056
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	9,605	9,605
(b) Other equity	776,716	755,836
Total equity	786,321	765,441
B) Liabilities		
I) Non-current liabilities		
(a) Financial Liabilities - borrowings		
Redeemable preference shares	36,305	29,750
Others	1,681	3,575
(b) Provisions	12,837	12,645
Total non-current liabilities	50,823	45,970
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	559	3
total outstanding dues of creditors other than micro enterprises and small enterprises	114,523	143,553
(ii) Other financial liabilities		
Redeemable preference shares	36,305	29,750
Others	27,691	24,514
(b) Other current liabilities	8,526	13,794
(c) Provisions	976	797
(d) Income tax liabilities (net)	-	9,234
Total current liabilities	188,580	221,645
Total liabilities (I + II)	239,403	267,615
Total Equity and Liabilities (A + B)	1,025,724	1,033,056



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Standalone Statement of Cash Flow half year ended 30 September 2020

(₹ in Lakhs)

Particulars	30-Sep-20	30-Sep-19
	Unaudited	Unaudited
A. Cash flow from operating activities		
Profit before tax	33,379	97,365
Adjustments for:		
Depreciation and amortisation expense	8,177	8,356
Allowances for doubtful debts and advances (net)	6,231	3,159
Exceptional item	9,710	17,062
Share based payment expense	14	22
Liabilities and excess provision written back	(258)	(3)
Unrealised (gain)/loss on exchange adjustments (net)	(94)	75
Profit on sale of property, plant and equipment (net)	(287)	(28)
Interest expenses	360	208
Fair value loss on financial instruments at fair value through profit and loss	9,809	15,152
Dividend on redeemable preference shares	-	748
Dividend income	(824)	(46)
Net gain on sale of investments classified as fair value through profit and loss	(1,544)	(343)
Interest income	(860)	(11,550)
Operating profit before working capital changes	63,813	130,177
Adjustments for:		
Decrease / (Increase) in inventories	25,728	(38,678)
Decrease / (Increase) in trade and other receivables	11,642	(98,213)
(Decrease) in trade and other payables	(32,865)	(3,720)
Cash generated from / (used in) operations	68,318	(10,434)
Direct taxes (paid)/ refund (net)	(22,394)	4,683
Net cash flow from / (used in) operating activities (A)	45,924	(5,751)
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(3,112)	(5,624)
Purchase of intangible assets	(842)	(820)
Sale of property, plant and equipment / Intangible assets	2,365	100
Fixed deposit invested	(4,369)	(8,800)
Fixed deposit matured	9,625	730
Purchase of non-current investments	(3)	(150)
Proceeds from sale/redemption of non-current investments	1,555	4,911
Purchase of current investments	(79,533)	(165,000)
Sale / redemption of current investments	30,220	165,343
Dividend received from subsidiary company	820	-
Dividend received from others	4	44
Interest received	960	11,483
Net cash flow (used in) / from investing activities (B)	(42,310)	2,217
C. Cash flow from financing activities		
Redemption of redeemable preference shares	-	-
Payment of lease liability	(826)	-
Proceeds from long-term borrowings	30	10
Repayment of long-term borrowings	(53)	(764)
Dividend paid on equity shares	(2,897)	(40,520)
Dividend paid on Redeemable Non-Convertible Preference Shares	(5,823)	(8,753)
Interest paid	(90)	(208)
Net cash flow used in financing activities (C)	(9,659)	(50,235)
Net cash flow during the period (A+B+C)	(6,045)	(53,769)
Cash and cash equivalents at the beginning of the period	38,264	85,850
Net cash and cash equivalents at the end of the period	32,219	32,081



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Notes to standalone financial results

1. The unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 02 November 2020. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (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. 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	30 September 2020	31 March 2020
Outstanding listed redeemable preference shares 2,016,942,312 of Rs. 4 each (Paid-up value) (31 March 2020: 2,016,942,312 of Rs. 4 each)	80,678	80,678
Net worth** as at	858,931	824,941
Cumulative profit for the year ended*	23,617	74,796
Free reserves as at	643,499	622,695
Securities premium account balance as at	-	-
Dividend payment on Preference Shares for the financial year 2020-21 and 2019-20 paid before the due date	-	7,089
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 2021	
Previous due date the payment of dividend	15 April 2020	
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	

*Excludes other comprehensive income

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** Includes 6% Cumulative Redeemable Non-convertible preference share capital of Rs. 72,610 Lakhs as at 30 September 2020 and Rs. 59,500 Lakhs as at 31 March 2020.

*** During the period 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 AA' to 'BWR AA -' with same outlook of 'Credit watch with Negative implications'.

4. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
5. As at 31 March 2020, the Company assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and disclosed as 'Exceptional item'. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.
6. The Company in earlier years, had invested in Inter-corporate Deposits (ICDs) / Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during previous year and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.
7. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities. The impact on the results for the quarter and half year ended 30 September 2020 is primarily due to restrictions caused by the COVID-19 on the business activities. Hence, the results for the quarter and half year ended 30 September 2020 are not strictly comparable with the results of the earlier periods presented.

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

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



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Based on the assessment and steps being taken, the Company expects no further adjustments to the carrying amounts of the property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets, as at 30 September 2020. As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic condition.

8. During earlier years, the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by Siti Networks Limited (SNL), a related party, including certain facilities availed when the cable business undertaking was part of the Company before its demerger into SNL. The loan outstanding of SNL as at 30 September 2020 which is backed by DSRA guarantee is Rs 20,590 lakhs. On account of defaults made in repayments by SNL, during the quarter the Company has received demand notices/communications from the banks/representatives calling upon the Company to honor the obligations under the DSRA guarantee.

The Company has also been informed that SNL is in active discussions with the banks for renegotiating the repayment terms and also restructuring/rescheduling of its' facilities. The Company has also obtained legal advice about its obligations under the terms of the DSRA guarantee. Additionally, the Company has undertaken credit risk evaluation of SNL, including future cash flow assessments.

Based on the aforesaid, as a matter of abundant caution, the Company has estimated and accounted the liability aggregating Rs. 9,710 lakhs as on 30 September 2020. Further, the Company has provided for the receivable from SNL of the aforesaid amount and disclosed the same as 'Exceptional item'.

The Company has collected the receivables relating to the revenue accounted for the half year ended 30 September 2020 and as a matter of abundant caution has also provided for the overdue trade receivables from SNL as at 30 September 2020 aggregating Rs. 8,120 lakhs.

9. ATL Media Limited (ATL), an overseas wholly-owned subsidiary of the Company incorporated in Mauritius is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to 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 38,656 lakhs as at 30 September 2020; Rs. 39,270 lakhs as at 31 March 2020) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee.



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

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

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. On 26 June 2020, the Bank filed primary suit and 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 has refused the ad-interim relief sought by the Bank. The primary suit is yet to be heard by the Hon'ble High Court of Bombay.

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

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

10. During the quarter, 100% Equity Shares held in three wholly-owned subsidiaries of the Company i.e. Zee Unimedia Limited (ZUL), Zee Digital Convergence Limited (ZDCL) and India Webportal Private Limited (IWPL) were sold to another wholly-owned subsidiary company i.e. Zee Studios Limited (formerly known as Essel Vision Productions Limited).

Further, the Company has sold 49% Equity Shares of one of its wholly owned subsidiary, Fly-By-Wire International Private Limited.

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

For and on behalf of the Board

Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai

Date : 02 November 2020

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

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

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

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

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

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

5. We draw attention to Note 8 (a) to the Statement, where the Group has explained the reasons for not recognizing the liability against the Put Option Agreement which

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was initially entered on 20 January 2016 and was renewed on 29 July 2019 to be valid until 30 December 2026 to purchase 64.38% of the issued share capital held by Living Entertainment Limited (LEL), a related party of the Parent in Veria International Limited (VIL), another related party of the Parent (total value of the Put Option \$52.50 million (Rs. 38,656 lakhs as at 30 September 2020; Rs. 39,270 lakhs as at 31 March 2020)) entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent, with LEL. In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of the Bank. As explained in the note, the Put Option matter is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the Put Option in the interim financial information of ATL that have been provided for inclusion in the Statement. Further, the auditors of ATL have been unable to comment on the Management's statement in the said note that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2017 to 31 March 2019), they had concluded that the value of the underlying shares in VIL was higher than the exercise price, since they have not been able to obtain appropriate evidence to audit the cash flow projections of VIL included in such valuation reports. In the absence of appropriate audit evidences to support the valuation of the Put Option in the prior periods, the auditors of ATL have been unable to comment if any adjustments are required in the interim financial information of ATL provided for inclusion in the Statement for the prior periods when the Put Option was in existence. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results in respect of the said Put Option, including in respect of the comparative/corresponding amounts for the prior periods presented in these consolidated financial results.

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

In view of the alleged defaults by LEL in repaying its dues to the Bank and ATL also not settling the amount called by the Bank under the Put Option, on 26 June 2020, the Bank filed a primary suit and a plaint seeking ad-interim relief against the Parent in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee given by the Parent. The Hon'ble High Court of Bombay has refused the ad-interim relief sought by the Bank. The primary suit is yet to be heard by the Hon'ble High Court of Bombay.


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

This matter was also qualified in our report on the consolidated financial results for the quarter ended 30 June 2020 and for the quarter and year ended 31 March 2020.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the possible effect of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial results of 8 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 473,004 lakhs as at 30 September 2020, total revenues of Rs. 29,896 lakhs and Rs. 56,930 lakhs for the quarter and half year ended 30 September 2020 respectively, total net profit after tax of Rs. 461 lakhs and Rs. 115 lakhs for the quarter and half year ended 30 September 2020 respectively and total comprehensive income of Rs. 461 lakhs and Rs. 112 lakhs for the quarter and half year ended 30 September 2020 respectively and net cash outflows of Rs. 2,097 lakhs for the half year ended 30 September 2020, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

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8. The consolidated unaudited financial results includes the interim financial results of 19 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 57,289 lakhs as at 30 September 2020, total revenue of Rs. 9,107 lakhs and Rs. 16,027 lakhs for the quarter and half year ended 30 September 2020 respectively, total profit after tax of Rs. 2,588 lakhs and Rs. 2,477 lakhs for the quarter and half year ended 30 September 2020 respectively and total comprehensive income of Rs. 2,588 lakhs and Rs. 2,477 lakhs for the quarter and half year ended 30 September 2020 respectively and net cash outflows of Rs. 1,075 lakhs for the half year ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 8 lakhs and Rs. 12 lakhs for the quarter and half year ended 30 September 2020 respectively and total comprehensive income of Rs. 8 lakhs and Rs. 12 lakhs for the quarter and half year ended 30 September 2020 respectively, as considered in the Statement, in respect of an associate and a joint venture, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 20046488AAAAEL9640



Mumbai, 2 November 2020



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Consolidated financial results for the quarter and half year ended 30 September 2020

(₹ in Lakhs)

Particulars	Quarter ended on			Half year ended on		Year ended on
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations						
(a) Advertisement revenue	90,279	42,106	122,466	132,385	241,137	468,113
(b) Subscription revenue (Refer note 9)	80,029	79,743	72,350	159,772	143,227	288,729
(c) Other sales and services (Refer note 9)	1,962	9,354	17,385	11,316	28,649	56,144
2 Other income	3,791	2,638	6,812	6,429	17,203	28,364
Total income [1(a) to 1(c) + 2]	176,061	133,841	219,013	309,902	430,216	841,350
3 Expenses						
(a) Operational cost	83,419	65,779	89,625	149,198	167,627	382,851
(b) Employee benefits expense	19,667	20,012	21,226	39,679	41,259	78,051
(c) Finance costs	131	452	1,797	583	3,848	14,489
(d) Depreciation and amortisation expense	6,514	7,185	5,833	13,699	12,732	27,064
(e) Fair value loss/(gain) on financial instruments at fair value through profit and loss	2,073	11,233	875	13,306	(5,913)	25,967
(f) Advertisement and publicity expenses	17,603	11,109	12,526	28,712	32,072	69,560
(g) Other expenses	20,214	12,310	19,531	32,524	36,787	119,067
Total expenses [3(a) to 3(g)]	149,621	128,080	151,413	277,701	288,412	717,049
4 Profit before share of profit/(loss) of associates and joint ventures, exceptional item and taxes [1 + 2 - 3]	26,440	5,761	67,600	32,201	141,804	124,301
5 Share of profit/(loss) of associates/joint ventures	8	4	(120)	12	110	(240)
6 Profit before exceptional items and tax [4 + 5]	26,448	5,765	67,480	32,213	141,914	124,061
7 Exceptional items (Refer note 3, 4 and 7)	(9,710)	-	(17,062)	(9,710)	(17,062)	(28,432)
8 Profit before tax [6 + 7]	16,738	5,765	50,418	22,503	124,852	95,629
9 Tax expense :						
(a) Current tax - current year	8,223	2,907	10,410	11,130	34,756	58,148
(b) Current tax - earlier years	-	-	123	-	(1,437)	293
(c) Deferred tax	(826)	(70)	(1,324)	(896)	(2,652)	(15,271)
Total tax expense [9(a) + 9(b) + 9(c)]	7,397	2,837	9,209	10,234	30,667	43,170
10 Profit for the period/year [8 - 9]	9,341	2,928	41,209	12,269	94,185	52,459
11 Other comprehensive income/(loss)						
(A) Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	(28)	110	(201)	82	(1,240)	1,087
(ii) Fair value changes of equity instruments through other comprehensive income	63	(3)	74	60	582	13
(b) Income tax relating to items that will not be reclassified to profit or loss	7	(28)	(50)	(21)	312	(280)
(B) Items that will be reclassified to profit or loss						
(a) Exchange differences on translation of financial statements of foreign operations	(2,825)	992	6,145	(1,833)	3,443	12,544
Total other comprehensive (loss) / income [11(A) + 11(B)]	(2,783)	1,071	5,968	(1,712)	3,097	13,364
12 Total comprehensive income [10 + 11]	6,558	3,999	47,177	10,557	97,282	65,823
13 Profit for the year attributable to :						
Shareholders of the Company	9,407	3,037	41,323	12,444	94,380	52,650
Non-controlling interests	(66)	(109)	(114)	(175)	(195)	(191)
14 Total comprehensive income attributable to						
Shareholders of the Company	6,624	4,108	47,291	10,732	97,477	66,014
Non-controlling interests	(66)	(109)	(114)	(175)	(195)	(191)
15 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605	9,605
16 Other equity						924,787
17 Earnings per Share (not annualised) :						
Basic (₹)	0.98	0.32	4.30	1.30	9.83	5.48
Diluted (₹)	0.98	0.32	4.30	1.30	9.83	5.48



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Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	As at 30-Sep-2020 Unaudited	As at 31-Mar-2020 Audited
ASSETS		
I) Non-current assets		
(a) Property, plant and equipment	62,186	67,968
(b) Capital work-in-progress	2,708	3,344
(c) Investment property	5,078	7,969
(d) Goodwill	40,686	40,696
(e) Other Intangible assets	14,852	14,837
(f) Intangible assets under development	3,684	4,974
(g) Financial Assets		
(i) Investments		
(a) Investments in associates	50	35
(b) Investments in joint ventures	168	1,927
(c) Other investments	4,556	2,813
(ii) Other financial assets	4,425	4,292
(h) Income tax assets (net)	44,556	41,022
(i) Deferred tax assets (net)	28,395	27,422
(j) Other non-current assets	1,022	895
Total non-current assets	212,366	218,194
II) Current assets		
(a) Inventories	520,858	534,748
(b) Financial assets		
(i) Other Investments	75,272	27,697
(ii) Trade receivables	200,870	208,469
(iii) Cash and cash equivalents	54,330	55,290
(iv) Bank balances other than (iii) above	12,169	18,162
(v) Loans	-	-
(vi) Other financial assets	38,247	37,324
(c) Other current assets	96,911	128,044
Total current assets	998,657	1,009,734
III) Non-current assets classified as held for sale (net)	9,328	9,446
Total Assets (I + II+III)	1,220,351	1,237,374
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	9,605	9,605
(b) Other equity	932,665	924,787
Equity attributable to shareholders (a) + (b)	942,270	934,392
Non controlling interests	1,815	1,100
Total equity	944,085	935,492
B) Liabilities		
I) Non current liabilities		
(a) Financial Liabilities		
(i) Borrowings		
Redeemable preference shares	36,305	29,750
Others	2,756	5,260
(b) Provisions	14,320	14,050
Total non-current liabilities	53,381	49,060
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	139,687	168,034
(ii) Other financial liabilities		
Redeemable preference shares	36,305	29,750
Others	30,826	28,079
(b) Other current liabilities	14,196	16,683
(c) Provisions	1,485	1,213
(d) Income tax liabilities (net)	386	9,063
Total current liabilities	222,885	252,822
Total liabilities (I + II)	276,266	301,882
Total Equity and Liabilities (A + B)	1,220,351	1,237,374



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Consolidated Statement of Cash Flow for half year ended 30 September 2020

Particulars	(₹ in Lakhs)	
	30-Sep-20 Unaudited	30-Sep-19 Unaudited
A. Cash flow from operating activities		
Profit before tax	22,503	124,852
Adjustments for:		
Depreciation and amortisation expense	13,699	12,732
Allowances for doubtful debts and advances (net)	4,820	6,334
Exceptional item	9,710	17,062
Share based payment expense	14	22
Liabilities and excess provision written back	(821)	(3)
Unrealised loss / (gain) on exchange adjustments (net)	(94)	75
Profit on sale of property, plant and equipment (net)	(313)	(28)
Interest expenses	583	370
Profit on sale of investments	(656)	-
Net gain on investments classified at fair value through profit loss	-	(348)
Dividend on redeemable non convertible preference shares	-	748
Fair value loss/(gain) on financial instruments at fair value through profit and loss	13,306	(5,913)
Share of (profit)/loss in associates and joint ventures	(12)	(110)
Dividend income	(4)	(46)
Interest income	(1,101)	(12,264)
Operating profit before working capital changes	61,634	143,483
Adjustments for:		
Decrease / (Increase) in inventories	13,727	(45,895)
Decrease / (Increase) in trade and other receivables	32,757	(113,131)
(Decrease) in trade and other payables	(29,160)	(12,337)
Cash generated from / (used in) operations	78,958	(27,880)
Direct taxes (paid) / refund (net)	(23,349)	3,279
Net cash flow from / (used in) operating activities (A)	55,609	(24,601)
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(3,615)	(6,282)
Purchase of intangible assets	(4,218)	(3,273)
Sale of property, plant and equipment / intangible assets	3,302	98
Fixed deposit invested	(8,739)	(9,505)
Fixed deposit matured	14,734	25,053
Purchase of non-current investments	(270)	(150)
Proceeds from sale of non-current investments	-	4,372
Purchase of current investments	(79,533)	(166,500)
Sale / redemption of current investments	30,460	169,990
Loans repaid by others	-	1,472
Dividend received	1,763	46
Interest received	1,085	11,535
Net cash flow (used in) / from investing activities (B)	(45,031)	26,856
C. Cash flow from financing activities		
Redemption of redeemable preference shares and tax thereon	-	-
Proceeds from long-term borrowings	30	10
Repayment of lease liabilities	(1,762)	-
Repayment of long-term borrowings	(53)	(905)
Dividend paid on equity shares and tax thereon	(2,897)	(40,520)
Dividend paid on Redeemable Non-Convertible Preference Shares	(5,823)	(8,753)
Interest paid	(583)	(370)
Net cash flow used in financing activities (C)	(11,088)	(50,538)
Net cash flow during the period (A+B+C)	(510)	(48,283)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(450)	116
Cash and cash equivalents at the beginning of the period	55,290	96,769
Net cash and cash equivalents at the end of the period	54,330	48,602

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Notes to consolidated financial results

1. The unaudited consolidated financial results of Zee Entertainment Enterprises Limited (Parent/Company) and its subsidiaries (collectively referred as the Group) and its share of the profit/(loss) 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 02 November 2020. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (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. 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'.
4. The Company in earlier years, had invested in Inter-corporate Deposits (ICDs) / Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during the previous year and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.

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5. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities. The impact on the results for the quarter and half year ended 30 September 2020 is primarily due to restrictions caused by the COVID-19 on the business activities. Hence, the results for the quarter and half year ended 30 September 2020 are not strictly comparable with the results of the earlier periods presented.

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

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

Based on the assessment and steps being taken, the Group expects no further adjustments to the carrying amounts of the property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets, as at 30 September 2020. As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic condition.

6. The Group has investments in overseas mutual funds which were measured at fair value through profit or loss. During the quarter ended 31 March 2020, the COVID-19 pandemic caused severe market disruptions and uncertainty resulting in significant decline in the value of similar funds globally. The Group decided to sell these investments during the quarter ended 31 March 2020 and has, During the quarter, entered into an agreement to sell these investments at a consideration of Rs 22,587 lakhs (USD 30 million). In accordance with Ind AS 113 on 'Fair Value Measurement', the exit price reflects fair value as at 31 March 2020 and consequently a loss aggregating Rs 38,350 lakhs (USD 54 million) is recognised in the quarter and year ended 31 March 2020. The Group has received Rs 3,368 lakhs (USD 4.5 Million) of the sale consideration and the balance is expected to be received as per the agreed payment terms.

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7. During earlier years, the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by Siti Networks Limited (SNL), a related party, including certain facilities availed when the cable business undertaking was part of the Company before its demerger into SNL. The loan outstanding of SNL as at 30 September 2020 which is backed by DSRA guarantee is Rs 20,590 lakhs. On account of defaults made in repayments by SNL, during the quarter the Company has received demand notices/communications from the banks/representatives calling upon the Company to honor the obligations under the DSRA guarantee.

The Company has also been informed that SNL is in active discussions with the banks for renegotiating the repayment terms and also restructuring/rescheduling of its' facilities. The Company has also obtained legal advice about its obligations under the terms of the DSRA guarantee. Additionally, the Company has undertaken credit risk evaluation of SNL, including future cash flow assessments.

Based on the aforesaid, as a matter of abundant caution, the Company has estimated and accounted the liability aggregating Rs. 9,710 lakhs as on 30 September 2020. Further, the Company has provided for the receivable from SNL of the aforesaid amount and disclosed the same as 'Exceptional item'.

The Company has collected the receivables relating to the revenue accounted for the half year ended 30 September 2020 and as a matter of abundant caution has also provided for the overdue trade receivables from SNL as at 30 September 2020 aggregating Rs. 8,120 lakhs.

8. a) ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs 38,656 lakhs as at 30 September 2020; Rs. 39,270 lakhs as at 31 March 2020) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee.

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



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

www.zeeentertainment.com

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 38,656 lakhs as at 30 September 2020; Rs. 39,270 lakhs as at 31 March 2020)) and any consequential impact on the Financial result. Further, the Management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the Put Option in respect of those financial year ends.

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

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. On 26 June 2020, the Bank filed primary suit and 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 has refused the ad-interim relief sought by the Bank. The primary suit is yet to be heard by the Hon'ble High Court of Bombay.

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

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

9. Revenue from monetization of music right / content which was in the previous year presented within "Other sales and services" is now included in "Subscription revenue", to better reflect the nature of the revenue. The amounts regrouped in "Subscription revenue" is Rs 5,309 lakhs, Rs 5,643 lakhs, Rs 10,952 lakhs for the quarter ended 30 June 2020 and for the quarter ended and half year ended 30 September 2020 respectively.

Mr
[Signature]



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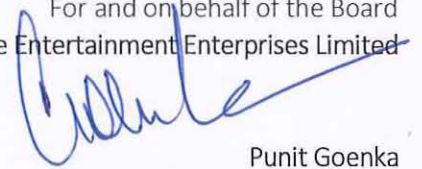
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10. During the half year ended 30 September 2020, the Company has issued and allotted 21,240 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the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

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

For and on behalf of the Board
Zee Entertainment Enterprises Limited



Punit Goenka

Managing Director & CEO

Place: Mumbai

Date : 2 November 2020

MS





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To,
The Board of Directors,
Zee Entertainment Enterprises Limited

Certification on Quarterly Financial Statements of the Company

We, Punit Goenka, Managing Director & CEO and Rohit Kumar Gupta, Chief Financial Officer of Zee Entertainment Enterprises Limited ('the Company'), certify that we have reviewed the un-audited financial results of the Company for the 2nd quarter of FY 2020-21 ended on September 30th, 2020 and state that to the best of our knowledge and belief:

- a) these un-audited results do not contain any materially untrue or misleading statement(s) or omit any material fact(s) ; and
- b) these un-audited results present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards and/or applicable laws and regulations.

Punit Goenka
Managing Director & CEO

Mumbai, 02nd November, 2020.

Rohit Kumar Gupta
Chief Financial Controller

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



Earnings Update for Q2'FY21

Zee Entertainment Enterprises Limited – 2nd November, 2020



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

Key highlights for the quarter



- 19.0% all India entertainment share in Q2, #2 TV entertainment network in India
- Strong rebound in ratings across the markets with resumption of original content
- ZEE5 global MAUs and DAUs stood at 54.7mn and 5.2mn respectively in Sep-20
- ZEE5 launched HiPi – a short video platform, to capture the growth in short video segment
- ZEE5 users spent an average of 152 mins per month on platform, 36% QoQ growth
- Zee Studios launched ZeePlex, a PPV platform for releasing new movies
- Domestic subscription revenue grew 2.3% on a like-to-like basis; Advertising revenue declined by 26.3% YoY
- Consolidated revenue stood at Rs.17,227 mn, decline of 18.8% YoY
- Adjusted EBITDA for the quarter (excluding one-offs) stood at Rs. 3,948 mn, EBITDA margin of 22.9%

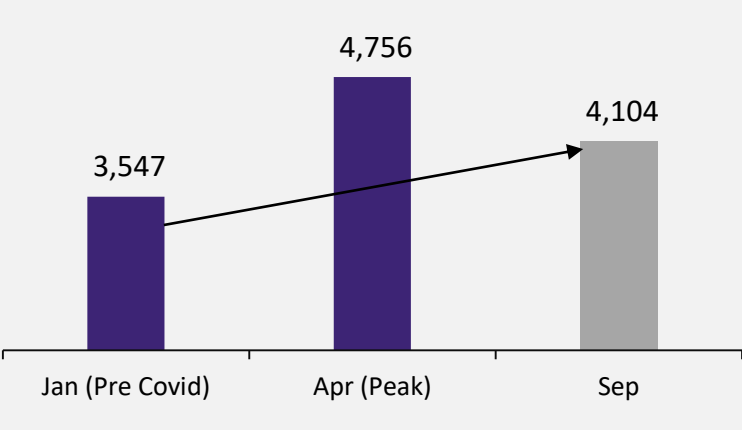


Business Performance

Broadcast business sees sharp rebound in viewership across markets

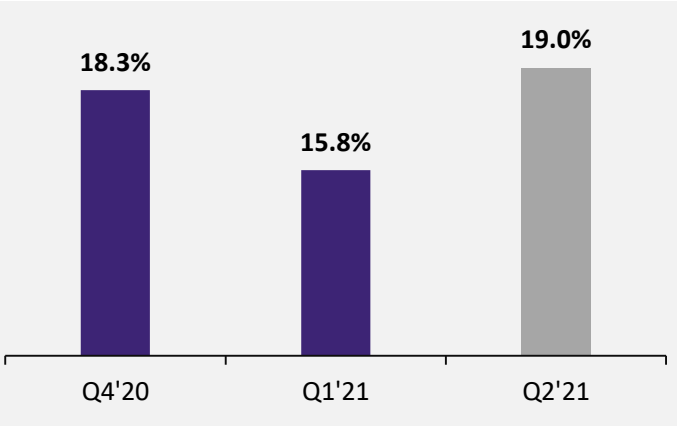


Total TV viewership - 16% higher than pre-COVID



Genre shares have reverted to pre-COVID levels as original content came. Audience continues to spend higher time on TV viewing.

ZEE network share higher than pre-COVID levels



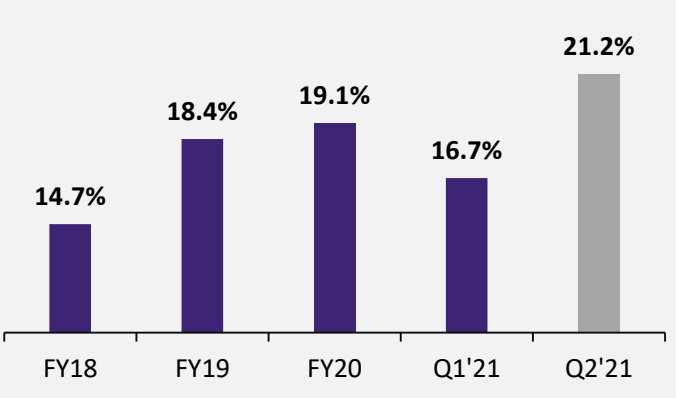
Resumption of original content and launch of two channels on FTA platform led to recovery in market share. Zee was the #2 entertainment network during the quarter.

Focus to gain share in Hindi, Bengali, Marathi markets



New show launches in Hindi, Marathi and Bengali markets to regain viewership share

ZEE's south network gaining strength – highest share in 4 years



With leadership in Kannada, and growing share in Tamil, Telugu and Malayalam markets, ZEE is gaining strength in South

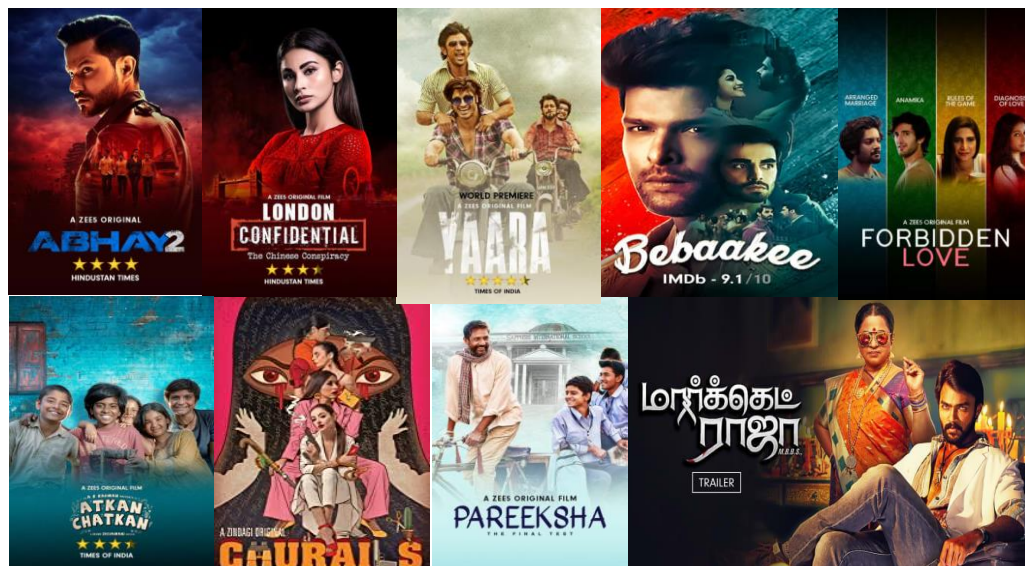
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ZEE5 released 25 originals during the quarter



- 54.7 mn global MAUs*, 5.2 mn global DAUs* in Sep'20
- 152 minutes average watch time per viewer per month in Sep'20
- Q2 Revenue and EBITDA# stood at Rs. 989 mn and Rs. (1,894) mn
- Launched HiPi, ZEE5's short video platform, during the quarter

8 original shows and 17 original movies released during the quarter



*Operating KPIs based on internal data analytics as ComScore SDK integration in the new app (launched in Q1) happened in Oct. Accordingly, accurate viewership of ZEE5 would be reflected in ComScore data in Q3; #EBITDA loss excludes costs incurred by the business on ZEEL network

ZEE5 is now one of the largest aggregator of news channels

LANGUAGE	CHANNELS
ENGLISH	REPUBLIC, INDIA TODAY, WION
HINDI	ZEE NEWS, INDIA TV, ZEE KISS
MARATHI	9, SAKSHI TV, ZEE 24 GAT
TAMIL	POLIMER NEWS, ZEE NEWS TAMIL, ZEE 24 GAT
TELUUGU	TV 5 NEWS, 9, ZEE 24 GAT

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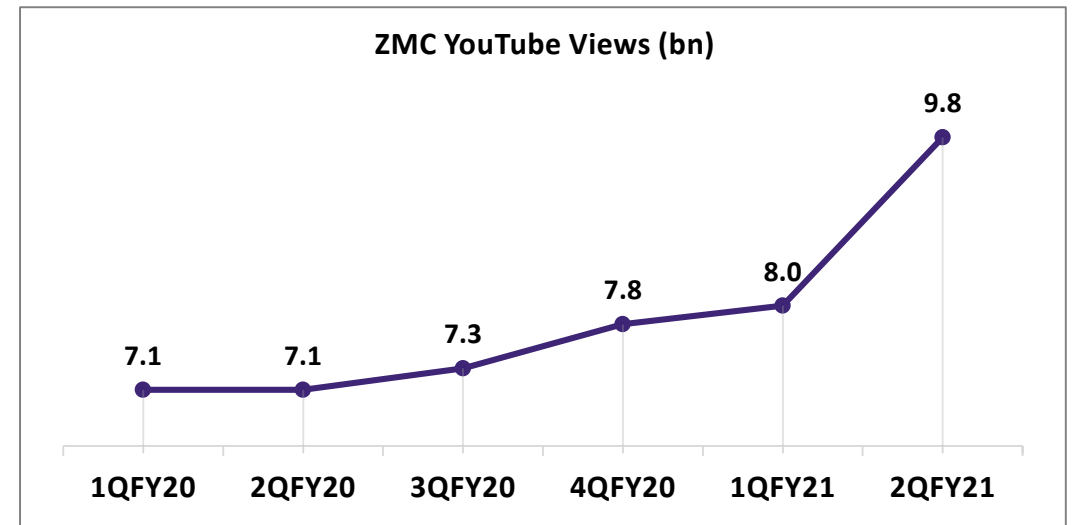
Zee Studios launched ZeePlex - PPV model for releasing movies on TV and Digital



- Launched ZeePlex – first of its kind ‘Pay Per View’ model in India for new movies
- Released *Khaali Peeli* (Hindi) and *Ka Pae Ranasingam* (Tamil) on Zee Plex – TV and Digital



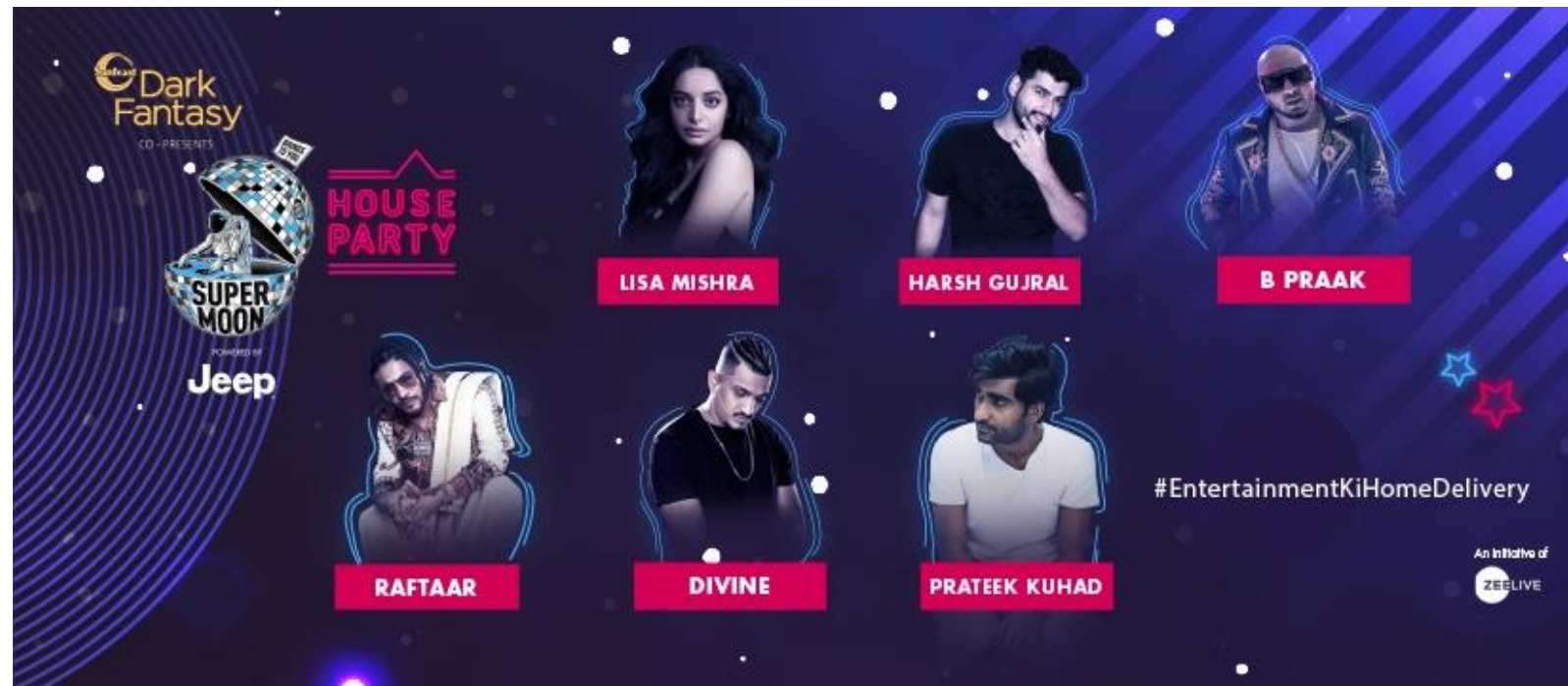
- Sharp increase in video views as new music was released by the label during the quarter
- ZMC added 7.7mn subscribers on YouTube; with 63.8mn subscribers it is the second most subscribed Indian music channel on YouTube



Extraordinary Together

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

ZEE



Virtual house party with the best of music & comic artists

Simulcast on Zee social media and TV channels

Live interactions with artists with *virtual meet & greet*

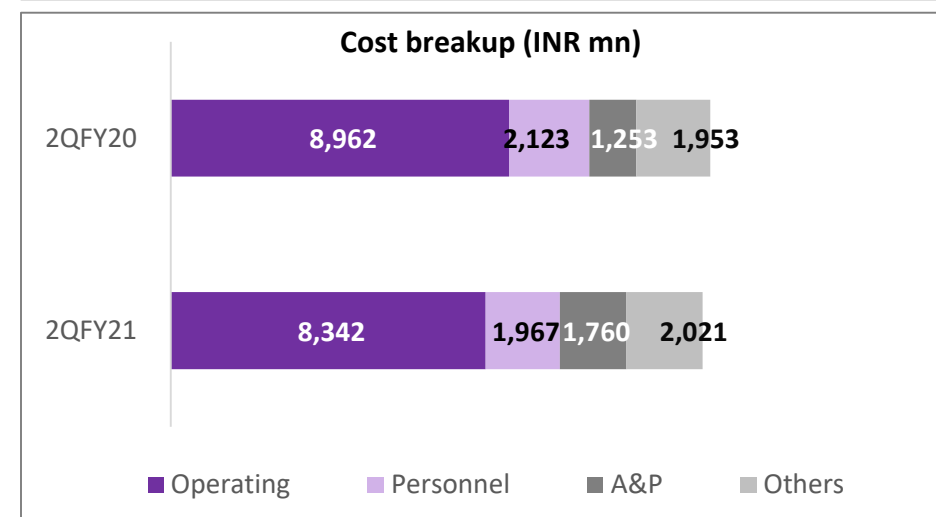
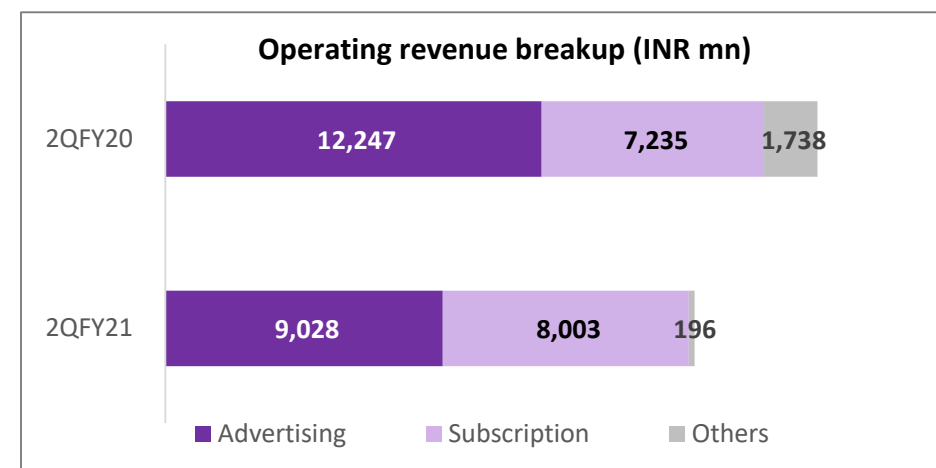


Financial Performance

Sharp recovery in revenues

ZEE

INR million	2QFY21	2QFY20	Growth
Operating revenue	17,227	21,220	-18.8%
Expenditure	-14,090	-14,291	-1.4%
EBITDA	3,136	6,929	-54.7%
EBITDA excluding one- offs	3,948	6,929	-43.0%
Add: Other income	379	681	-44.3%
Less: Depreciation	-651	-583	11.7%
Less: Finance cost	-13	-180	-92.7%
Less: Fair value through P&L	-207	-87	
Less: Exceptional items	-971	-1,706	
Profit Before Tax (PBT)	1,673	5,054	-66.9%
PBT excl. exceptional and one-offs	3,456	6,760	-48.9%
Less: Provision for Tax	-740	-921	-19.7%
Add: Share of Profit of Associates	1	-12	
Less: Minority interest	7	11	-42.1%
Profit after Tax (PAT)	940	4,132	-77.2%



Extraordinary Together

Advertising revenues recovering well; festive period seeing good traction



Subscription revenues	Reported growth of 10.6% includes revenue from music business which has been reclassified as subscription revenue in this fiscal. On a like-to-like basis, domestic subscription grew 2.3% YoY, primarily driven by growth in ZEE5 subscription revenues.
Advertising revenues	Advertising revenue for the quarter declined by 26% compared to 66% decline in Q1. Rebound in demand across most consumer segments bodes well for advertising revenues in H2.
Other Sales & Services	Fell sharply due to reclassification of music business revenue to subscription, no theatrical release due to cinema halls being shut and lesser content syndication deals.
Operating cost	As original programming resumed in a staggered manner across markets, content cost was lower on a YoY basis.
A&P and Other expenses	The jump in A&P expense is on account of original content comeback campaigns for both TV and ZEE5. The growth number is also high as the base number in last quarter was lower than normal A&P spends. Other expenses include one time provision for subscription receivables of Rs. 812mn.
Fair Value through P&L	Impact of change in market price of Redeemable Preference Shares
International revenue break-up	Advertising revenue - Rs. 362mn, Subscription revenue - Rs. 831mn, Other Sales & Services – Rs. 292mn

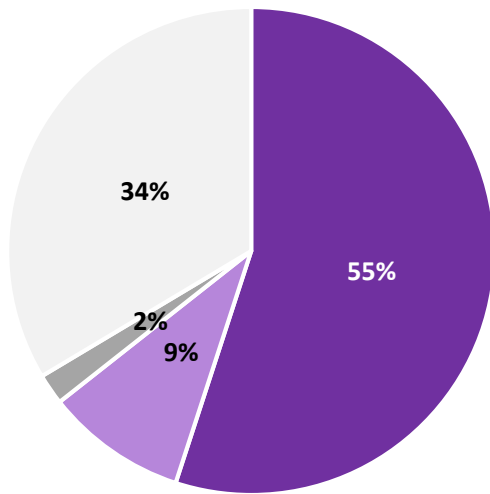
Condensed Balance Sheet



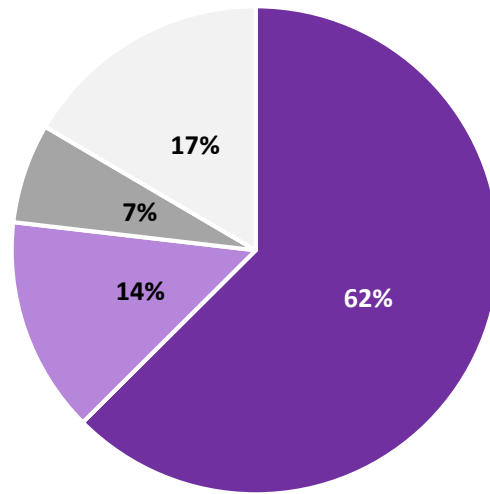
Assets (Rs. mn)	Sep'20	Jun' 20	Mar' 20
Non-Current Assets			
Fixed assets	12,919	13,646	13,979
Investments	477	440	478
Other financial assets	443	490	429
Income tax & Deferred tax assets (net)	7,295	6,923	6,844
Others Non-Current Assets	102	102	90
Current Assets			
Inventories	52,086	52,177	53,475
Cash, Loans and other investments	14,177	13,203	10,115
Trade receivables	20,087	17,355	20,847
Others financial assets	3,825	3,621	3,732
Other current assets	9,691	12,902	12,804
Non-current assets - Held for Sale	933	949	945
Total Assets	1,22,035	121,808	123,737

Liabilities (Rs. mn)	Sep' 20	Jun' 20	Mar' 20
Equity Capital	94,409	93,950	93,549
Non-Current Liabilities			
Preference shares	3,631	3,520	2,975
Other borrowings	276	459	526
Provisions	1,432	1,458	1,405
Current Liabilities			
Trade Payables	13,969	15,890	16,803
Redeemable preference shares	3,631	3,520	2,975
Other financial liabilities	3,083	1,568	2,808
Other current liabilities	1,420	1,104	1,668
Provisions	149	140	121
Income tax liabilities	39	198	906
Deferred tax liabilities (net)	-	-	-
Total Equity & Liabilities	1,22,035	121,808	123,737

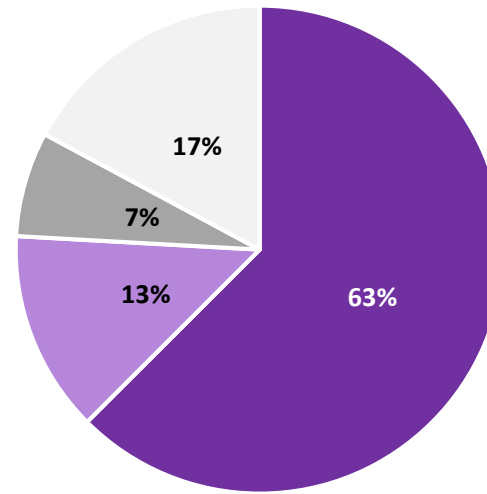
Break-up of content inventory, advances and deposits



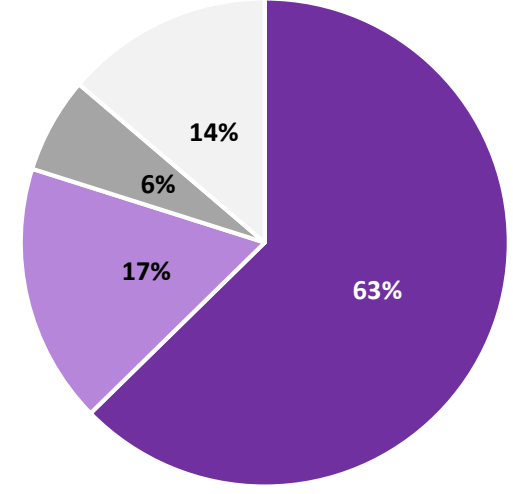
FY19: Rs. 58.0bn



FY20: Rs. 64.1bn



Q1'FY21: Rs. 63.0bn



Q2'FY21: Rs. 60.4bn

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



THANK YOU