Experience the **Extraordinary**

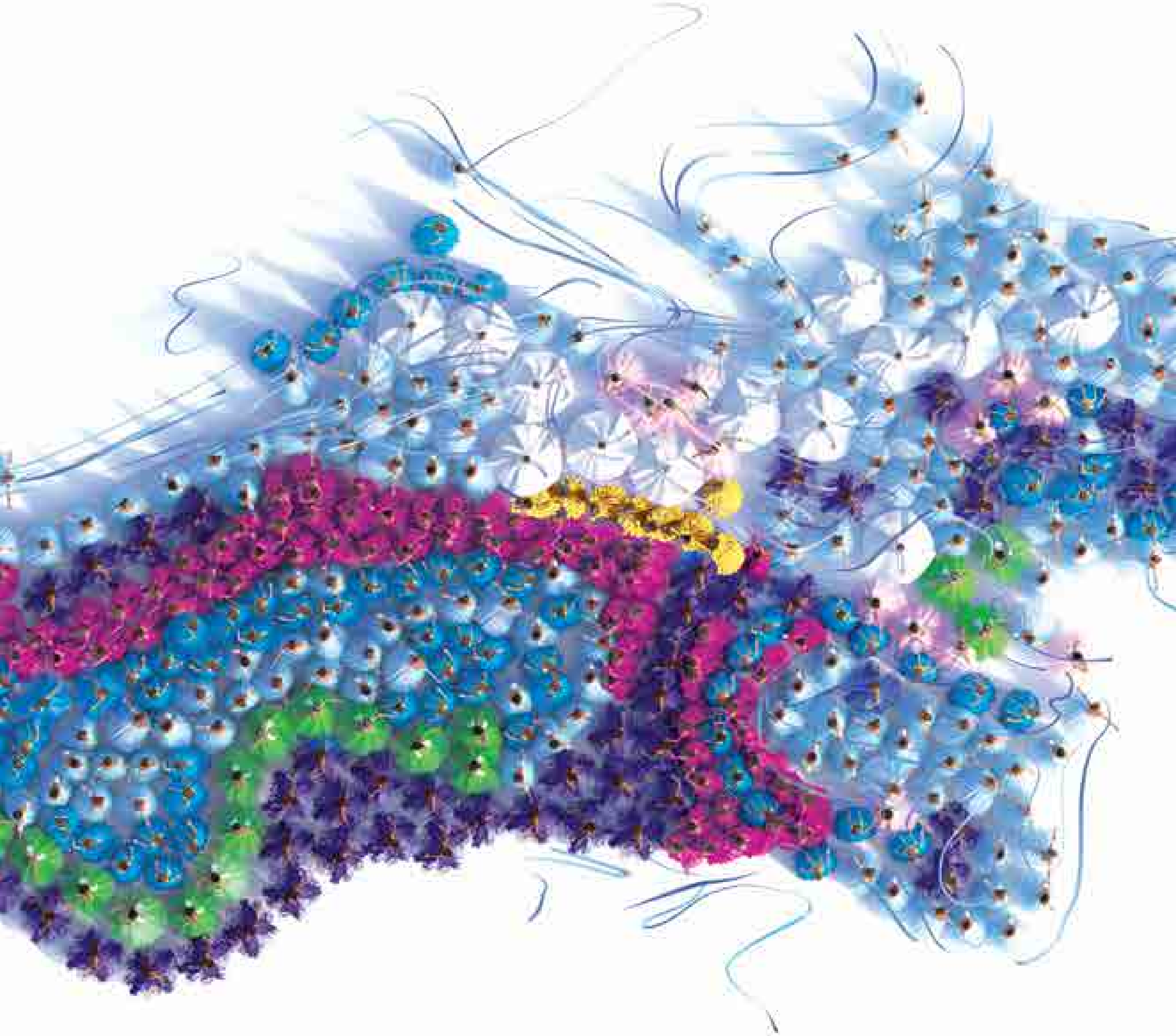
ANNUAL REPORT **2017-18**

ZEE ENTERTAINMENT ENTERPRISES LIMITED

WELCOME TO THE

EXTRAORDINARY WORLD OF ZEE!

The journey of a thousand miles begins with one step. We took our first step 25 years back with a simple idea - create stories that entertain, inspire, and touch hearts. We started small but success fuelled our desires, dreams and ambitions. As we moved ahead, the goals became more audacious and we challenged ourselves to do more. We achieved milestones which were not visible at the beginning and looked impossible even as we progressed. True to the saying, ‘A dream you dream alone is only a dream, a dream you dream together is reality’, our vision materialised only because it was shared by our partners and peers. Today, our 1.3 billion strong audience in 170+ countries is a result of not only our relentless efforts but also of the countless others who supported us on the way.



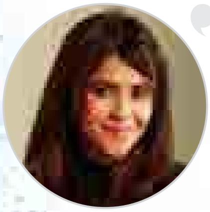
Our new brand ideology – 'Extraordinary Together', celebrates our belief in the power of working together, that we're greater than the sum of our parts and from collaboration comes the strength to deliver the exceptional. Our mission to create extraordinary entertainment experiences for our audience could not have been achieved without the support of our employees, partners and peers, who had the faith in our vision and walked alongside us. At the cusp of our 25th anniversary, we reaffirm our commitment to work tirelessly with each of them, to create new benchmarks and deliver the extraordinary. Mosaic, an art-form made of innumerable elements, each of which is vital to the picture that emerges when they all come together, is thus a fitting motif for this report.

EXTRAORDINARY **ENTERTAINMENT**

Quality content is the focal point for an extraordinary entertainment experience. This quality content is the confluence of numerous disparate elements, each of which demands careful attention. Creating content is an intricate and iterative process, entailing a deep understanding of consumers' entertainment needs, rendering an engaging narrative, and bringing it to life. Each of these is a multi-layered process and requires a keen eye for detail. Whether it is a 5-minute video clip or a 3-hour movie, each piece of content is the result of the splendid work of numerous people, experts in their fields, coming together to create the extraordinary.

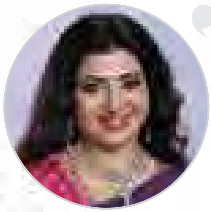
The evolution and progress of content creation over the past 25 years is nothing short of a revolution. It is the culmination of the relentless efforts of scores of people who are passionate about providing a phenomenal entertainment experience. This has made it possible to present viewers with extensive entertainment choices. Besides telling stories, content has the ability to transport the audience to a different world. A world created by the writer and director with the help of the cinematographer, set designer and music director, amongst many others. The actor, supported by costume designers and make-up artists, gives life to these characters, creating an experience that the audiences can both enjoy and relate to. This content is enriched by the efforts of several people behind the screen including editors, technicians and support staff, all of whom add value to the consumer experience. Through the course of this journey, the production house plays a pivotal role, bringing this diverse set of talent together under a single roof.

Our understanding of audiences, complemented by key partnerships with the artist fraternity, has helped us sustain our position as a leading entertainment content company. From 10 hours of original content in one language in the first week of launch, we now offer 500 hours of content every week across 12 languages. One of the challenges of being an industry pioneer was to build everything from scratch. However, this was intrinsically rewarding as it gave us an opportunity to be instrumental in creating the industry's ecosystem and providing a launch pad for new talent. We are fortunate to have had several creative partners, many of whom began their journey with us, and over the years, have continued to instate their faith in our vision. Together, we will keep pushing the envelope to create extraordinary entertainment.



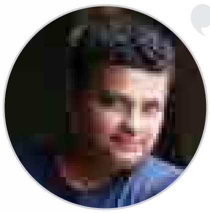
Zee and Balaji Telefilms started their journey almost at the same time. In fact, our first two shows, *Mano Ya Na Mano* and *Hum Paanch* aired on Zee TV. Over the years, we have collaborated for several projects and have had the pleasure of creating some of the iconic shows of our time.

Ekta Kapoor
Joint Managing Director, Balaji Telefilms



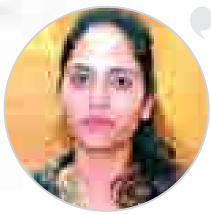
Over the last 25 years, Zee has changed the face of entertainment. The scale of its shows has become bigger and better. With content that is vibrant, intriguing and bold, Zee is a leader and dominates the living rooms of South Indian households. I would like to acknowledge Zee Tamil's efforts in creating a fabulous character for me which made my comeback as one of the best orchestrated relaunches for an artist in recent times.

Priya Raman
Actor (Tamil, Telugu and Malayalam - TV and movies)



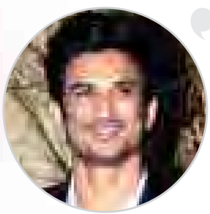
Zee Studios has shown new dreams to Marathi cinema - dreams of growth, dreams of fame and dreams of prosperity. It has become a name which audience trusts for quality content. Zee Studios gives opportunities to new talent as well as reputed craftsman to showcase their stories, many of which have become an important part of Marathi cinema.

Ravi Jadhav
Director and Producer of Marathi movies
(Natrang, Balgandharv, Time Pass and Nude)



Partnering with Zee Telugu opened up new avenues for Annapurna Studios. The creative freedom that a partner gets from Zee is what helps them deliver best results. Hoping that we will continue to work together and garner mutual success in the time to come.

Supriya Yarlagadda
MD, Annapurna Studios



I credit Zee for making me a household name by casting me as the lead in their show *Pavitra Rishta*. That was a big move for me which acted as the stepping stone for my Bollywood journey.

Sushant Singh Rajput
Actor (Hindi movies)

EXTRAORDINARY **PARTNERSHIPS**

25 years ago, the launch of Zee TV - the first private Indian satellite channel - ushered in a new era in entertainment. Since then, entertainment landscape has evolved immeasurably, giving consumers myriad choices. This has been possible through the collaborative efforts of all our partners and peers, who have made unique contributions. Together, these efforts have led to creation of an extraordinary entertainment experience for the consumer.

It is difficult to envisage that the entertainment industry would have scaled such heights, in this short time span, without its meaningful partnership with the advertisers. The invaluable role played by this partnership in nurturing the content creation industry, starting from fledgling days, continues till date. Advertisers are our indispensable allies and we believe that this symbiotic relationship has been pivotal to our growth story.

Our distribution partners have enabled us to reach the vast audience base in India and overseas. An army of local cable operators, spread across the country, facilitated customer reach by creating the last mile network. Multi-system operators and Direct-to-Home operators elevated the customer experience to another level by leading digitisation and offering superior service. Telecom operators are now mapping new frontiers for entertainment consumption by offering affordable data and integrating our content with their platforms.

The entertainment industry has continuously pushed the boundaries. As peers, we have kept each other on toes in the quest for consumers' attention by creating richer content. The exemplary work of all our peers serves as an inspiration to us to enhance consumer experience and provide extraordinary entertainment, consistently.

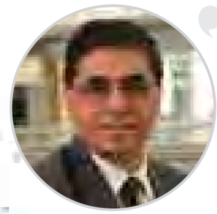
Our 25-year odyssey that began with a single television channel, continues to be as exciting as we evolve into an all-encompassing entertainment content company. As a result of our relentless pursuit to satisfy the audience's growing entertainment needs, we now have an exhaustive television portfolio along with a strong presence in the digital, movies, music, international and live verticals. As we prepare for the future, our zeal to achieve more is stronger than ever. Together, we look ahead at expanding these extraordinary partnerships.

When Zee started operations two and a half decades back, it transformed our business from a single channel provider showing only movies to a full-fledged cable company with a multitude of entertainment channels. Zee was the first to provide regional channels in Marathi and it remains the most important channel in Maharashtra. Our subscribers are very fond of the Zee's bouquet of channels.

Ashok D Tahiliani
Proprietor, Poona Cable System & Services (Local Cable Operator)

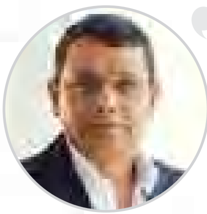
Zee is a brand synonymous with entertainment in India. It is admirable how they have captured audience's imagination with the engaging content that they produce continuously. As the leading DTH player in the country, quality content is key to our offerings and their diverse content provides immense value to our subscribers. With a pan-India presence, Zee has been a valuable partner and we hope that we further strengthen our partnership in the coming years.

Harit Nagpal
MD & CEO, Tata Sky



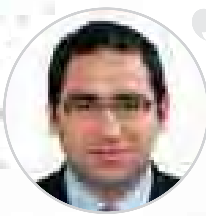
Zee in the 25 years since its launch has hugely influenced what India watches. With a deep understanding of the content that consumers in India love, Zee helps us in carrying the brand stories of our iconic brands to our consumers. We see Zee as a key partner in connecting our brands with the consumers.

Sanjiv Mehta
CEO & MD, HUL



Star and Zee go way back, right to the early days when we used to work together. Zee has been one of the most prominent players in shaping how entertainment in India has evolved over the years. We look forward to collectively shaping the Indian entertainment ecosystem and driving industry shaping reforms for the benefit of the consumer and society together.

Uday Shankar
Chairman and CEO, Star India &
President, 21st Century Fox, Asia



Zee's foray into production of local content has been one of the important drivers for accelerated development of Indian cable and satellite industry. Its content connects with audience across demographics, cultural backgrounds and languages. Hathway, being one of the largest cable companies, sees Zee as an invaluable partner in our quest to serve our consumers.

Viren Raheja
Non-executive director, Hathway

EXTRAORDINARY **PEOPLE**

An organisation is nothing but an amalgam of its people who define and shape it. It is the people who determine whether an organisation realises its potential. In the realm of entertainment, boundaries between art and science are blurry, innovation is the only constant, and balancing the interplay of local and global forces is paramount. In this milieu, the significance of the role played by people cannot be emphasised enough. It is only when a multitude of people with an innate understanding of content, supported by people behind the scenes, collaborate, that extraordinary results are produced.

The complex mesh created by the diverse backgrounds of our people is a microcosm of the diversity of our audience. It is fundamental to our ability to continuously innovate and evolve to cater to the varied and ever-changing entertainment needs of our consumers. Our people from different cultural backgrounds bring invaluable insights to the fore, in conjunction with distinct perspectives that are an embodiment of the diverse cultures and value systems. While everyone takes the onus of innovation, the experienced ones temper the radical ideas of the callow with their wisdom. People with experience in diverse fields, different nationalities, come together to create a workforce that is adaptive, motivated and equipped to succeed in today's borderless market. The intrepid spirit and insatiable appetite for success of our people empowers them to achieve phenomenal outcomes.

The fact that ZEEL today is synonymous with entertainment is attributable to the determined efforts of our people over the last 25 years. Starting with just a handful of people, today we house a team of over 3,200 from 22 different countries, mirroring our expansion across formats, genres, platforms and geographies. Over the years, we have worked with many more who are no longer associated with us, but have played an invaluable role in our growth. We have also been fortunate to be the starting station for scores of professionals beginning their journey in entertainment industry. These partnerships have given us leverage in accomplishing larger-than-life goals and a powering business performance. While we have come a long way, we believe our journey has just begun, and we are all set to be bigger, bolder, better.

At Zee, individual capability building, team collaboration, and motivating organisational support helps people convert dreams into reality. In my years of experience with Zee Telugu, the opportunity to decide on clutter breaking ideas at individual and team level has helped us reach the leadership position. Employees here are provided with an entrepreneurial platform to deliver and taking responsibility for the choices made has always been more important than success or failure

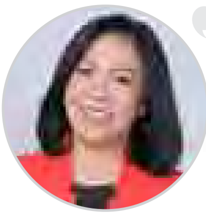
Anuradha Gudur

Bussiness Head – Zee Telugu and Zee Cinemalu

When I started 25 years ago as an executive in the Quality department, the broadcast was done from Hong Kong and we used to send the shows 15 days in advance for up-linking. Today, I head the same department, and the landscape has changed drastically. Thanks to Zee, which gave me new opportunities year after year and acknowledged my good work, I can look back at my career with pride. I am fortunate to be a part of the extraordinary growth journey of the Zee family.

Ashok Dhisle

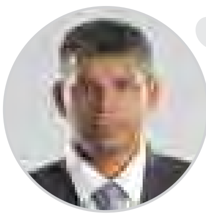
Head, Technical Quality Control



The greatness of Zee lies in the people that work for the company. Every employee's contribution is recognised and rewarded. Based overseas, I know the top management is always available should I need anything. Challenges, advice and support given to me over the years inspires me to do even more. On a personal note, working for a company you love (and loves you back) does not feel like working at all. I always come home happy and that makes my family happy too.

Maria Liza Young Ginting

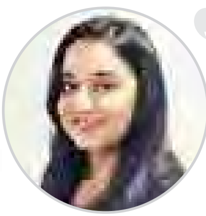
Country Head, Indonesia and Philippines



I joined as a management trainee in June 2000. It's been a long journey, but is still as exciting. The way the organization has grown, provided a new challenge and opportunity almost every day. This place gives freedom to learn, explore, experiment, make mistakes and above all the freedom to be yourself. Hence, despite growing into a huge media conglomerate, its entrepreneurial spirit is still intact.

Sachin Rumde

Head, Operations



I joined 2 years back as a campus recruit from IIM, Ranchi. True to the spirit of *Extraordinary Together*, my team made me feel like a part of the family. Exposure in different HR verticals has given me a chance to build broad functional expertise. The continuous cycle of learning, hands-on experience, guidance and motivation at every step energises me with aspirations of a long and enriching career ahead!

Vanya Sanjar

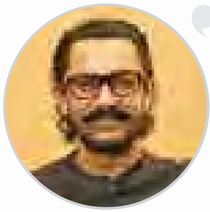
HR manager

EXTRAORDINARY **POSSIBILITIES**

It is imperative for every organisation to have a meaningful engagement with community, as consumers are inextricably shaped by it. However, for us, community is not only the audience but also a cultural and social melting pot, providing ideas and perspectives for exemplary stories that entertain. An organisation like ours scales greater heights only by nurturing a strong symbiotic relationship with the community. Its needs fuel our work and it is only when we weave in its varied ideas and perspectives with our creative energy, that we serve our larger purpose. Its diverse experiences and outlook enriches our content and keep us motivated to better ourselves. This belief is fundamental to our content creation process and has helped us stay both relevant and relatable.

Over the years, we have made it a priority to create content around subjects that are pertinent to our community. Our endeavour is to go beyond entertainment and bring change by presenting socially-relevant issues. Our stories have inspired the audience to challenge norms, broaden perspectives and embrace change to evolve into a better society. These stories, by making a small contribution every day, bring about a positive change. Our goal is to reinforce this effort with grassroots initiatives that bring about a measurable difference. Whether it is supporting the underserved segments of society in accessing employment, or educating women and developing their skillsets, our endeavour is to create a tangible change.

At ZEEL, our desire to serve the community extends beyond the thought-provoking content. We earnestly abide by the principle that the measure of true success is when we are able to contribute to our community's well-being. Akin to our content, our community initiatives are focused on relevant social causes such as education, rural development, empowerment, entrepreneurship, and preserving art and culture. We believe these initiatives have helped bring about a positive change in the lives of a few. When we continue our endeavours, however small, to make a positive impact on our community, will we be truly Extraordinary Together.

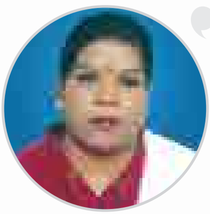


By supporting Paani Foundation's effort to reach a wider audience in Maharashtra through its vast network, Zee has shown that it believes in content that not only entertains but is also socially relevant, inspirational and motivational. I thank Zee, and the entire team of Zee Marathi from the bottom of my heart for their unconditional support. The sole purpose of *Tufaan Aalaya* telecast on Zee Marathi is to try to make the lives of people in rural Maharashtra better. In this attempt, Zee has shown its clarity of intent, vision and commitment to bring about positive social change.

Aamir Khan
Co-founder, Paani Foundation (Bollywood Actor)

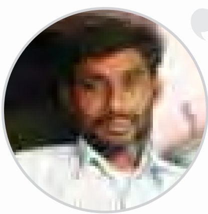
Lot of people promised us to help but with *Lakshmi Devi Thalupu Thattindi*, Zee Telugu lived up to their promise. They set up a flour milling machine for us as our prize and helped us start a fresh livelihood and we will forever be grateful to Zee Telugu for giving us a second life.

Lokuntla Padma
Manugooru (Khammam district)



I was a working woman but after marriage I got busy in life with my kids and husband. My husband didn't allow me to work. One day, I went for Zee Marathi's Jagruti event and then I realized that my life should not be dependent on others. After that I started my own mess and now I earn enough money.

Manasi Jitendra Bhalerao
Thane District in Maharashtra



I was unable to get a job because of my disability and decided to dedicate myself to improving the quality of my farm output. Sarthi representative guided me to get a bank loan under the '*Krishi Rin Yojna*'. I invested this loan to improve the output through new farming techniques. With the help of improved farming output, I was able to own a small grocery shop as well.

Prakash
Bogawa in Dhar District in Madhya Pradesh

INDEX

1 COMPANY OVERVIEW

2 STATUTORY REPORTS

3 FINANCIAL STATEMENTS

STANDALONE

CONSOLIDATED

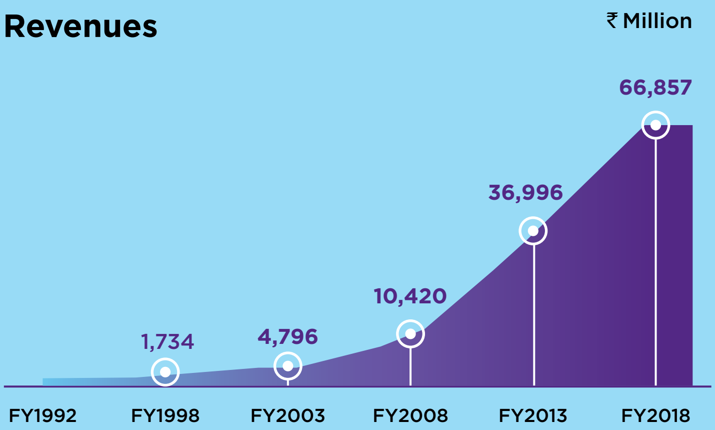
Forward-looking statement

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

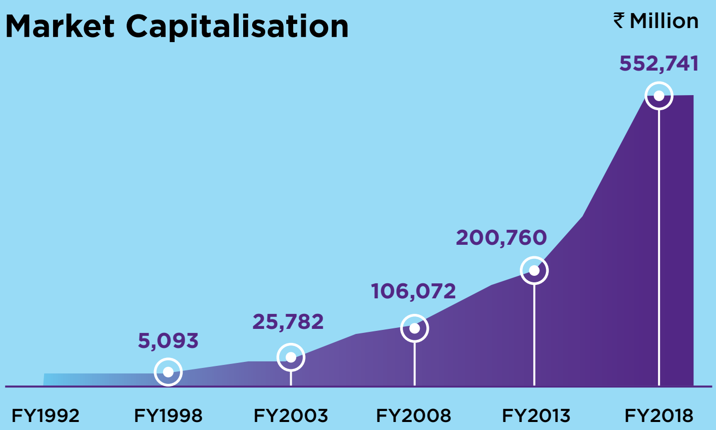
View Annual and Quarterly financials:
https://www.zeeentertainment.com/investors/financials/

25 YEARS OF EXTRAORDINARY GROWTH

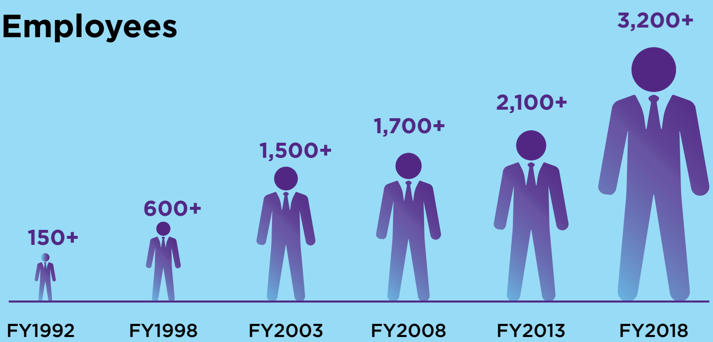
Revenues



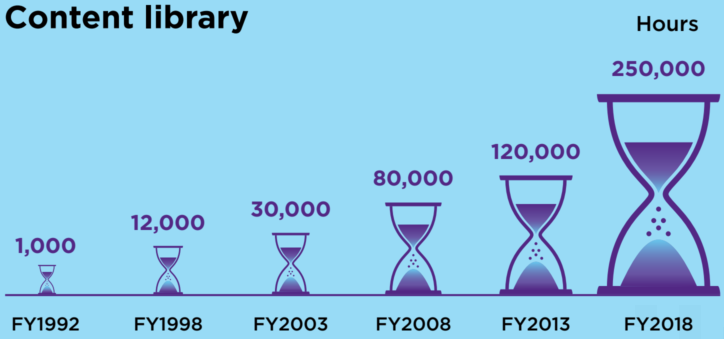
Market Capitalisation



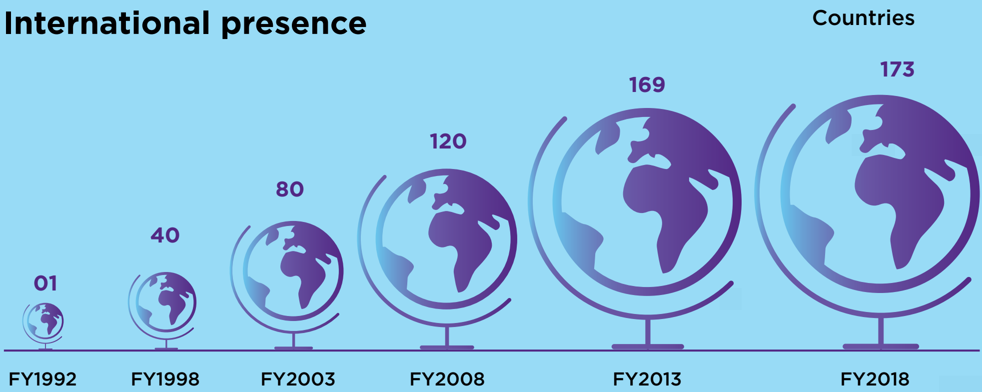
Employees

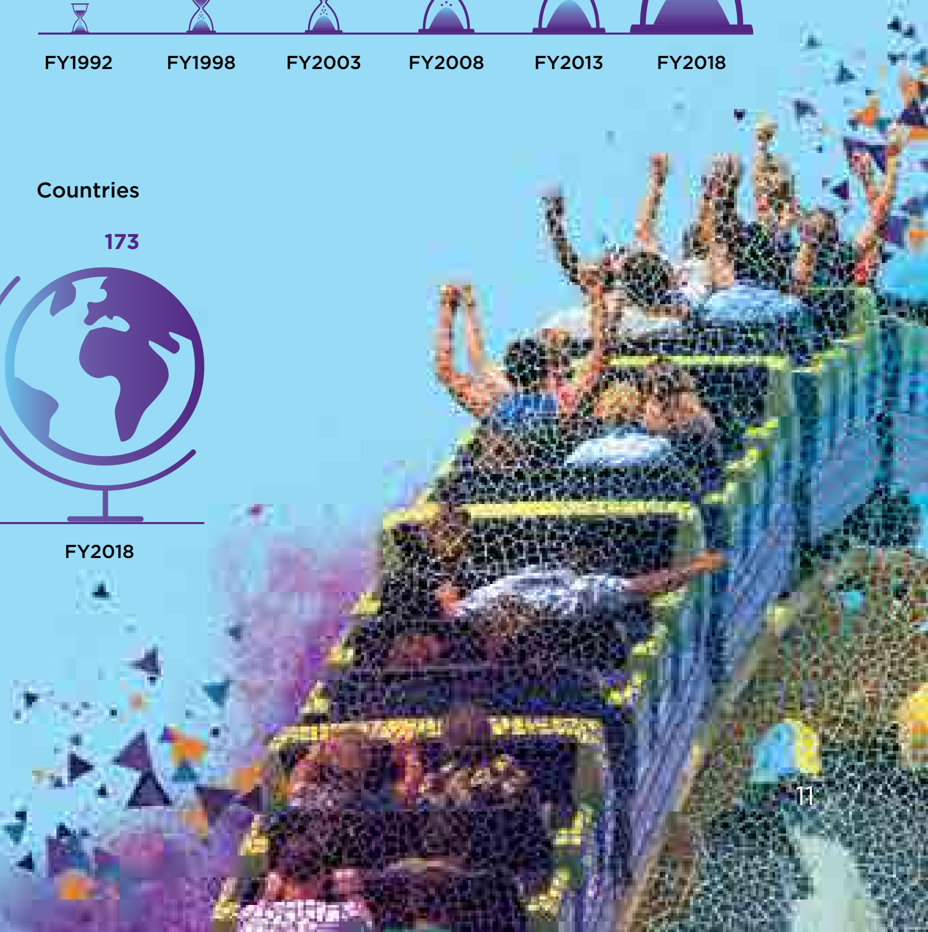


Content library



International presence





MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

In a journey, there are moments when one should pause to celebrate the accomplishments and failures. Standing on the cusp of a spectacular twenty-five-year journey is certainly one such moment. We have achieved several milestones along the way and as we celebrate these milestones, it is an appropriate time to reflect on the past and gear up for the future.

Looking back at our 25-year journey, I can relate to the maxim 'Good things don't come easy.' We have had our share of trials and tribulations throughout, which made the journey exhilarating. Starting with the long-winded process of leasing a transponder for the launch of our first channel, to constantly contending with peers with immense financial resources, there has seldom been a day without a challenge. However, each impediment made us even more determined to succeed. On 2nd October 1992, when we uplinked content to satellite from Hong Kong, marking the birth of ZEEL and private broadcasting in India, little did we know that 25 years later, we would have grown into a multi-faceted global entertainment content company.

From struggling to produce two hours of content in the initial days, to shaping the media and entertainment (M&E) landscape of the country, our growth story is truly a remarkable one. At ZEEL, we have been on a continuous path of evolution to create rich and engaging content in twenty-one languages for our 1.3 billion strong audience around the world. However, our story would be remiss without acknowledging the vital role played by the other stakeholders in our success. We would not have been able to create the impact we did without the invaluable contributions of our employees, creative partners, distributors, peers, shareholders, and countless others who have worked behind the scenes. We firmly believe that when we collaborate with each other, our individual strengths get amplified to become greater than the sum of its parts. Our new ideology of '*Extraordinary Together*' subsumes our longstanding philosophy of '*Vasudhaiva Kutumbakam* - the world is one family', and celebrates this journey of collaborating with our partners, within and outside, to create and deliver extraordinary entertainment.

The year 1992 was also a momentous year for the country, being the first year when India fully embraced liberalised markets. Liberalisation acted as a catalyst for enterprising Indians, allowing them to unleash their potential. Ours is one such story. Since then, the unstoppable entrepreneurial spirit of Indians has taken the economy, as well as the M&E industry to heights that were hitherto unimaginable. Over this period, the Indian economy has grown ten-fold to become worth $3 trillion. Similarly, television households have multiplied by six times, FM radio has reached more than ninety cities, the movie industry has grown manifold in size, and now digital content consumption has exploded. With tax reform measures, investments in infrastructure development, and increasing ease of doing business, the pace of economic growth will only accelerate. We believe that this will have a multiplier effect on the growth of Indian M&E industry as well.

It amazes me to see how the entertainment industry has changed, year after year. Before private broadcasting, the only option consumers had was the state-owned television, which was primarily an infotainment medium. However, the aspiring audience sought better quality and variety of entertainment, and we stepped up to address this need. Since then there has been no looking back. Our expansion into genres, formats, and platforms will continue, with content as the cornerstone of our strategy. While viewing preferences may evolve or new platforms for consumption may emerge, our commitment towards creating extraordinary content is eternal.

Content innovation has been the norm in entertainment, but technology is adding a new dimension to the consumer experience. The future of entertainment holds extraordinary possibilities to create immersive experiences for every individual with the help of technology. The launch of ZEE5 is an important step in this direction. It has been built with a single-minded focus to cater to the varied needs of all audience segments with features that enrich the viewing experience. We are confident that it will significantly improve our competitive edge on the digital front.

It is heartening to see that our television network is the number one in the twenty-fifth year of operations. It is a testament to the efforts of everyone who has worked towards making our network the first choice of the consumers. Our international business has continued to expand its reach and consolidate its position. We are also pleased with the progress of Zee Studios and Zee Music Company. Within a short timeframe, both these brands have marked their presence, withstanding the challenge from established players. Zee Live, the youngest member of our family, continues to ramp up its operations, adding another touchpoint for consumers. In the first half, the industry growth was negatively affected due to some macroeconomic factors. However, one may not realise that looking at our performance. Our strategy continues to deliver long-term success, which is reflected in 13% revenue CAGR and 17% EBITDA CAGR over the last five years.

We believe that our robust value system is the invisible force driving the strong operating and financial performance. It provides a solid foundation for success in the ever-changing environment. While our 'Customer First' approach helps us anticipate and cater to needs of all our stakeholders in the best possible fashion, our pursuit of 'Big, Hairy, Audacious Goals' ensures that we never settle for anything less than the extraordinary. While we dream big, we also know that to truly succeed, we must 'Be Frugal.' This guiding principle helps us make the most of our resources while delivering top-notch entertainment with 'Speed & Agility.' Our growth hinges on the ability to be sensitive to continuous changes and steer our path accordingly.

At ZEEL, everyone is encouraged to 'Solve Big Problems' in order to achieve their true potential. Furthermore, we have a culture that promotes 'Accountability for Results', driving the entrepreneurial spirit. We believe that being humble about our successes and failures is what helps us constantly improve and raise the bar. Today, with over 3,000 employees, 'Respect, Humility and Integrity' are fundamental to what we do. It is extremely important for each of us to honour being fair, transparent and ethical in our conduct.

Our philosophy of '*Extraordinary Together*' is not only about the way we approach our business, but also encompasses the society. Our quest to contribute towards a better society starts with creating content that inspires, motivates and challenges the status-quo. Through our content, we have been able to shine the spotlight on issues that matter. While our entertainment content brings people together in a special way, our CSR initiatives aim at bringing positive changes in peoples' lives. We hope to make a positive impact so that we can live in a society where everyone has equal opportunities.

Once again, I would like to express my gratitude to everyone who has played a pivotal role in helping us get this far. With a renewed faith and sense of purpose, we make our way towards the future. As we write the first chapter of this new era, our dream is to be *Extraordinary Together*.

Sincerely,
Dr. Subhash Chandra

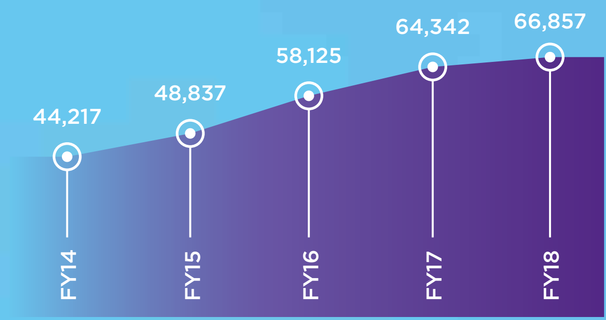
On 2nd October 1992, when we uplinked content to satellite from Hong Kong, marking the birth of ZEEL and private broadcasting in India, little did we know that 25 years later, we would have grown into a multi-faceted global entertainment content company.

KEY PERFORMANCE INDICATORS
CONSISTENT GROWTH

Revenues

₹ Million

FY13-18 CAGR **+12.6%**

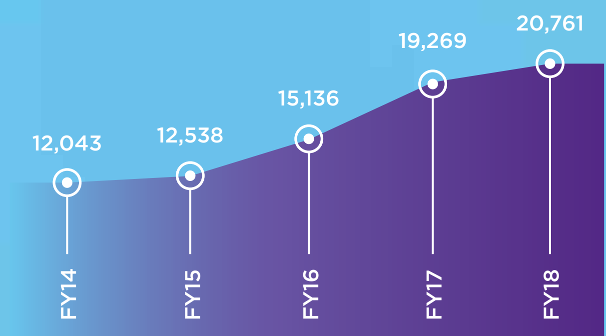


ZEEL's revenue has grown at a CAGR of 12.6% over the past five years. However, excluding the Sports business which was divested in FY17, revenue has witnessed 15.9% CAGR over FY13–18. This growth has been primarily driven by the improvement in television network's viewership share and digitisation of the analogue subscriber base. During FY18, company's 17.9% growth in advertising revenue adjusted for sale of Sports business was ahead of the industry average. ZEEL's domestic subscription revenue, adjusted for sale of Sports business, registered a growth of 11.8% YoY.

EBITDA

₹ Million

FY13-18 CAGR **+16.8%**



ZEEL's EBITDA CAGR of 16.8% over the last five years has exceeded the revenue growth. EBITDA margins improved from 25.8% in FY13, to 31.1% in FY18. This improvement in margins is driven by operating leverage. EBITDA margins (ex-Sports) declined by 200bps in FY18 due to investments in existing and new businesses.

* Financials for FY16, FY17 and FY18 are based on Ind-AS whereas financials for earlier periods are based on I-GAAP.

PBT Before Exceptional Items

₹ Million

FY13-18 CAGR **+15.7%**

FY14	13,191
FY15	14,040
FY16	14,059
FY17	16,775
FY18	21,841

ZEEL's profit before tax has grown at a CAGR of 16% over the last five years, led by a robust revenue growth and improving margins. During FY18, PBT (before exceptional items) increased by 30.2% due to higher margins aided by sale of Sports business, lower fair value adjustments and higher other income.

Return on Capital Employed

(%)

FY18 (YoY) **-244bps**

FY16	23.3
FY17	23.5
FY18	21.1

ZEEL's return on capital employed (ROCE) declined by 244bps YoY, to 21.1% in FY18. While EBIT margins (excluding fair value adjustments) remained stable at 28.3% (28.2% in FY17), exceptional gain on account of sale of Sports business and lower fair value adjustments led to a higher average net worth.

Networth

₹ Million

FY18 (YoY) **+13.0%**

FY16	48,039
FY17	66,904
FY18	75,617

In FY18, ZEEL's net worth increased by 13%. Besides profit from operations, gains from the sale of the Sports business contributed to this increase.

Television Network Share

(%)

FY18 (YoY) **+200bps**

FY17	16.0
FY18	18.0

ZEEL was the #1 non-sports entertainment television network during the year, with an all-India viewership share of 18.0%. Strong performance of the regional and Hindi GEC portfolio, along with the addition of RBNL channels, contributed to this improvement in viewership share in FY18.

International Reach

Million

FY18 (YoY) **+59.2%**

FY17	363
FY18	578

The reach of ZEEL's international channels increased by 59%, to 578 million people across 170+ countries. Newer distribution partnerships and inclusion of some of the channels in the base pack in a few markets helped increase the reach.

Movie Business Revenue

₹ Million

FY18 (YoY) **+2.7%**

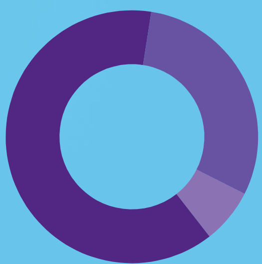
FY17	1,615
FY18	1,660

Zee Studios released nine movies across three languages during the year. While the movies were well received at the box office, the movies could not replicate the success of last year, when two movies garnered a domestic box office collection of over ₹ 1 billion.

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

Revenue Breakdown

FY18 Revenue: ₹ 66,857 million



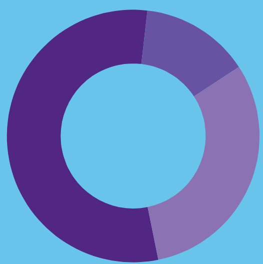
63% Advertising revenues

30% Subscription revenues

7% Other Sales and Services

Distribution of Expenses

FY18 Total Expenses: ₹ 46,096 million



55% Operating Costs

14% Employee Benefit Expenses

31% Other Costs

MESSAGE FROM THE MD & CEO

Dear Shareholders,

FY18 was special in several ways. The year marked the completion of 25 years of our flagship TV channel, Zee TV, and also saw the launch of our enhanced digital platform, ZEE5. It was also a special year as our television business regained the number one spot. Lastly, our businesses adopted a refreshed brand identity and ideology — 'Extraordinary Together'.

Extraordinary Together - A way of life

We have adopted the ideology of '*Extraordinary Together*' with a vision to provide a unified brand experience, and to delight consumers across the world by creating entertainment and experiences that inspire to transcend the ordinary. It is rooted in the philosophy that from collaboration comes the strength to deliver the extraordinary. For a global company like ours, with interests across diverse verticals and businesses, the ability to win lies in being able to effectively come together and harness this strength to be extraordinary.

The big debate - 'TV versus Digital'

The year gone by will be remembered for the spurt in content consumption on digital devices. It is becoming a routine in India compared to the sporadic consumption earlier. What we have seen so far is just a glimpse of the future, and digital consumption will continue to rise. This increase in consumption along with a growing digital population will drive even higher investments in content and technology. While original content for digital will become a norm going forward, the industry will experiment with new-age technologies to offer an even more engaging experience to viewers. Technology has already made digital consumption more accessible, and the ongoing developments in video compression and transmission, along with increasing computing power, will make it ubiquitous.

This brings us to the much-discussed global question - will digital make TV irrelevant? Perhaps, one day it might. In most countries, the shift from linear to on-demand was catalysed by either a significant cost differential or limited availability of quality content, both facilitated by a high wired broadband penetration. In the absence of these catalysts, and considering the fact that India is a multilingual country, we believe that the media landscape in our country would evolve in a different fashion. For the majority of our population, video content is the primary and the most affordable source of entertainment. Still, we lag behind our peers in per capita entertainment content consumption. In India, a television is shared by the entire family and hence mobile has become the default second screen for many. The fact that TV viewership continues to grow along with this multifold increase in digital consumption, suggests that in India, rather than debating 'TV versus digital', we see it as 'TV with digital'.

From a marketer's perspective, television and digital serve largely different marketing objectives. Television's simultaneous reach to the masses and high engagement levels makes it the default choice for brand-building, the primary goal of marketing. Even in the medium term, television will continue to be the leader in terms of reach and time spent, retaining its position as the preferred medium for advertisers. Digital, on the other hand, excels in targeting, thereby complementing television campaigns. It also helps in widening the advertiser base by providing a platform to SMEs with limited budgets. Marketers today are already using both television and digital mediums for holistic advertising planning, which will further get a boost with the availability of cross-screen measurement data.

Technology has indeed democratised the means of content production and distribution, giving enormous choices to the consumer. This vast choice, however, is thinly distributed across a large number of platforms, requiring consumers to shuffle between different apps and pay for multiple subscriptions. This makes content discovery and consumption a cumbersome experience. We believe that eventually, a platform that offers an extensive and exhaustive array of content and has an intuitive interface, will become the one-stop entertainment destination for consumer.

The year gone by

ZEE5, our recently-launched digital platform is vying to be this one-stop entertainment destination. Its unrivalled content catalogue – 1,00,000+ hours of content in 12 languages across genres, offers a plethora of choices to every consumer. Our exciting line-up of digital original content, an expansive movie library, collection of international shows dubbed in Indian languages, along with news and music, make it stand out in the crowded OTT space. Features like multilingual user interface and voice search facilitate content discovery and consumption for the diverse Indian audience. We are encouraged by the initial response to ZEE5, and are confident that it will continue to gather momentum as we expand our content library and enhance the user experience. We believe digital content consumption in India has reached an inflection point, and we will continue to invest in the digital business to attain leadership.

In FY18, television viewership in India continued to grow on key parameters: television households, reach and time spent. While the viewership grew across age groups, the kids and youth segments witnessed the highest growth. Regional channels continued to see an uptick in viewership, partly due to increase in availability of quality content in local languages. We were the number one non-sports entertainment network driven by the strong performance of our portfolio of Hindi, regional and movie channels. We will continue with our strategy of expanding the regional portfolio by entering new markets and adding products in existing ones. In addition to general entertainment channels that telecast original content, movie channels are an important growth driver for us. We have significantly expanded our movie library over the last year, in both Hindi and regional languages, which should help us consolidate our leadership position.

It was a remarkable year for the Indian movie industry with domestic and international theatrical collections reaching new heights. While increasing multiplex penetration has been the key driver for the improving economics of the movie production business, OTT platforms have accelerated it by providing a sizable revenue stream, especially for niche movies. Zee Studios, with nine movies in three languages and its second National Award, established its presence as a leading movie production house. This gives us a strong foundation to scale up our movie business.

Digital streaming has reversed the declining fortunes of the music industry, globally and in India. Zee Music Company, in a short period of 4 years, has built a strong catalogue across 11 languages, emerging as the first pan-India music label. Our movies and music content widens our audience base, especially amongst the male and youth segments.

Our international business focused on building reach and increasing audience engagement across geographies. We reached out to new distributors and strengthened our existing partnerships to increase our consumer base in each of the markets. Both categories of channels, serving the diaspora and the native audiences, expanded their reach through launches in new territories. We are adding local original content in both these categories, in a measured way, to build loyal viewership. Additionally, our focus on ground events is helping us improve engagement with our South Asian audience.

The organised live events industry continues to grow, with a variety of events gaining audience acceptance. The growth could have been much faster with the availability of skilled workforce, better infrastructure and a simpler compliance framework. Zee Live successfully executed two properties - 'Wicked Weekends' and 'Zee Theatre Tour'. Several IPs are at a conceptualisation stage, which will be rolled out in due course of time.

Implementation of GST hampered the growth of M&E industry in the first half of the year, just as it was recovering from the lingering impact of demonetisation. These policy actions had a temporary negative impact on the growth trajectory, but we believe that they will aid the long-term growth of the industry. Strong economic growth, rising disposable income and discretionary spends, coupled with low entertainment consumption in the country, presents a favourable landscape for the industry.

Our consolidated revenue grew by 3.9% in FY18 to ₹ 66,857 million. Revenue adjusted for the sale of sports business grew by 15.2%. EBITDA margin for the year stood at 31.1% and EBITDA grew by 7.7% to ₹ 20,761 million. EBITDA growth for the year was affected due to investments in new businesses, the impact of GST, and investments in the brand refresh exercise.

Together with people

Our strong performance would not have been possible without the hard work, enterprise and ingenuity of our employees. At ZEEL, we strive to enable our people to achieve their full potential. Our employee outreach initiatives such as SAMWAD - one-to-one conversations with managers, employee feedback programme, and quarterly interactions with the senior leadership team, provide essential inputs to constantly improve the work environment. I am happy to share that ZEEL was recognised as one of the best places to work by Great Place to Work® India. Being a medium of mass reach, we are also cognizant of our social responsibilities. With stories that highlight relevant issues like women empowerment and education amongst others, we have made it our mission to create impact through our content.

Vote of thanks

I would like to extend my earnest gratitude to our audience, employees, partners, peers, shareholders and the Board, for supporting and guiding us in all our endeavours, not just in the past year, but over the last 25 years. Individually you inspire us, and together you drive us to excel in all our ventures, enabling us to deliver a strong and consistent performance. I am confident that with your unrelenting support in the future, we will achieve the *Extraordinary, Together.*

Sincerely,

Punit Goenka

The fact that TV viewership continues to grow along with the multifold increase in digital consumption suggests that in India, rather than debating 'TV versus digital', we see it as 'TV with digital'.

STRATEGY & BUSINESS MODEL

STRATEGY

Evolve

To satisfy consumers' varied and ever-changing preferences for entertainment content across different formats, languages and platforms

Build

An entrenched position in content creation eco-system by partnering with the best talent

Lead

By building a strong competitive position in all our businesses

Sustain

Through inclusive growth by managing our operations in a way that benefits all our stakeholders

COMPETITIVE ADVANTAGES

01 Strong content creation capabilities

Over the last two and a half decades, we have built strong in-house content creation expertise and developed an eco-system that seamlessly delivers engaging content at a competitive cost. We have long-standing partnership with the artist fraternity and our leadership position makes us their preferred partner. While we work with multiple creative partners, with an in-house TV studio, movie production and distribution company and a music label, we are uniquely positioned to offer a range of content for diverse audience.

We produce 500+ hours of content every week

We produce original content in 12 languages

We own the IP rights of all the content we produce

02 Synergies

We realize significant revenue and cost synergies due to our presence across markets and platforms. Content created for a market or platform seamlessly travels to another, enhancing its monetisation potential. We leverage our diverse presence to manage the content creation and acquisition costs and use it for all round promotion.

All 39 channels in International markets and 2 channels in India run on content produced for other channels

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

03 Reach

Our five businesses cover the entire spectrum of consumers' entertainment needs. This enables us to reach almost every consumer of entertainment content in India and one in ten in the rest of the world. This strong reach makes us the default partner for brand building.

700mn+ individuals reached in India every month

570mn+ reach outside India

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

STRATEGIC ASSETS

Library

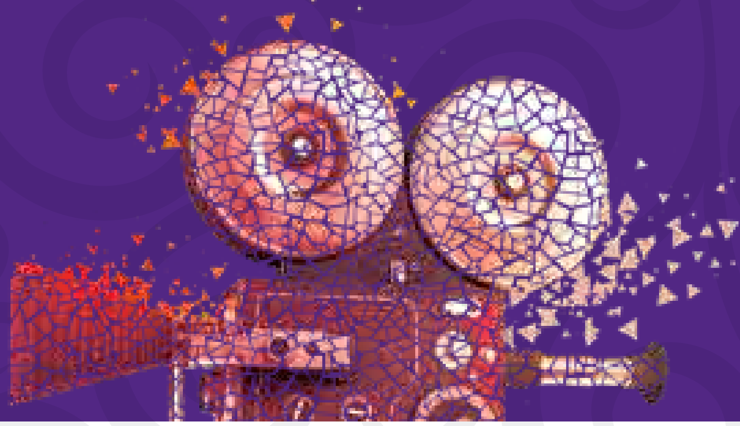
Intellectual Property rights of over 250,000 hours of content

Strong brand

Built over 25 years

People

Extraordinary Together



As an entertainment content company, our focus is to create compelling content and reach viewers through their preferred platforms

REVENUE STREAMS

01 Advertising

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

02 Subscription

Domestic broadcast, international and digital businesses generate subscription revenue. Our domestic and international broadcast business receive subscription income from our distribution partners - DTH and Cable. Digital business generates subscription revenue from consumers and telecom operators.

03 Syndication

Syndication revenue comes from licensing of our content to other players, primarily in international markets.

04 Theatrical

Theatrical revenue represents our share of box-office collections of the movies produced by us.

05 Music licensing

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

06 Others

Movie distribution:
Revenues earned from the distribution of movies.

Ticketing and Sponsorships:
Revenue from events, live shows and theatre.

CREATING VALUE

For audiences

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

For advertisers

By offering brand building solutions to our advertisers to connect with consumers through multiple touch-points

For distribution partners

By providing content which is an integral part of our distribution partners' offerings

For talent

By providing unparalleled reach to our content partners and giving a platform for new talent

For shareholders

By delivering a strong and consistent operating and financial performance

For our people

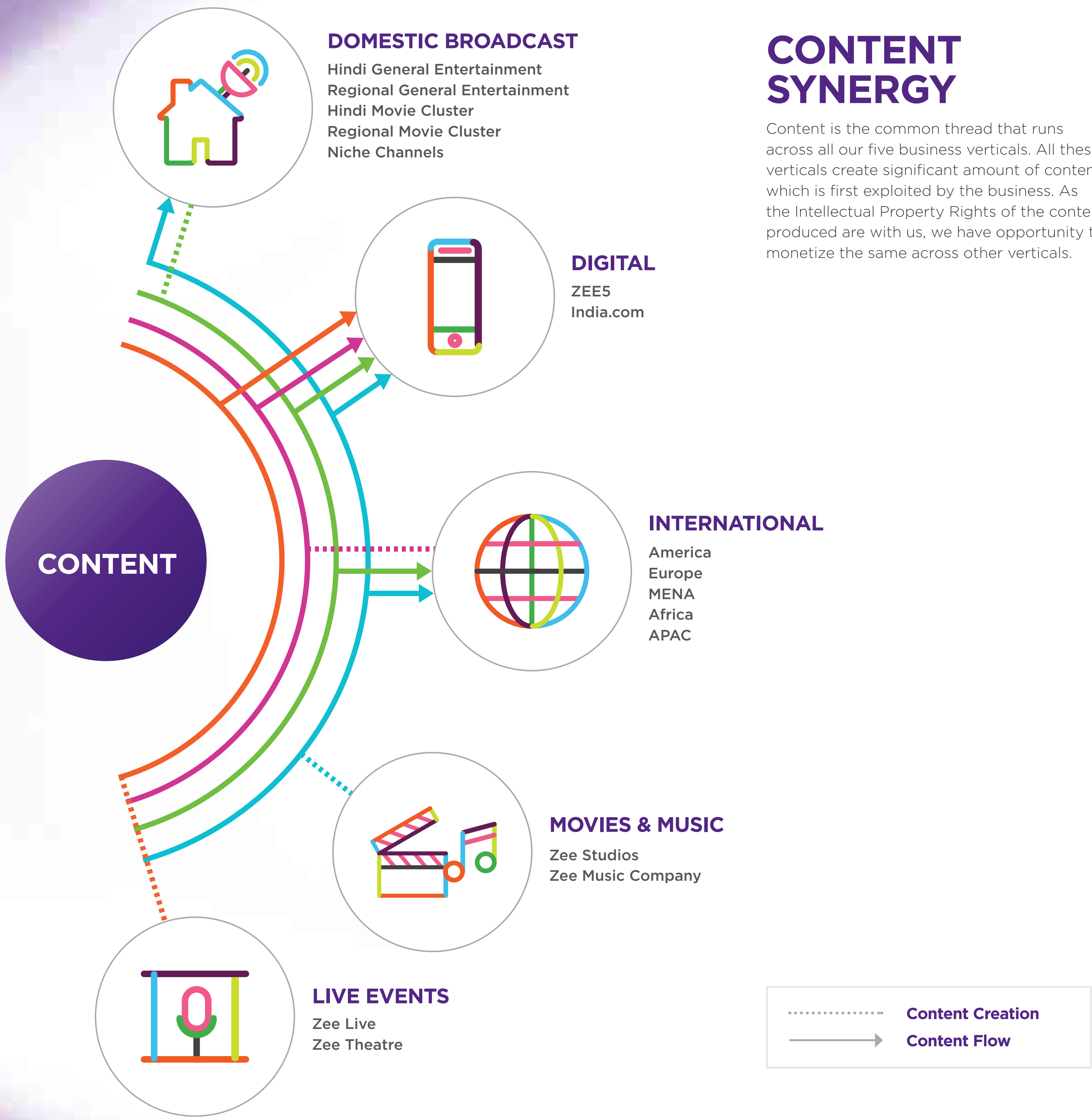
By providing enriching experience at the work place, work life balance, adequate learning and growth opportunities

BUSINESS OVERVIEW

The business that started with the beaming of a Hindi language television channel, watched by less than 10 million people in India, has grown into a truly global M&E conglomerate with a reach of over 1.3 billion. We entertain our audiences with content in 21 languages through almost every platform that is available today. Over the last 25 years, we have strived to piece together different elements of the mosaic that is entertainment. We have focused on continually evolving ourselves to satisfy the diverse and ever-changing entertainment and consumption preferences of our viewers. Today, the brand Zee, with its five business verticals, is synonymous with 'entertainment for all' and is the preferred entertainment destination for audiences in India and around the world.

CONTENT SYNERGY

Content is the common thread that runs across all our five business verticals. All these verticals create significant amount of content which is first exploited by the business. As the Intellectual Property Rights of the content produced are with us, we have opportunity to monetize the same across other verticals.



DOMESTIC BROADCAST

Our Domestic Broadcast vertical has cemented its position as India's leading television network over two and a half decades. Starting with our Hindi flagship channel, we have gradually expanded our footprint across languages and genres. Our regional language portfolio spanning seven languages - Marathi, Bengali, Telugu, Kannada, Tamil, Oriya and Bhojpuri, is the widest in the country. We offer engaging content to our audience in each of these markets, creating iconic shows which have become an integral part of our audience's lives. While we continuously launch new shows to widen our content catalogue, some of our shows run for years owing to their immense popularity. Our portfolio of 37 channels across 5 categories – Hindi General Entertainment, Hindi Movies, Regional General Entertainment, Regional Movies and Niche Channels – offers holistic entertainment content for the diverse Indian audience.

HINDI GENERAL ENTERTAINMENT CHANNELS

REGIONAL ENTERTAINMENT CHANNELS

HINDI MOVIE CLUSTER

REGIONAL MOVIES

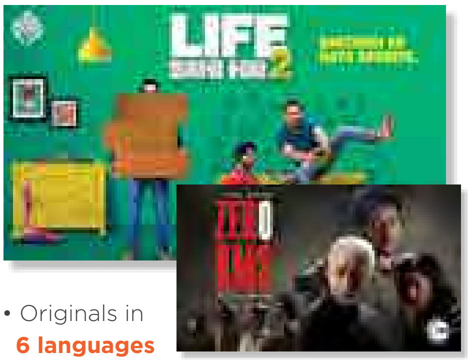
NICHE CHANNELS

DIGITAL

UNBELIEVABLE CONTENT COLLECTION

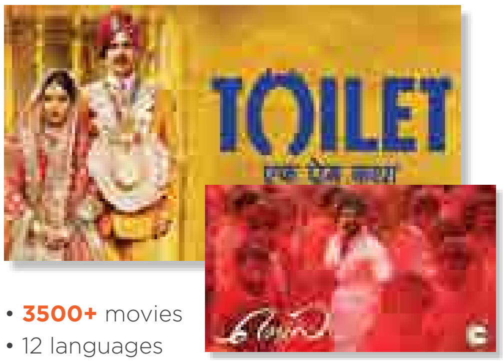
ZEE5, our video-on-demand platform, is the latest piece in our content mosaic, enhancing our entertainment portfolio. Leveraging the content creation expertise and the content library of all our businesses, it offers one of the most exhaustive Indian content catalogues to the digital consumer. With original content in 6 languages across 7 genres, one of the biggest Indian movie libraries, catch-up and live TV, international content from around the world, music and much more, ZEE5 aspires to be the one-stop entertainment destination for all Indian consumers seeking quality content.

ZEE5 ORIGINALS



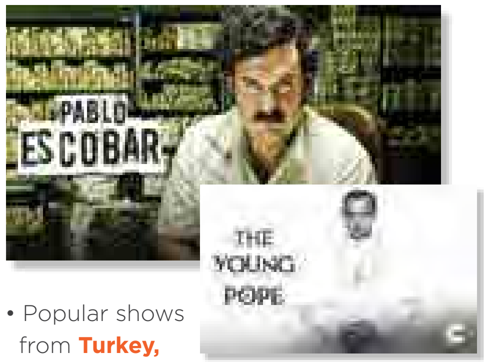
- Originals in **6 languages**
- New series to be released every month
- Captivating shows

MOVIES



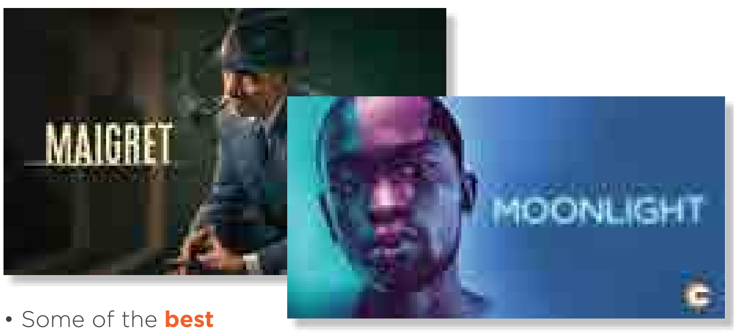
- **3500+** movies
- 12 languages
- 100+ digital premieres

INTERNATIONAL CONTENT



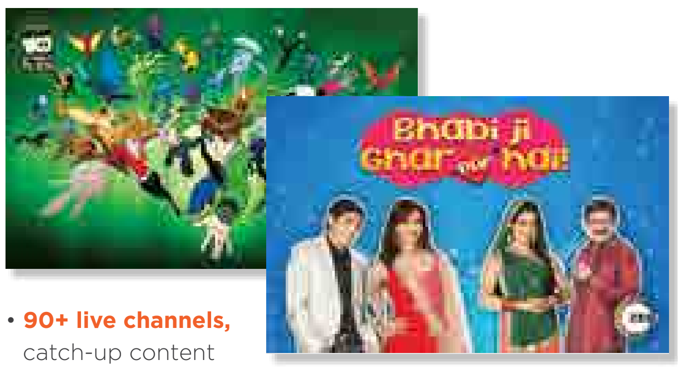
- Popular shows from **Turkey, Brazil, Pakistan, Korea** etc.
- Dubbed in multiple Indian languages

PREMIUM CONTENT



- Some of the **best premium content** from International studios
- Recorded plays from Zee Theatre
- Health & Lifestyle content

LIVE, CATCH-UP & MORE



- **90+ live channels,** catch-up content
- Best of ZEEL library shows
- Music videos, kids entertainment & more

TECHNOLOGY THAT ADDS VALUE

We pride ourselves in understanding the Indian consumer and we have designed ZEE5's features keeping her needs in mind. Considering the diversity of the Indian consumer, be it the number of languages spoken or the varied socio-economic classes, our technology customisations make ZEE5 accessible for each and every one.

Not familiar with Hindi or English?
Chose interface language and default content preference from 11+ options

Hate typing on that small screen keyboard?
Voice search for seamless content discovery without typing

Patchy network connection?
Multiple CDN partners to offer smooth viewing experience, no matter where you are

Low on Phone Memory?
Save content on memory card for later viewing

Don't want to pay a monthly subscription?
Pay per movie or show instead

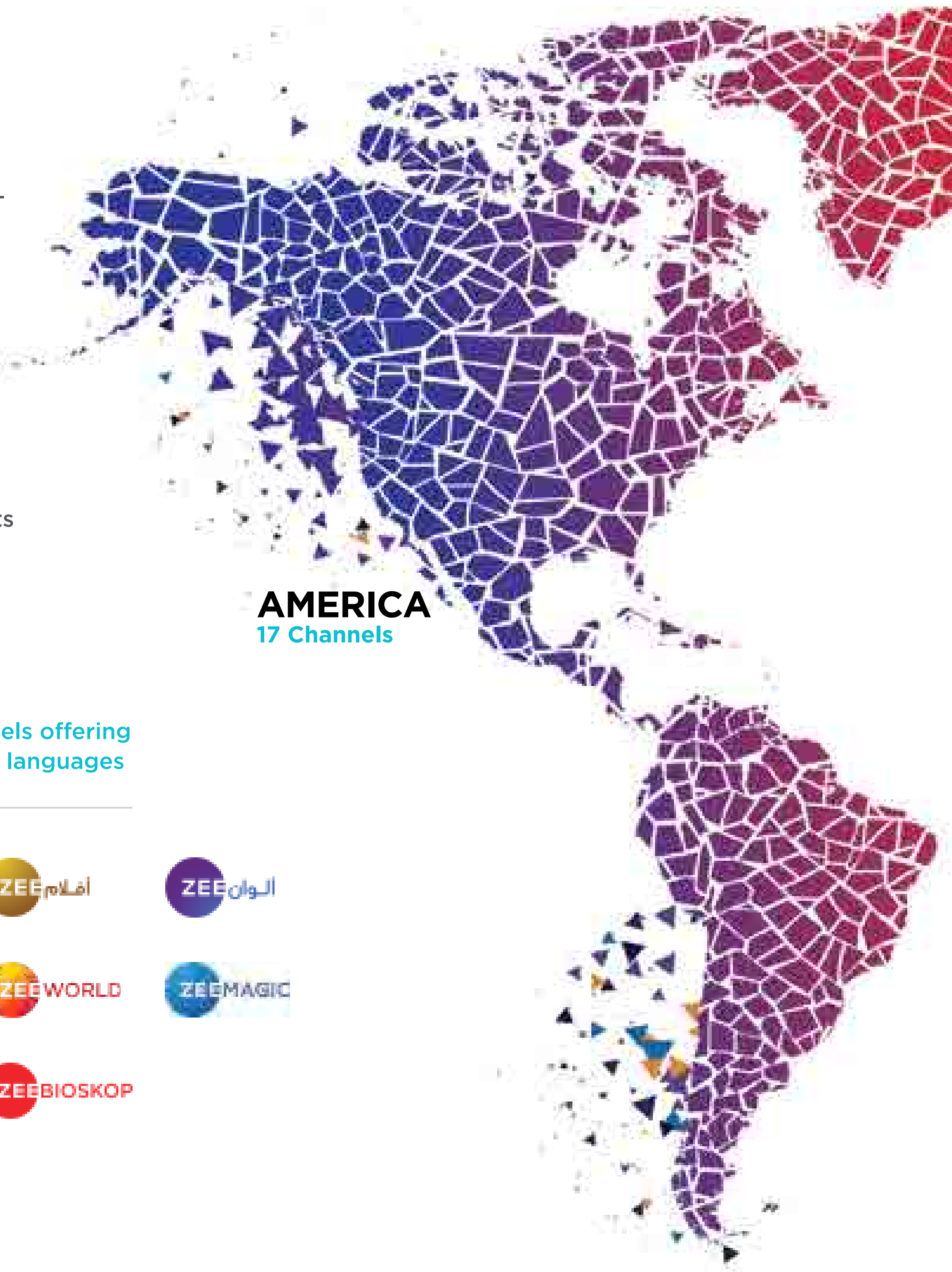
Insufficient space for the application?
A progressive web app offers an app-like experience on the mobile web browser

100,000+ hours of content	Content in 12 languages	Original content in 6 languages

INTERNATIONAL

ZEEL was the first Indian content company to foray into international markets, starting as early as 1995. Over the last 22 years we have built a formidable presence internationally, making us a truly global content company.

With a portfolio of 39 Indian language channels, 13 non-Indian language channels and digital platforms, our content reaches over 570 million people outside India in 170+ countries. While the International Business harnesses the rich content library produced in India, we also produce content locally in some of these markets. This helps us create locally-relevant content and establish a stronger connect with the consumers. Furthermore, with key partnerships and content syndication, we are able to reach an even larger audience via third-party platforms. The International Business consists of the broadcast, digital, syndication and movie distribution.



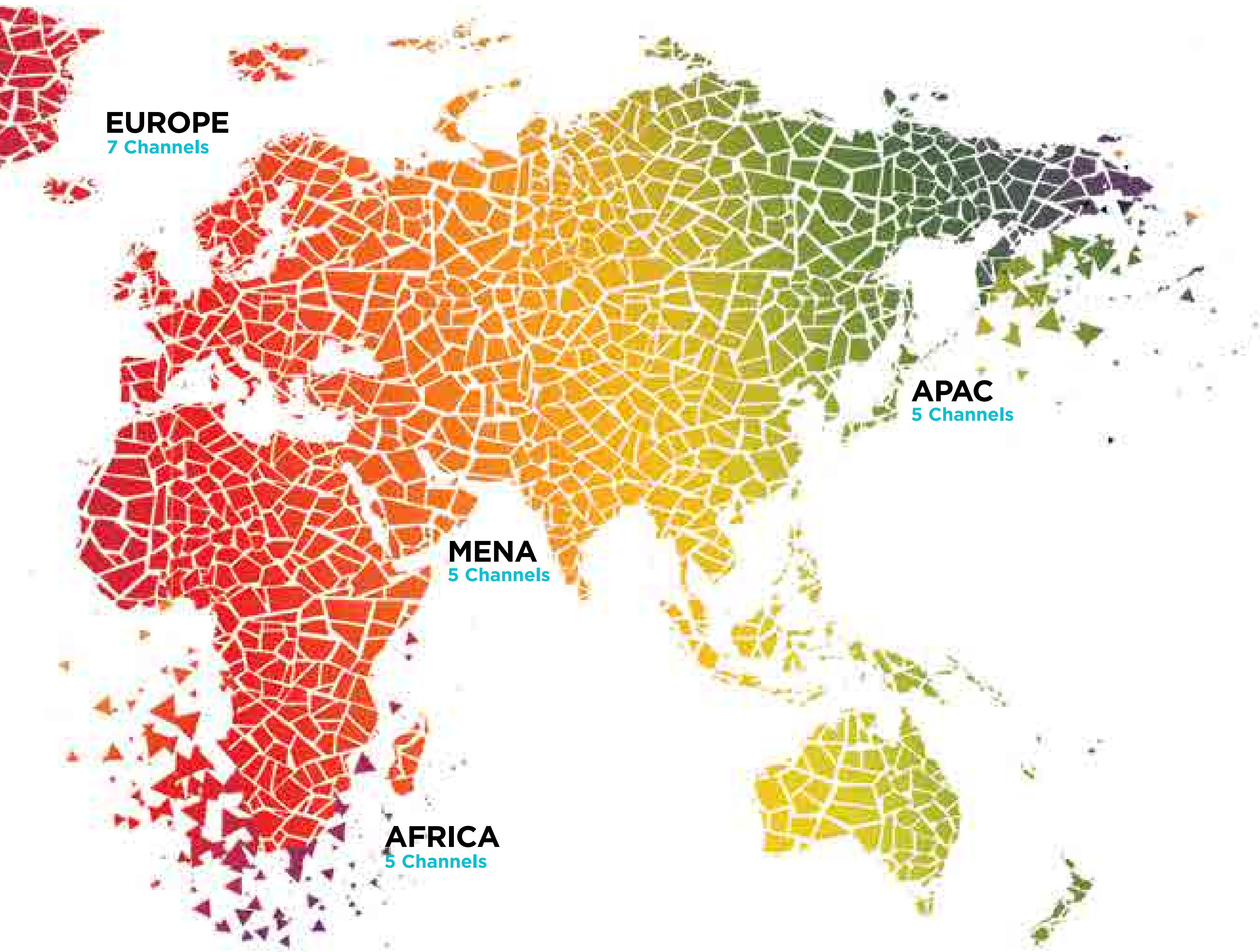
13 Dedicated non-Indian language channels offering content to our audiences in their local languages

ZEE MUNDO · ZEE TV · ZEE ONE · ZEE أفلام · ZEE ألوان

ZEE SINE · ZEE PHIM · ZEE หนัง · ZEE WORLD · ZEE MAGIC

ZEE BOLLYNOVA · ZEE BOLLYMOVIES · ZEE BIOSKOP

39 channels in international markets | **578** million reach | **9** non-Indian languages



MOVIES & MUSIC

ZEE STUDIOS

9 movies released during the year in **3 languages**

61 geographies where our movies were showcased

Mom won the National Award for Best Actor - Female

Zee Studios

Zee Studios, the film production and distribution arm of ZEEL, produces differentiated and high-impact movies across languages and budgets. The business model of the company is pivoted on strong scripts, and an end-to-end involvement in the execution helps it maintain a strong grip on the story and budget. Engagement with talent on a profit-sharing model not only minimises the risk, but also incentivises our partners. The business leverages the cross-platform strengths and institutional learnings of the parent network for conceptualising and marketing of the movies. After winning a National Award (for Rustom), and setting the record for the highest-grossing Marathi movie (Sairat) in 2017, Zee Studios further enhanced its reputation as an astute movie production company with another National Award (for Mom) this year.

LIVE BUSINESS

ZEE LIVE

ZEE THEATRE

Zee Live is the youngest vertical of ZEEL, which focuses on creating memorable on-ground experiences for audiences.

ZEE MUSIC CO.

140+ titles acquired during the year

Pan India music label with presence across 11 languages

14% share (second largest) on streaming platforms

Zee Music Company

Zee Music Company (ZMC) has established itself as one of the top music publishing labels of India. It has garnered a listenership share of around 14% on digital platforms in less than four years, making it the fastest growing music label in the country. Another metric that signifies the strong growth of the business is that it is the second most-subscribed Indian music channel on YouTube. ZMC's growth has been driven by its selection of titles, a well-diversified catalogue across languages, and utilising the network strength for effective marketing. To further strengthen its position and offer differentiated content, the label has ventured into production of *Zee Music Originals*.

Zee Live aims to be ZEEL's entertainment offering for the consumers in the live events space. Be it music events, theatre, food festivals or a similar live entertainment experience, it intends to create a strong recognisable brand in the live events space.

Zee Live, in its second year of operation, continued to build on the success of Wicked Weekends, with events across six tier-1 cities. Under the brand of Maruti Suzuki Zee Theatre, it started the roll-out of a country-wide theatre tour.

CONTENT **CREATION FLOW**

CONSUMER

Multiple facets of an individual's personality coupled with the immense diversity of India requires us to create a range of content that satiates the varied needs of consumers. Hence, content creation starts with knowing who the consumer is and what she wants. At ZEEL, we have an extensive process which coalesces insights from data with socio-cultural nuances to understand consumers' needs.

Consumer data
Consumer surveys, focus group studies

Consumer connect
Immersive dialogue with consumers

Consumer feedback
Viewership data, social listening

Institutional learnings
of over 25 years

BRAND

For over 25 years, consumers have associated the brand 'Zee' with entertainment. Within the umbrella brand 'Zee' we have over 50 brands, each offering entertainment content of a different genre for a different set of audience. For instance, while the brand Zee TV is synonymous with an aspirational middle-class family, the brand ZEE5 Originals reflects vibrancy and vivacity of the youth.

CONTENT PLATFORM

Content platforms are a blend of consumer insights and brand point of view providing the framework for creating engaging content. The stories and characters created on these platforms resonate with the audience and helps them accept it as an integral part of their lives.

In the past 12 months, around **1 in 7** concepts were shortlisted for review by the **Story Trust**

The art of entertaining requires creative judgement to select stories that will connect with the audience and deliver it in a way that will delight them. While the creative exercise is not amenable to measurable parameters, with years of experience and institutional learnings we have designed a process to reduce the errors of creative judgement in content making. This multilayered process, which improves with every iteration, also helps us in scaling up content production and provides a framework for content approach in new markets.

STORY TRUST

The Story Trust is a cross-functional team which evaluates the shortlisted concepts before greenlighting them for production. The team comprises of experts on the following:

Consumer Insights
To bring science of data to content creation

Creative
To identify stories that audience will love

Marketing
To ensure that content created is true to the consumer and the brand

Commercial
To ensure that there is a business case for every story from inception

Last year, around **40%** of the concepts were approved by the Story Trust for production

The Story Trust was responsible for having **33%** of new talent in these stories

COLLABORATIVE APPROACH FOR CONTENT CREATION

While we have an in-house studio, we extensively work with multiple independent production houses. We follow a collaborative model for content creation where our content team jointly works with production partners to develop the concept and is closely involved in the day-to-day production process.

ZEE

We bear the entire risk and retain the IPR of content

In our domestic broadcast business, each show has an executive producer working closely with the **production house.**

BARC Data

Social Listening

Consumer Reviews

Feedback

BOARD OF **DIRECTORS**

Manish Chokhani

Independent Director

Mr. Manish Chokhani, Chartered Accountant and MBA from London Business School, is one of India's most respected investors and financial experts. He was the MD & CEO of Enam Securities and led Enam's $400 million merger with Axis Bank to create Axis Capital Limited (ACL) wherein he held the position of MD & CEO until November 2013.

Mr. Chokhani is a member of SEBI's Alternative Investment Policy Advisory Committee (AIPAC) and has served as the Chairman of TPG Growth India. He has been a visiting faculty member at IIM Kozhikode and has also served on the International Alumni Board and scholarship panels of London Business School. Currently, he is a Senior Advisor to the TPG Group.

C1

Ashok Kurien

Non-Executive Director

Mr. Ashok Kurien, is one of the founders of ZEEL. He has been in the business of building brands for over 35 years, particularly in the fields of media and communications and now menstrual hygiene and water filters (without electricity) for the poor and marginalized. He has a keen eye for driving start-ups in emerging businesses and guiding them to size and scale.

He is the founder and promoter of various business ventures including Ambience Advertising (sold to Publicis Groupe); Hanmer & Partners, one of India's top-3 PR agencies; Livinguard Technologies, the world's 1st self-disinfecting textiles, and a few other internet ventures.

C3 C6 C1

Punit Goenka

Managing Director & CEO

Mr. Punit Goenka as the MD & CEO, has been successful in transforming the Company into a media & entertainment powerhouse. Under his able leadership, the Company has enhanced its performance by many folds, paving way for scores of milestones and prestigious awards. Dun & Bradstreet – Corporate Award, Businessworld Infocom ICT Award, IMC Fusion Award for Excellence in Media, are some of the many such prestigious awards bagged by ZEEL during Punit's tenure.

Mr. Goenka is also the only Indian Corporate Leader to receive the prestigious Médaille d'Honneur at MIPTV. He was also listed amongst the top 100 CEOs of India in a study published by Business Today and recognised as the "Entrepreneur of the Year" at the Asia Pacific Entrepreneurship Awards.

C3 C4 C5 C6

Prof. (Mrs.) Neharika Vohra

Independent Director

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

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

C2

Dr. Subhash Chandra

Non-Executive Chairman

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

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

Subodh Kumar

Non-Executive Director

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

Mr. Kumar had one of the most illustrious careers in the Indian Administrative Service, spanning 35 years, heading various key government agencies with stellar integrity and transparency. He also served as Municipal Commissioner of Greater Mumbai Municipal Corporation.

C4 C5 C2

Prof. Sunil Sharma

Independent Director

Prof. Sunil Sharma has earned a fellowship (Ph.D) in Business Policy from the Indian Institute of Management, Ahmedabad. Prof. Sharma's specialization lies in strategic thinking under uncertainty, innovation management, and organisational capabilities. He teaches courses on strategic planning, implementation, consulting and professional service firms, and innovation in IIM-A. He was Chairperson of IIM-A one-year program in Management from 2016-18. His most recent consulting assignments were with Competition Commission of India, BBNL, and a leading professional service firm on vision setting, organization structure, strategy implementation, business model, and partner governance.

C1 C5

Adesh Kumar Gupta

Independent Director

Mr. Adesh Kumar Gupta, is a Chartered Accountant, Company Secretary and AMP from Harvard. He has a rich experience of almost 4 decades in corporate strategy, M&A, business restructuring, fund raising, taxation etc. During his 35 years in Aditya Birla Group, he held various senior positions in companies with varied businesses (including the position of whole-time Director & CFO). He was awarded the 'Best CFO' award by ICAI, IMA and Business Today.

Post voluntary retirement from Grasim, Mr. Gupta ventured into business finance & corporate service space as the Designated Partner of Probizadvizor & Business Excellence LLP and is also an insolvency professional.

C1 C2 C4

Committee Membership

Committee Chairmanship

Board Committees

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

Q&A

Amit Goenka
CEO - International Business

DIGITAL

It has been four months since the launch of ZEE5. How has the initial response been? What are the critical parameters on which you are evaluating it?

The response has been encouraging so far. ZEE5 benefitted from both OZEE and dittoTV, with a majority of existing subscribers upgrading to ZEE5. We believe that it will continue to see increased traction as we launch more original content supported by extensive marketing campaigns. We are also exploring partnerships with telecom operators, which will give ZEE5 an even wider reach.

While we will be looking at a host of data to evaluate the consumer response, we would be closely following three key metrics to assess ZEE5's performance - monthly active users (MAU), engagement (time spent), and the paid subscriber base. In the next few quarters, we will start disclosing operating metrics followed by the financial performance of our digital business.

What differentiates ZEE5 from other OTT platforms in the market?

The most significant differentiator is ZEE5's extensive content catalogue. The sheer depth and the breadth of our content offering is overwhelming, and is significantly ahead of all other OTT platforms in India. Launched with more than 1,00,000 hours of content in 12 languages spanning original content, movies, international content, music, kids content, lifestyle content and other niche segments, ZEE5 will be a one-stop entertainment destination for the diverse Indian audience.

We are producing *ZEE5 Originals* in six Indian languages and the plan is to have more than 90 Originals by March 2019. This will be the most extensive offering of exclusive digital content created for Indian audiences by any OTT player. Our expansive catalogue of over 3,500 movies across languages will be another big draw for audiences. For discerning viewers, ZEE5 houses some of the best content from countries like Turkey, Pakistan, Spain, China, Korea, etc., dubbed in multiple Indian languages. Further, we have curated a line-up of 200+ English movies and 25+ English shows. We also have kids, health & lifestyle, and music content - genres that are seeing the fastest adoption on the online medium. Additionally, viewers will have access to 90+ channels that they can stream live, along with around 500 hours of content that we produce every week for television, minutes after broadcast. Unlike most existing platforms that are either focused on the English-speaking audience or the youth segment, ZEE5's vast content catalogue and customised technology features are designed with the objective to cater to all segments of the video-viewing audience.

Could you take us through the technological features that you touched upon?

ZEE5 has been designed keeping in mind the peculiarities of the Indian market. A large set of Indian consumers is not familiar with English and is not comfortable with typing on small screens. This greatly affects the user experience. To address these issues, ZEE5 gives users the option to interact with the app in 11 Indian languages. We are the first Indian entertainment app with a voice search feature, which enables seamless content discovery. Also, to offer a smooth streaming experience, we have partnered with multiple CDNs (Content Delivery Networks). Keeping in mind that internal phone memory is limited for the majority of Indians, there is also an option to download content on the phone's memory card.

ZEE5 is creating a lot of original content. Could you explain the thought process behind this?

India is predominantly a single-TV market with more than 95% homes having just one TV. In an average family of four, not everyone will have access to the remote. Hence, OTT becomes the default secondary platform for entertainment content. Also, existing television content may not be relevant for a section of the audience, especially the youth and male segments. This audience can be reached through differentiated content via the digital platform. Given the different formats and edgier nature of our digital original content, it will also appeal to audiences who are infrequent television viewers.

Further, in the digital space, the life of content is far longer than on TV, because viewers often watch earlier seasons before watching the latest season of a show. Therefore, it makes sense to invest in original content for our digital platform.

What is the revenue model for ZEE5?

We have a freemium model with both AVOD and SVOD. All the catch-up content from our network and lots of movies are available for free to the users, and are being monetised through advertising. The rest of the content is behind the paywall.

We feel OTT has to be a subscription-driven business. Globally, wherever the SVOD model has become popular, consumers were already used to paying for content on TV and ended up saving when they moved to online platforms. In India, however, where an average consumer pays around ₹ 200 for a month's cable subscription, there must be a compelling proposition if we want him/her to pay for an OTT platform. So far, digital content was limited mainly to catch-up TV with hardly any exclusive or premium content for the Indian audience. On ZEE5, our paid subscribers will be able to access an exhaustive range of digital original content, premium movies, English content, international content dubbed in Indian languages and much more. All of this at ₹ 99 per month offers a great value to the consumer. To put it in perspective, a movie ticket in multiplex costs ₹ 150 on average.

We will also provide transaction video on demand (TVOD), which will enable viewers to watch a particular series or a movie. We will see how our paid subscriber base builds up over time and make modifications to our existing plans, if necessary.

How do you see the competitive landscape evolving in the OTT space?

We can broadly classify OTT players into four categories - global players, telecom operators, independent platforms and broadcasters. Global platforms like Netflix and Amazon Prime Video cater primarily to the English-speaking audience. Facebook and YouTube mainly thrive on user-generated content. Telecom operators are yet to build content creation expertise, though they are playing a crucial role in content aggregation. Independent platforms generally specialise in specific content genres. In contrast, broadcasters' OTT platforms offer a full spectrum of India-centric content. Broadcasters have a natural advantage given the quantum of content they create and their understanding of varied preferences of different segments of viewers. In this context, we think ZEE5's closest competitors will be broadcaster-led OTTs.

We believe that more than one player can coexist in the digital space. Viewers on digital will likely sample content of multiple platforms, just like TV audience watches multiple channels. However, the number of platforms we have in India at the moment is unsustainable, and we think that eventually, consolidation will take place.

INTERNATIONAL

Could you give a brief update on ZEEL's international business performance in FY18?

FY18 has been a year of expanding our reach in international markets. We have entered into new distribution partnerships in several markets like America and MENA to gain a wider audience for our channels. In select markets such as the UK, we have moved our channels to the basic pack of some of our distributors. These initiatives have helped increase the reach of our network to 578 million (59% YoY), across 170+ countries.

Local productions during the year were increased across territories. Though locally-produced content is minuscule as compared to the library-based content aired on our channels, it helps us to establish a stronger connect with our audiences in these markets. We are also tapping new markets for content syndication to license our content library, as well as produce shows for third parties. During the year, we also started distribution of movies in international markets and have received a good response.

Could you give a brief financial overview of ZEEL's international operations in FY18?

We started the year with macroeconomic challenges in certain markets, such as the Middle East. Also, in Bangladesh, international broadcasters faced regulatory hurdles, which we are working to resolve. Due to these factors, our advertising revenues adjusted for Sports business, declined by 2% YoY. That said, we have seen a recovery towards the end of the year, and we hope to sustain the momentum going into FY19. On the subscription front, our revenues declined 11.4% YoY primarily due to the divestment of our Sports business and adverse currency movement. We believe that in the near-term, subscription revenues will remain flattish on a constant currency basis.

What are your plans for the international business in the coming year?

In the coming year, we plan to further increase the reach of our existing channels through distribution and creation of localised content. On the distribution side, we are developing strategies for each market to ensure maximum reach of our content. On the content front, we are increasing our local programming for the Indian audience in select markets, which will be on an ad-funded model. We also plan to ramp up our programming initiatives for the native audience in select markets. In FY19, we will continue to further enhance our local programming initiatives in markets like USA and UK.

Another major goal for the coming year is the rollout of ZEE5 in the international territories. There are a few territories where traditional distribution channels are expensive. The launch of ZEE5 in these markets will help us reach the consumer in an economical way. Initially, the plan is to launch in Asian markets where there is a high affinity for Indian content, which will be subsequently followed by launch other markets.

FINANCIAL PERFORMANCE REVIEW

How was ZEEL's financial performance in FY18?

In FY18, ZEEL delivered yet another year of industry-leading growth. During the year, advertising revenue growth was negatively impacted on account of the implementation of GST. The monetisation of newly digitised areas did not scale up as expected due to uncertainty over implementation of TRAI's tariff order. Despite these factors, the company has delivered a 15.2% revenue growth YoY (adjusted for sale of Sports business). Besides some loss of revenue on account of the above factors, the cost base for the year was elevated. Our extensive brand refresh campaign, marketing spends for the launch of ZEE5, and spends on events related to the 25th anniversary added to the costs. In this context, EBITDA margin of 31.1% highlights the underlying profitability of the business. The consistent strong revenue growth is attributed to the rising viewership share of television network, ramp-up of the new businesses and industry tailwinds. The company's growth momentum was consistent with the performance over the last five years - 13% revenue CAGR (16% adjusted for sale of Sports business) and 17% EBITDA CAGR over FY13-18.

How did television ad spends grow in FY18? What would be the impact of GST on ad spends in the medium term?

Similar to the previous fiscal, ad spends in FY18 were impacted by a policy initiative. Implementation of GST tampered with the ad spends growth even as the industry was recovering from the impact of demonetization. ZEEL started the year on a normalised growth trajectory but was hurt by the scaling back of ad spends during the transition to GST. After these twin setbacks, the industry witnessed a broad-based recovery as advertisers stepped

up their spends on existing products as well as new launches. ZEEL's second half ad revenue growth of around 23% YoY (on a comparable basis) was driven by viewership gains and partly aided by a low base. For fiscal 2018, company's domestic ad revenue grew by 15.9% YoY (adjusted for sale of Sports business and acquisitions), which was ahead of the industry growth. While the implementation of GST and demonetization had a negative impact for a brief period, in the long run these will give a fillip to ad spends, as organised businesses, which spend a larger proportion of their revenues on brand building, will be the beneficiaries of these policies.

Domestic subscription revenue growth in FY18 decelerated. What are the reasons for this and what is the medium-term outlook for the same?

ZEEL's FY18 domestic subscription business witnessed a growth of 11.8% YoY (adjusted for the sale of Sports business). The growth was a tad lower than the initial expectations on account of two factors. Firstly, due to uncertainty related to TRAI's tariff order, revenues from the recently digitised markets grew slower than expected. Secondly, during the year, exit of one of the DTH players led to some loss of revenue. The tariff order, presently under litigation, can affect the way contracts are structured between the broadcasters and distributors. A strong competitive position in most of the genres should help the company drive the subscription business even under the new regulatory regime. If the regulation is implemented by all the stakeholders as envisaged, it could lead to an increase in the ARPU for the industry. That said, at present, there is limited clarity on when and how the tariff order will be put into effect. Its implementation could have some transient impact on the subscription revenue growth, however, the medium-term growth outlook remains unchanged.

What has been the trend for content cost inflation, especially after the entry of global digital players who have pushed up content costs in several markets?

Content cost inflation is in line with the past trends. Compared to peers in most other countries, Indian broadcasters have a different model for production of original content. In India, broadcasters provide creative support to producers and own the entire risk associated with content creation. Since the risk lies with the broadcasters, they retain intellectual property rights of the show. Producers make a reasonable profit and there are additional pay-offs linked to the success of the shows. Thanks to this unique model, the increase in per-hour content cost is in line with inflation for most of the shows. That said, the total content cost growth will be ahead of inflation as the company continues to increase programming investments across businesses.

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

Over the past few years, ZEEL has invested and scaled up new businesses, viz. digital, movies and live entertainment. These businesses are at various stages of development and have different investment needs. In FY18, ZEEL launched its next-generation digital platform, ZEE5, with over 1,00,000 hours of content and has plans to launch around 90 original shows on the platform in FY19. The platform will also need marketing support to stand out in the crowded OTT space. Zee Studios, the movie production business, has successfully scaled up operations. During the year, it released nine movies and has built a strong slate for FY19. Zee Music Company has become the number two player in the industry in a short period. As movies and music business has already scaled up, it requires limited investment. A large part of investments in new businesses would be towards the digital strategy. Meanwhile, investment in domestic broadcast business will continue as it prepares to enter a new market. A large part of these investments would be on content and marketing, which are expensed above EBITDA. Despite these investments, the company expects to maintain healthy margins.

Why is the effective tax rate for ZEEL much higher than the normalised tax rate?

ZEEL's effective tax rate for FY18 was at 41.4%, higher than the marginal tax rate. During the year, the company received ₹ 7.82 billion from its foreign subsidiaries, which attracted a dividend distribution tax of around 17% as per the Indian laws. Due to this, the company paid ₹ 1.35 billion as tax on the amount received, which is part of the current tax line item in the P&L statement. As per the Indian Income Tax Act, the tax paid dividend received from foreign subsidiaries is reduced from dividend (equity dividend, preference dividend, and redemption of preference shares) for calculation of dividend distribution tax payable. Accordingly, despite the higher tax rate there is no impact on cash-flow at the consolidated level. Excluding the effect of tax on amount received from foreign subsidiaries, ZEEL's normalised tax rate for FY18 was 34.8%.

ZEEL's free cash flow in FY18 was lower than its profit. What was the reason for the same?

The primary reason for lower free cash generation relative to profits is investments for growth in three areas. Firstly, company's increased focus on acquisition of movie rights for television and digital businesses led to a higher working capital. Secondly, the company acquired RBNL's broadcast business and the balance stake in India Web Portal Limited. Lastly, capital expenditure was higher than maintenance capex due to investments in several growth opportunities and creating infrastructure for the future. Going forward, the investments in movies will continue but at a reduced pace. As far as acquisitions and growth capex are concerned, the investments will depend on the kind of opportunities that are available going forward.

Working capital has seen a sharp increase in past two years. What is driving this increase?

The increase in working capital is primarily attributable to the company's strategy of creating a strong movie library. Movies is one of the essential genres of entertainment for Indian consumers and ZEEL's domestic broadcast business has been progressively expanding its movie offering. Currently, movies portfolio consists of 12 channels in four Indian languages, and the expansion will continue in some of the other regional markets as well. Movies are also an integral part of the content mix of ZEE5 and will be an important driver for the platform. In line with the company's focus on movies, investments in the acquisition of both satellite and digital rights of movies have increased significantly. It also includes advances for rights of movies under production or movies whose rights will be available at a future date. A part of the increase in working capital is also attributable to the ramp-up of the movie production business. Though the peak intensity of these investments has passed, the working capital may increase in the near term before it begins to normalise.

RISK MANAGEMENT FRAMEWORK

ZEEL has a formal risk management process embedded within the business to identify and manage the risks

The industry paradigm is radically changing owing to a dynamic competitive, legislative and financial environment. We have to contend with new business challenges, uncertainties and risks. Our risk management framework provides organizational system for designing, implementing, monitoring, reviewing and improving risk management.

Risk Management Framework

An effective Risk Management process requires consistent identification, prioritization, mitigation, monitoring and communication of risk issues across the full breadth of the organization. Essential to this process is its alignment with corporate direction and objectives, specifically strategic planning and annual budgeting processes.

Risk Identification

- Identify business segments to be covered
- Establish context – internal & external factors
- Collate and categorise risks

Risk Prioritization

- Develop a risk rating scale for prioritisation based on potential impact, likelihood of occurrence and effectiveness of internal controls
- Prioritise risks and identify Risks That Matter (RTMs)

Risk Mitigation

- Assign risk owners to RTMs and prioritised risks
- Formulate and document the risk mitigation plan

Risk Reporting

- Devise process for status update and reporting to Risk officer/team
- Periodically update the management and Risk Management Committee

Key Stakeholders for the risk management process

Risk Management Committee

- Sets the tone for the Company towards risk and integrates risk management into the operations
- Examines and determines the sufficiency of internal processes for reporting and managing risks
- Defines the role and structure of management in governing risks
- Ensures that the process for risk management is undertaken periodically

Management

- Discusses, understands and approves risk appetite and tolerance
- Monitors and reviews the strategy considering organisation's risk profile;
- Reviews the risk register and agrees on risk categorisation and prioritisation
- Allocates risk owners, approves the mitigation plan and modifies strategy as needed

Risk Owner

- Implements the risk mitigation plan
- Reports new risks or failures of existing control measures
- Determines controls to lower the risk profile of critical processes
- Educates employees dealing with key activities of the risk management process

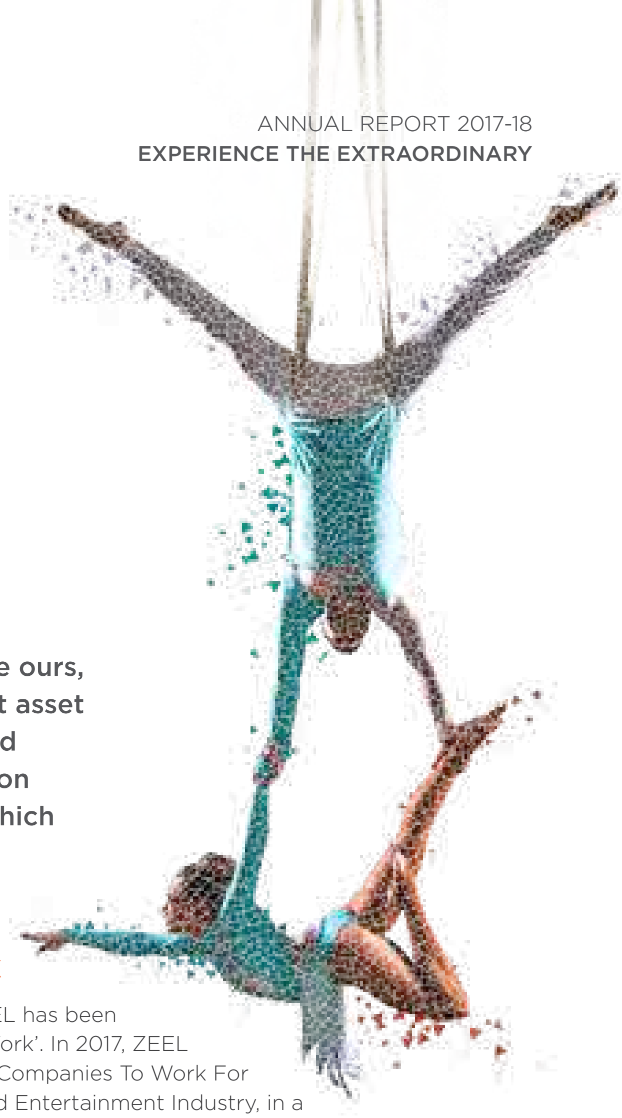
ORGANIZATIONAL RISK MAP

Inherenet Risk Rating- Impact X occurrence

	1- Effective	2- Partial	3- Ineffective
4- Critical	High Risk	Significant Risk (3)	RTM
3- High	Moderate Risk	High Risk (2) (5)	Significant Risk
2- Moderate	Low Risk (4)	Moderate Risk (1) (6)	High Risk
1- Low	Low Risk	Low Risk	Moderate Risk

Exisiting Control Effectiveness

		Risk Statement	Mitigation Plan
Regulatory	1 Regulatory uncertainties	The M&E industry is governed by the rules and regulations framed by the authorities and regulatory bodies of the different countries we operate in. The policies and regulations issued by them have a bearing on the industry landscape as well as business of the Company.	• As a responsible organization, we proactively engage with all our stakeholders, including the regulators and industry bodies. For the new regulations and any proposed policy changes, we participate in the discussion phase. Our feedback is oriented towards making high quality entertainment accessible to consumers at an affordable cost. • We also engage with the policy makers as a member of IBF (India Broadcasting Federation), which provides research-based inputs and carries out advocacy on various issues concerning the industry. • Our annual business planning process incorporates likely changes in regulations and policies.
Strategic	2 A faster than expected shift to digital platforms	With mobile data prices coming down, digital content consumption has grown exponentially. This can lead to a slower growth of advertising revenues for the profitable television business.	• As an entertainment content company, the organization is focused on creating content which resonates with the audience irrespective of the platform on which it is watched. The company endeavors that its content is available on all platforms to maximise the audience reach. • The company is investing in digital platform, ZEE5, to make it one of the leading OTT platforms in the country. ZEE5 would allow the company to benefit from growth in digital viewership and ad spends.
Operational	3 Failure of the digital platform to attract viewers and revenue	There are too many digital platforms competing for a small, though growing, digital audience. Since the monetization model for digital platforms has not fully evolved, it could impact the profitability of our digital offering.	• The company believes that digital is an opportunity, both for advertising and subscription revenue. With increasing internet penetration, the digital content consumption is set to rise. • The company's digital platform, ZEE5, was launched with an extensive content catalogue. The investments in ZEE5 will continue to make it the default digital platform for entertainment.
Operational	4 Failure to keep content cost inflation under control	With increasing competition, content creation and content acquisition costs could rise to a level not commensurate to monetization potential and estimated cost recovery	• The company has long-standing partnerships with all the major production houses, movie studios and other creative partners which has helped it to keep costs under control. • The company regularly works with new talent which helps control cost. It also exploits content across multiple businesses thereby enhancing revenues. • The company extensively evaluates the value of third-party content to ensure that it acquires economically viable content.
Talent	5 Failure to hire and retain best talent	Failure to evolve organization structure and culture could lead to loss of ability to attract, develop and retain key creative, commercial and management talent	• The company believes that people are its real asset and it strives to be a great place to work by creating an encouraging working environment, providing career growth opportunities and offering avenues for learning and development. • We constantly assess the structure of the organization to align it for the best functional-fit.
Technology	6 Failure to make proper use of technology	Absence of processes embedded with Big Data technologies and advanced analytics which complement management decision making could restrict the ability to leverage data repositories and tools existing in ecosystem	• We continuously review the technology requirements of the organization and upgrade the systems on a regular basis. We partner with the best technology vendors for data analytics and other requirements. • For some of the key functions of our digital platform, we plan to gradually move the teams inhouse to have more control, flexibility and agility.



LEADING WITH PEOPLE

People are indispensable to any organisation, especially for an organisation like ours, which operates in an ever changing and evolving milieu. People are our biggest asset and we constantly endeavour to provide an experience which is challenging and fulfilling, forming the basis of a mutually rewarding partnership. The organisation believes in driving a performance based culture and empowering the people which drives the best out of them.

Great Place to Work

For two consecutive years ZEEL has been certified as a 'Great Place to Work'. In 2017, ZEEL ranked amongst Top 100 Best Companies To Work For and amongst Best in Media and Entertainment Industry, in a study conducted by the Great Place to Work® Institute and The Economic Times. These honours acknowledge our commitment to create a sustainable and enriching work environment for our employees. Through our policies and initiatives, we continuously strive to improve employee engagement and satisfaction.

Value Orientation

Our values are the cornerstone for every effort, big or small. The seven value framework is designed to help our employees achieve excellence both on a professional and personal level. To ensure that these values are ingrained in each employee, value orientation sessions are conducted at regular intervals. It helps reinstate our core beliefs and ensures that these values seep into the DNA of every member of our organisation.

Learning, Growing, Performing

Our learning and development programs are structured to sharpen our employees' skillset and help them grow as an individual and professional. Through open discussions between employees and their managers, the needs of the organisation as well as an individual are aligned to achieve a common goal. These initiatives ensure that ZEEL maintains its position as the preferred employer which is the key to sustaining its status as an entertainment powerhouse. Some of the initiatives during FY18 were:

- Leadership development training at the Entrepreneurship Development Institute of India (EDII)
- Skill building workshops which included sessions with accomplished script writers and producers, known as Story Baithaks, to understand nuances of the creative process
- Seminars and workshops focused on digital marketing, managerial excellence and functional trainings were conducted to help employees augment their expertise

Embracing Open Communication

To ensure that our efforts are in synergy and serve the larger interests of the organisation, we place high value on open discussions. These manifest in the form of regular interactions with the senior management where employees can ask questions and voice their opinions. The two-way communication platform encourages the employees to share their views, concerns, suggestions and ideas with the leadership team and obtain their guidance and inputs on the same. While employees get a holistic overview of company's performance and strategy, management gets the employee feedback on critical issues.

Similarly, SAMWAD, a monthly one-on-one discussion between the employee and the manager, promotes regular open conversations about the progress on the goals laid down, feedback on individual performance and identifying learning initiatives required to achieve goals. These interactions help in ensuring continuous alignment with the stated annual goals.

3,200+ employees from all over the world gathered under one roof to commemorate completion of 25 years and witness the unveiling of our new, brand ideology, Extraordinary Together.

Rewarding commendable performances

Our employees are intrinsic to our success and recognising and rewarding achievers is an integral part of our work ethics. Our employee recognition program ZEELOMPICS, celebrates exceptional performers, to encourage the spirit of excellence in different roles and recognize the positive behaviours having strong impact on results. The five rings recognize excellence for programming initiatives, revenue enhancement, content innovation, cost efficiency and managers who exhibit exemplary team-management skills.

Gender Break-up

79% Male

21% Female

Age Breakup

19% Below 30 years

24% Between 40-50 years

54% Between 30-40 years

3% Above 50 years

22 Different Nationalities

1369 Training Man Days

COMMUNITY OUTREACH

Harnessing human potential to drive change

At ZEEL, we are committed to engaging with the community to create a long-term social impact. We are expanding our social footprint with an aim to drive change in the spheres of education, citizen empowerment, community development, and preservation of culture and national heritage. Apart from assisting underserved communities through our CSR initiatives, we also foster change through our content. Our shows have a powerful impact on our viewers' lives and perspectives, and the social messages they contain bring about changes intrinsically.

Empowering India

Sarthi community outreach exercise at Bhilay village in Vidhisha district, Madhya Pradesh

Through Sarthi, Subhash Chandra Foundation's flagship program, we aim to empower citizens, making them aware of their fundamental rights and linking beneficiaries to solution providers. Sarthi's prime objective is to bring about a positive change through focused interventions in areas such as education, alternate livelihood, healthcare, women empowerment and social justice. Starting with the states of MP and Chhattisgarh, the program is being rolled out in Bihar and Jharkhand.

Impact:

Interventions in education have helped over 5,000 people

Interventions in alternate livelihood have helped over 5,100 people

1,409 people have been able to restart their education

672 people have benefitted from skill training

Partnered with 434 sansathas to reach more people

Supporting early childhood education

We are committed to the cause of early childhood education and lend our support to Bharat Lok Shiksha Parishad, a prominent, independent organization. It functions solely to achieve Ekal Vidyalaya's mission of operating single-teacher schools in marginalized communities.

Impact:

Ekal Vidyalaya has reached 58,000 villages across India since inception

Boosted livelihood for women in villages by offering opportunity to work as Ekal acharayas in schools

Ekal is significantly impacting girl child education in rural areas

Building social infrastructure

We are bolstering marginalized sections of the society through Rashtriya Sewa Bharti (RSB), an NGO that implements welfare and social service programs. Through its initiatives, RSB focuses on women's empowerment, child welfare, skill training and other pertinent issues. ZEEL is honored to contribute to the Prakashanand Sewa Dham project, which is working towards developing a training facility and an auditorium in Delhi. This facility will help RSB conduct training sessions for partner organizations.

Activities undertaken:

Facility with seating capacity of 450 people, who can learn and grow together

Trained on subjects such as social research, women empowerment, and skill development

Driving change through content

Zee Cinema organises a special telecast of Dangal

Zee Cinema tailored the premiere of the movie Dangal keeping in mind audiences with hearing and visual impairments. By effectively using no-dialogue and no-song gaps to describe scenes in detail, Zee Cinema was able to offer audiences with impairments an equally enjoyable experience. This track was specially recorded and audiences could access it via their remote controls. Besides, the channel also crafted Hindi subtitles for SD, and English subtitles for HD channels without any overlays to offer a seamless experience for audiences with a hearing impairment.

Impact:

Zee Cinema reached over 3,000 visually-impaired viewers

Partnered with 7 organisations working for the differently abled, to host preview screenings of Dangal

Zee Marathi Jagruti empowers women of Maharashtra

Zee Marathi Jagruti, a CSR initiative by Zee Marathi, has helped emancipate women by equipping them with knowledge. As of this year, Jagruti has been able to provide aid to women in 16 areas of Maharashtra. In its first phase, this project focused on helping women understand the basics of health and nutrition with guidance from a professional nutritionist. Moving forward, Jagruti introduced women to the internet by launching its own website. As a part of the initiative, women were educated using tutorial videos that feature actors from Zee Marathi's shows. Most importantly, this project has helped enhance the skillset of women. In an effort to nurture their entrepreneurial spirit, Jagruti offered insights on business finance, self-defense, arts, craft and cooking workshops.

Impact:

Touched the lives of over 8,000 women

Over 6,000 women learnt the basics of health and nutrition

3,500+ women were introduced to the internet

Zee Telugu launches Lakshmi Devi Thalupu Thattindi to strengthen livelihoods

With its show *Lakshmi Devi Thalupu Thattindi* (Goddess Lakshmi has knocked on your door), Zee Telugu helped people from the marginalized pockets of society overcome their financial struggles. The channel invited families to participate in this programme and extend a helping hand by way of prize money. Through this innovative show, Zee Telugu was able to help hundreds of families in Andhra Pradesh and Telangana. In fact, ZEEL's association with these families goes beyond the show too. The makers of *Lakshmi Devi Thalupu Thattindi* made it a priority to stay in touch with these families and ensure that they have been able to uplift their lives in a significant way.

Impact:

170 families across 20 districts benefitted

Families were able to establish a source of livelihood using the prize money by starting tiffin centres, grocery stores, etc.

THOUGHT LEADERSHIP

ZEE JLF 2018

ZEE Jaipur Literature Festival is India's most renowned literary festival, attracting writers, historians, politicians, business leaders, humanitarians, and entertainers to the Pink City. Founded in 2006, the event has hosted nearly 2,000 speakers and welcomed over a million booklovers from across India and the globe. The 11th edition of ZEE JLF featured conversations on various themes including Charting a World without Borders, Dark Matter and Dinosaurs, Magical Mystery Tour: The Beatles in India and Undercover in North Korea: Facts and Fictions. The event hosted renowned names like Pico Iyer, Amy Tan, Gurmehar Kaur, Shashi Tharoor, Rashmi Bansal, Ashwin Sanghi and former Afghanistan president Hamid Karzai amongst others.

ZEE KYOORIUS DESIGNYATRA

An initiative that celebrates creative communication and marketing, ZEE Kyoorius Designyatra provides a platform to empower and sustain the creative industry in India, and secure its rightful place in shaping the growth of the country. The theme for the 12th edition of Designyatra, 'Optimism', stemmed from the need to open the stage to stories of hope for a better world. The biggest annual conference on design and innovation, Designyatra, saw a stellar line-up of speakers comprising Jon Noorlander (Method Design), Morag Myerscough (Studio Myerscough), Graham Fink (Ogilvy), Stephen Burks (Man Made), Lord Christopher Laverty (Clothes on Film) and many more, who brought various narratives of optimism and how creativity and design can have infinite possibilities and far reaching impact to bring about a social change.

ZEE MELT

ZEE MELT is a festival of creativity and innovation in the field of marketing and communication. Bringing together some of the biggest names in marketing, media and digital innovation, ZEE MELT 2017 saw over 1,600 visitors attending the festival with the key theme being 'Disruptive Marketing'. The third edition of the event aimed to help advertising, media, digital and marketing professionals become familiar with the changes led by emerging technologies. The renowned speakers included industry experts like D Shivakumar (former Chairman and CEO, PepsiCo), Rajan Anandan (Vice President, Google), David Weeks (Executive Director, The Week), Nick Lanzafame (Director, Strategic Insights & Data Standards, Buzzfeed), Sarah Owen (Senior Editor, Marketing, WGSN) and Dave Trott (author) amongst others.

AWARDS AND **MILESTONES**

ZEEL CELEBRATES 25 YEARS

ZEEL, on completion of 25 years, celebrated its rich legacy at a grand gathering of 3,000+ employees unveiling its new brand ideology, '*Extraordinary Together*'. True to the brand philosophy, the company also hosted events for all its partners – advertisers, distributors, artist fraternity and peers, who have contributed to ZEEL's extraordinary journey over the years.

AWARDS AND ACCOLADES

Dr. Subhash Chandra was felicitated with the 'Entrepreneur of the Decade' award at the 39th edition of The Bombay Management Association (BMA) awards ceremony

ZEEL bagged the Buzziest Entertainment Brand of the Year award at the 13th edition of India's Buzziest Brands

Mr. Punit Goenka, MD & CEO, ZEEL received the 'Outstanding Contribution to Media' award at the Managing India Awards hosted by AIMA

Prathyusha Agarwal, CMO, ZEEL, and Aparna Bhosle, Business Cluster Head – Premium and FTA GEC Channels, ZEEL, featured in IMPACT's 50 Most Influential Women in Media, Marketing and Advertising List, 2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Subhash Chandra
Non-Executive Chairman

Subodh Kumar
Non-Executive Director

Ashok Kurien
Non-Executive Director

Prof. Sunil Sharma
Independent Director

Prof. (Mrs.) Neharika Vohra
Independent Director

Manish Chokhani
Independent Director

Adesh Kumar Gupta
Independent Director

Punit Goenka
Managing Director & CEO

COMPANY SECRETARY

M. Lakshminarayanan

AUDITORS

M/s Deloitte Haskins & Sells, LLP

BANKERS

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

REGISTERED OFFICE

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

STATUTORY REPORTS

FINANCIAL STATEMENTS

STANDALONE

CONSOLIDATED

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Macroeconomic Outlook

India continues to be one of the fastest growing economies in the world. After the temporary deceleration due to the impact of demonetisation and implementation of Goods and Services Tax (GST), the recovery in economic growth is now largely complete. It is estimated that GDP grew at more than 7% in the second half of fiscal 2018. During FY18, there were several positive developments in the economy, which will further accelerate this growth over the next few years. The long-delayed GST was finally implemented and it will go a long way in improving the business environment in the country. Government's focus on infrastructure development, banking reforms and affordable housing, amongst others, will support the growth in the medium term. Growth in some segments of the rural economy has been slower in the recent past. However, forecast of a normal monsoon bodes well for the agriculture sector and would drive the rural consumption.

While the Indian economy has expanded at an average annualized growth rate of around 7% over the past several years, there have been patches of slower growth in between. However, consumption growth remained quite resilient throughout this period. High frequency data such as automobile sales, air traffic, and credit offtake amongst others, suggests continued strength in discretionary spending. Private final consumption is estimated to have grown at a CAGR of 7.0% over FY13-18 in real terms and 12.0% in nominal terms. This, along with the trend of organized businesses gradually gaining market share in various sectors, bodes well for growth in advertising spends.

India's GDP growth (GVA basis, %)

Source: CSO and RBI

Nominal growth in private final consumption (%)

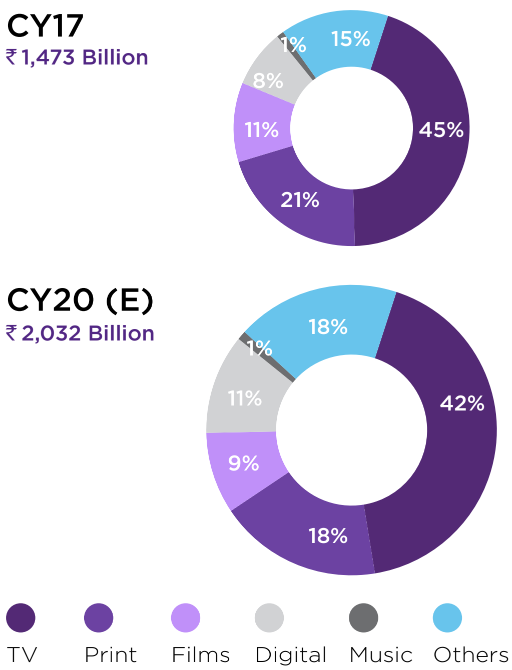
Source: CSO

India's Media & Entertainment Industry

The Indian media and entertainment (M&E) industry witnessed another year of all-round growth. The pace of growth marginally accelerated in CY17, despite the lingering effect of demonetization and the impact of GST roll-out. According to the FICCI-EY Report 2018 (Report), M&E industry grew by 12.6% YoY in CY17, to ₹ 1,473 billion. Despite the strong growth over the past several years, India's per capita entertainment consumption is much lower than not only the developed markets but also countries with similar income levels. This provides a significant headroom for sustained growth driven by rising disposable incomes and increasing access to entertainment content. According to the Report, the Indian M&E industry is expected to grow at a CAGR of 11.3% to ₹ 2,032 billion over the next three years, driven by growth in all the segments.

During the year, television increased its reach and engagement with the audience, further enhancing its reputation as the default entertainment medium. Print media continued to grow, albeit at a slower pace, due to multiple headwinds faced during the year. The movie industry surpassed all previous records riding on a strong performance at both the domestic and the international box office. Online video consumption continued its exponential growth due to the increased availability of affordable data and content on digital platforms. Following the auction of Phase III licenses, FM radio expanded into newer cities. Live Events growth was led by premium properties, activations, and sports events.

Indian M&E Composition



Source: FICCI-EY M&E Report 2018

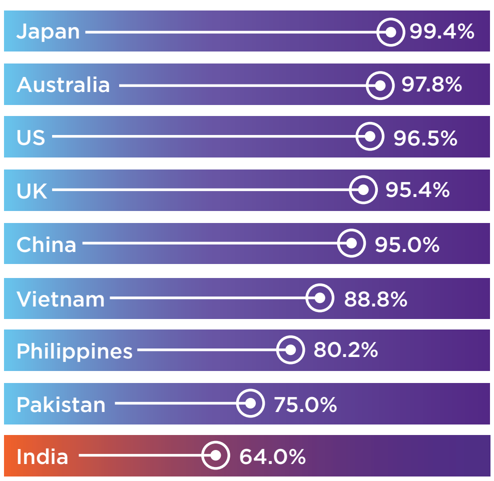
Content consumption is on a long-term growth path

Globally, time and wallet share of leisure activities has a positive correlation with per capita income. Leisure ranges from low-involvement low-cost activities like listening to music to an expensive foreign vacation. The choice of activity depends on several factors, but affordability and ease of access play a vital role. As compared to other forms of recreation, content-based entertainment scores high on both these factors.

In India, for most of the consumers, watching content on television has been the primary source of entertainment, and now digital is also becoming relevant. Over the past two and half decades, content availability on television has exploded across genres, languages, and formats. This extensive range of content is accessible at an average monthly price of USD 3. Over the past 18 months, digital has further widened the content choice and availability, at an affordable price.

India's content consumption has been in a secular growth phase. Despite several years of growth, it still compares adversely with developed as well as emerging markets. For example, India's television penetration is low at around 64%. Online data usage in India has increased by 15 times over the past two years, but the total digital content consumption still pales in comparison with other countries. Despite producing the maximum number of movies every year, the size of the movie industry is small and cinema visits per adult has room for growth. And, the market for ticketed live events is just opening up.

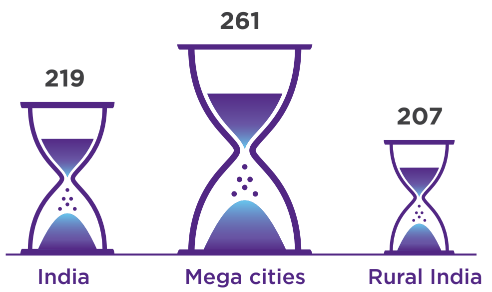
TV Penetration Comparison



Source: BARC, Casbaa, ContentAsia

As the disposable income rises and infrastructure improves further, the growth in content consumption could accelerate. Television is the default entertainment medium for a household and hence television penetration will continue to grow. The disparity in content consumption between rural and urban areas visible today is primarily explained by the difference in power availability. The government's push to improve electrification of rural areas will help narrow the gap. In several local language markets, higher availability of content gave a fillip to consumption. This trend will continue as more content is produced in these languages.

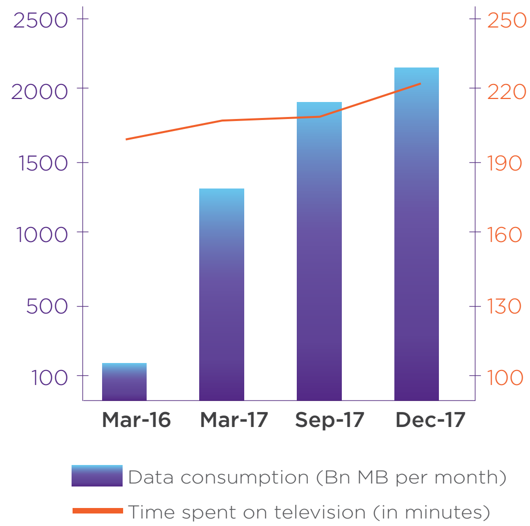
Average Daily Time Spent on TV (FY18, in mins)



Source: BARC data (wk'14 2017 – wk'13 2018); Mega cities refers to population above 7.5 million

Rising smartphone penetration, improving data network, and falling data tariffs have added a new dimension to the growth of content consumption. In India, a television is shared by several people from different generations as more than 95% households have a single TV. Mobile is fast becoming the second screen for many. Interestingly, in India, television consumption has grown alongside this multi-fold increase in digital consumption, highlighting the growth potential of the market. As India continues to see growth in discretionary spends, entertainment consumption would be one of the key beneficiaries.

Growth in data consumption and time spent on television

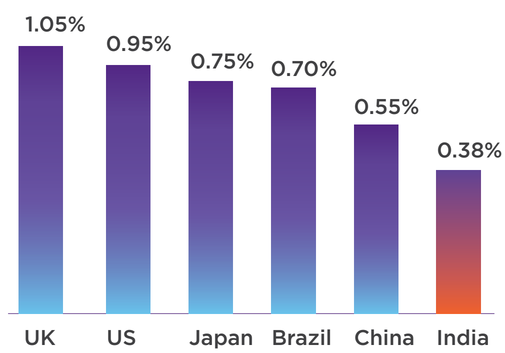


Source: TRAI; BARC data

Advertising growth to remain robust

India's advertising spends have been growing at a healthy pace over the past several years, driven by increasing urbanization, rising aspirations, and growth in discretionary spends. However, the ad spends relative to the size of economy is significantly low, highlighting the long-term growth potential. There are several visible trends at work which will drive growth in ad spends. Firstly, even in well-penetrated staple consumer goods, like shampoo and detergent, India's per capita consumption is a fraction of other developing countries. Similarly, penetration of consumer durables is low. As income rises, spends on consumer staples and discretionary products will increase thereby driving ad spends.

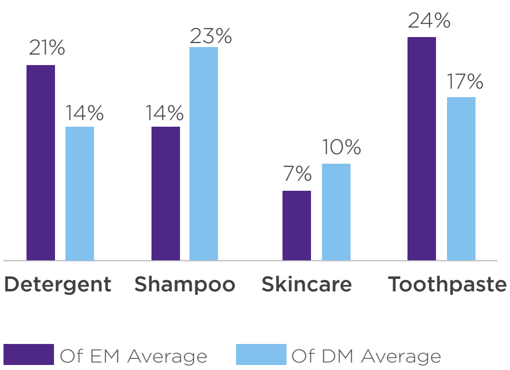
Ad spends as % of GDP



Source: WARC International Ad forecast

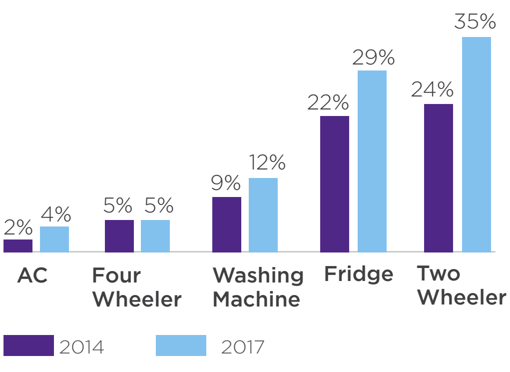
Secondly, at present, consumer staples dominate ad spends in India. Sectors, such as BFSI, healthcare, travel and leisure, do not contribute significantly to the advertising pie. The addressable market for these services is limited currently. Consumption of these services will increase as disposable income crosses a certain threshold, encouraging them to spend more on advertising. Incipient signs of the same are already visible with increasing advertising for financial savings products and diagnostic services. These categories emerging as large advertisers will provide the next leg of growth.

India's per capita FMCG consumption compared to other markets (2015)



Source: Credit Suisse estimates; Emerging markets (EM) includes Brazil, China, India, Indonesia, Thailand, South Africa and Malaysia; Developed markets (DM) includes US, Japan, South Korea, Germany and UK

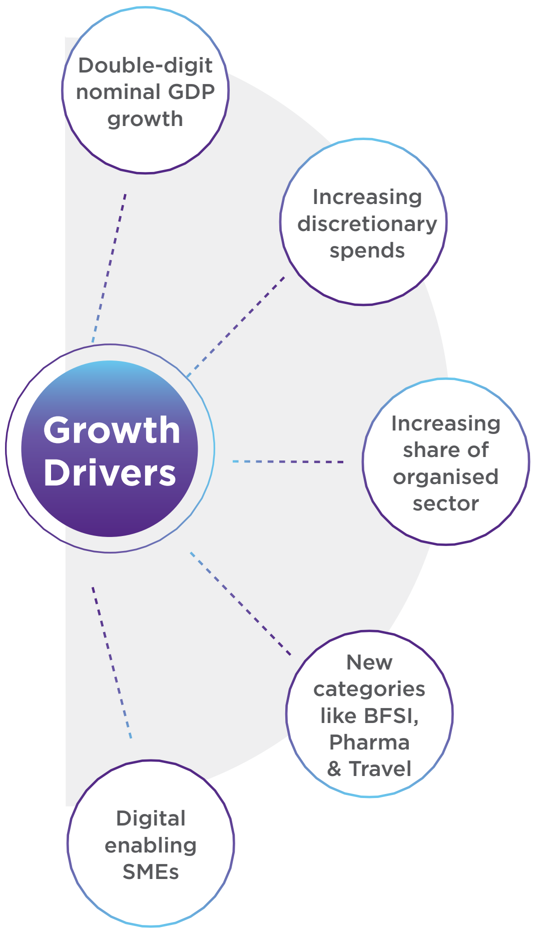
Household-level Auto and Consumer Durables Ownership



Source: IRS 2017

Lastly, alongside strong growth in consumption, there are a few factors that would aid ad spends growth. Digital is bringing small businesses, which found traditional media unaffordable, into the advertising net. By allowing a large number of small advertisers to run campaigns, digital is significantly expanding the ad market. Separately, organised businesses have been gaining market share across categories. As these businesses rely on brands to drive sales, they will continue to increase spends on advertising. These factors along with a strong macroeconomic growth will sustain the advertising growth in the medium to long-term.

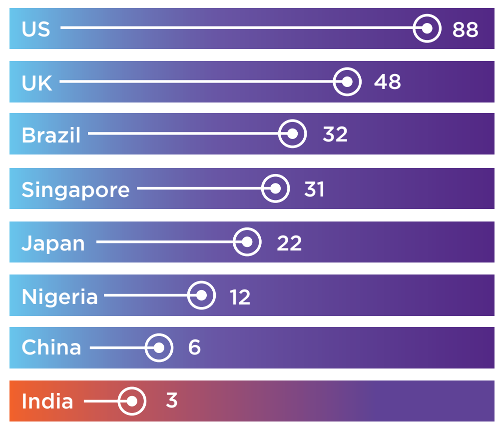
India's Ad Spend Growth Drivers



Multiple growth drivers for subscription

At an average ARPU of USD 3 per month, India ranks at the bottom in terms of cable and satellite (C&S) subscription price. This is even more stark given that a typical pay TV subscriber receives around 100 pay channels. The consumer APPU growth has trailed inflation over past two and half decades even as content choices for consumers multiplied across languages and genres. The two prime factors that explain low ARPUs in the country are, a highly fragmented distribution industry and the presence of analogue cable for a long period.

Pay TV ARPU (USD per month)

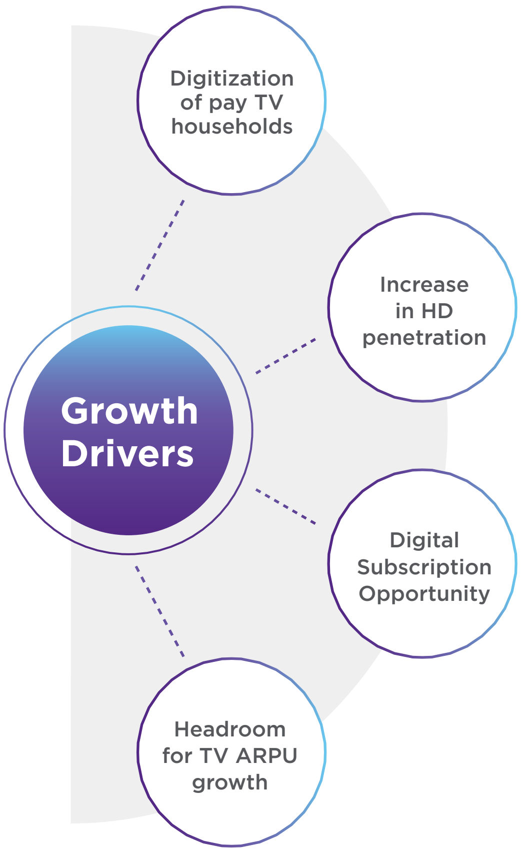


Source: Ofcom Market Report 2016

Unlike a handful of C&S operators in most of the countries, India has 4 large DTH players and thousands of multi-system cable operators (MSOs). However, over the past decade, the distribution space has seen significant consolidation with top 10 players accounting for almost half of the pay subscriber base. Secondly, the transition from analog to a digital addressable regime has increased the channel-carrying capacity as well as the transparency in the value chain. While increased channel capacity means that consumers get access to more number of channels, an addressable system enables tiering and packaging of channels to cater to a varied consumer base. Digitized systems have significantly improved transparency in the value chain leading to improved monetization for MSOs as well as the broadcasters. With digitization nearing completion, land-grab for subscribers is coming to an end. Digitization along with consolidation presents an opportunity for ARPUs to rise commensurate to increase in quality and quantity of content. Additionally, HD penetration, growing at a rapid pace, could top-up the subscription growth for television.

Digital has opened another subscription opportunity for content creators. Globally, the digital subscription market has thrived due to clear economic arbitrage on moving from pricy cable packages to affordable OTT subscriptions. Low-pay TV ARPU in India does not present that cost arbitrage opportunity. However, if the content choices on the digital platform becomes compelling, consumers will pay. Also, innovation in pricing to enable byte-sized consumption and Indian consumers' growing familiarity with online payments could drive digital subscription revenues.

Subscription Revenue Growth Drivers



Television

The television industry in India continued on its growth trajectory, albeit a bit slower than the previous years. The transient slowdown was primarily due to the GST roll-out impacting the advertising growth while domestic subscription growth was affected by the uncertainty regarding the fate of TRAI tariff order. In CY17, the industry grew by 11.1 % to ₹ 660 billion from ₹ 594 billion in CY16.

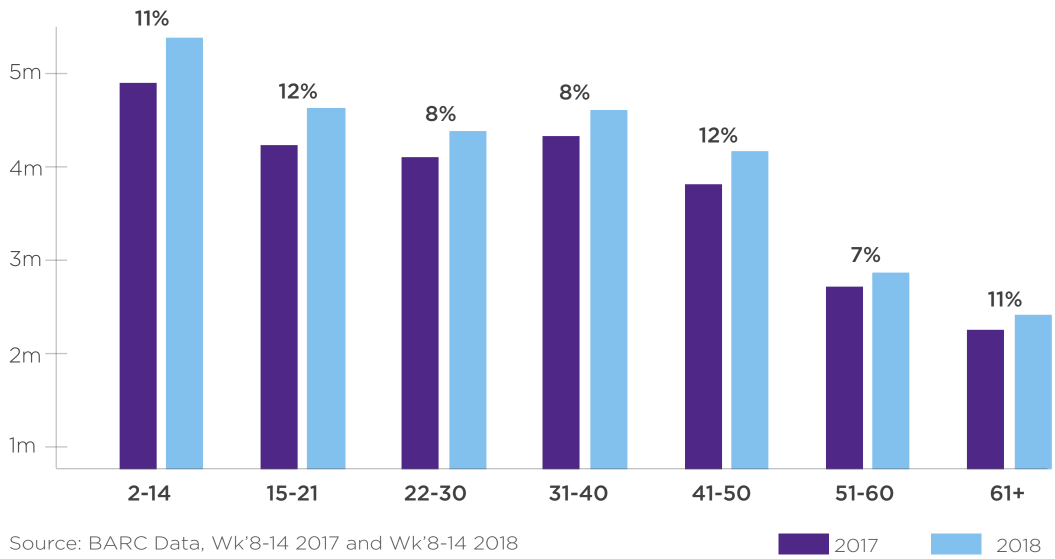
The year began on a positive note with advertising growth recovering from the impact of demonetisation announced in November 2016. However, with the impending move to the GST regime in July, the advertisers, especially consumer goods, started cutting back spends towards the end of first quarter. As their distribution chain was not adequately prepared for the transition, new product launches, which contribute significantly to ad spends, were deferred. However, as the transition to the new regime was completed, the second half of the year saw a sharp rebound in ad spends across categories.

TRAI's tariff order, which deals with the content agreements between broadcasters and distributors, remained mired in legal dispute throughout the year. The lack of clarity on the status of this regulation had some impact on broadcasters' subscription revenue growth for the year. The exit of a DTH player during the year also affected the subscription growth for the industry.

TV Viewership on the rise

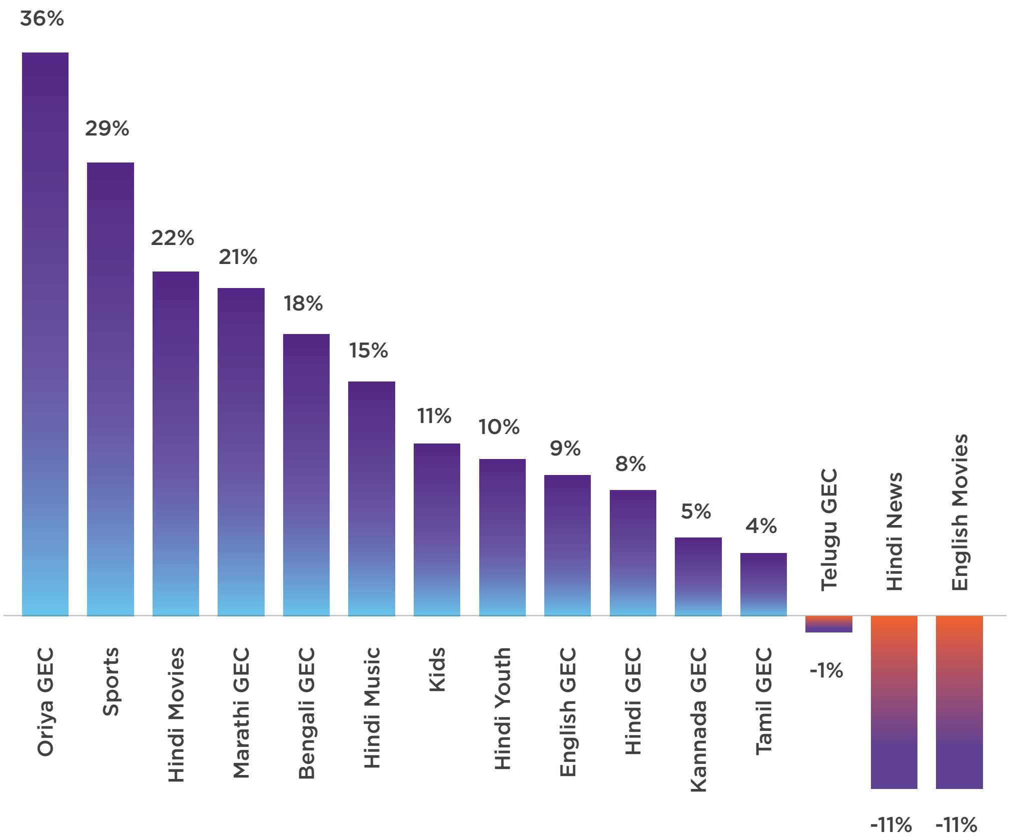
Television in India is the largest and the most effective medium to reach consumers. With 557 million daily tune-ins and an average of 225 minutes (Q4FY18) spent per day, the reach and engagement offered by television in India is unparalleled. Television viewership is increasing across genres and demographics, as evident from the BARC data. The growing reach of different genres indicates that increasing choices available to the audience is one of the drivers for the increasing television consumption. Multiple genres and languages enable reach to specific audience segments.

Viewership across age groups (in million impressions)



Source: BARC Data, Wk'8-14 2017 and Wk'8-14 2018

YoY change in viewership across genres



Source: BARC Data, Wk'8-14 2017 and Wk'8-14 2018

Increasing choice driving consumption

Television viewership has also seen an increase across languages, especially regional language channels. This is driven primarily by increased availability of original content in these languages. Historical data suggests that as more channels are launched in a market or the original content is increased, it leads to an increase in the content consumption, rather than cannibalisation. For example, the launch of Zee Yuva (Marathi), a youth-focused entertainment channel, and Colors Tamil (Tamil), a general entertainment channel, has led to an increase in the total viewership in the respective markets.

Language	Viewership change (CY17, YoY)
Total	**32%**
Gujarati	146%
Assamese	123%
Marathi	74%
Bangla	68%
Oriya	65%
Kannada	63%
Bhojpuri	58%
Punjabi	38%
Telugu	33%
Tamil	30%
Hindi	27%
Malayalam	16%

Source: BARC Report

Move to an impression-based currency could boost the industry

In India, ad rates are linked to rating points – a percentage metric of viewership. Total rating points increase only if average television consumption per person increases. Accordingly, rating point does not reflect the expanding television universe. Over the past decade, measured universe of television audience has grown by six times. Number of impressions have grown by a similar factor to around 28,000 million per week. The 2% CAGR in rating points does not capture the 30% CAGR witnessed in impressions over the past five years. Though the cost of advertising per rating point has been rising, cost per impression has actually seen a decline. Similar to the global practice, India would eventually move to an absolute metric like cost per impression. This would enable broadcasters to monetise the sharp growth in viewership.

TRAI tariff order – Uncertainty continues

TRAI released the tariff order in March-2017 with an objective to allow viewers to choose channels on an a-la-carte basis. The order was supposed to be implemented from May-2017, but was challenged by multiple stakeholders. Of the two cases filed against the order, one was being heard by the Madras HC. After a split verdict by a two-judge bench in March-2018, the case was referred to a third judge who upheld the validity of the order except for one clause. As per the clause, in a content agreement between broadcaster and distributors, a bouquet of channels cannot be priced at less than 85% of the sum of a-la-carte price of these channels. The court found this provision to be arbitrary and hence not enforceable. Effective implementation of this order requires a significant upgrade of infrastructure and subscriber management systems of the distributors. Given the low ARPUs in India, it might be difficult to offer channels on an a-la-carte basis to every consumer. As a result, bouquet may remain the most popular option for subscription even under the new regulation.

DD Freedish - Policy under review

DD Freedish, the state-owned distribution platform offering free to air (FTA) channels to subscribers, has been an important driver for reaching new audience segments, primarily in rural areas. This increased reach, along with measurement of rural audience, has improved monetization of FTA channels. Most of the leading broadcasters have FTA channels which largely run on the library content. Freedish had a process to auction slots to broadcasters to air their FTA channels. However, during the year, the Ministry of Information and Broadcasting (MIB) has put auctioning of slots on hold as it is reviewing the existing policy. Channels already on the platform continue to run until the new policy is announced.

Domestic Broadcast Business Review

Domestic Broadcast Leadership Team

In its 25th year, the Domestic Broadcast Business was the #1 entertainment network of the country. During the year, ZEEL saw a 200 bps improvement in its market share and reached an all India viewership share of 18.0%. This increase in viewership was driven by the improved performance of our flagship channel Zee TV, increased traction of some regional channels, and the integration of the two channels acquired from RBNL.

Brand refresh

During the year, the network adopted a refreshed brand identity with new logos for all the channels. Some of the channels were also relaunched with a new brand proposition. Our new brand identity gives a unified look and feel to the network, while bringing the corporate brand philosophy of '*Extraordinary Together*' to life. The initiative was accompanied by iconic 360° marketing campaigns, enhancing the brand equity and brand recall significantly.

Cluster wise Operational Review

Hindi General Entertainment

The Hindi GEC bouquet contains 6 channels - Zee TV is the flagship channel, &tv is the Company's second GEC targeted at urban audience, Zee Anmol and Big Magic are the FTA channels catering to the rural viewers.

Zee TV was the #1 Hindi GEC during the year. After a weak performance in FY17, the channel exhibited an impressive turnaround across all the parameters. With a 200 bps increase in market share, top two shows in fiction category, and the two biggest fiction launches of the year, Zee TV has been on a continuous growth trajectory. On its 25th anniversary, the channel unveiled its new brand promise of '*Aaj Likhenge Kal*' to bring to its audience stories that inspire ordinary people to do extraordinary things.

&tv's market share was largely flat during the year. In the context of increase in competitive intensity on account of one major competitive channel taking the FTA route and increased content investments by most competing channels, the performance of the channel was satisfactory. The channel aims to increase loyalty amongst the urban audience with its differentiated programming initiatives.

Zee Anmol was the #1 channel in the FTA genre with leadership in 42 weeks. **Big Magic** improved its market share in the segment.

Hindi movie cluster

ZEEL's Hindi Movie cluster comprising 7 channels - Zee Cinema, &pictures, Zee Classic, Zee Action, Zee Anmol Cinema, Zee Cinema HD and &pictures HD, continued to maintain its #1 position during the year. Besides performing well on library titles, the channels also aired world television premieres of hit Bollywood movies such as Dangal, Toilet – Ek Prem Katha, Secret Superstar and Raees. With the acquisition of movie library rights, including future rights and rights of movies under production, the Hindi Movie cluster has strengthened its catalogue which should provide an impetus for growth.

Regional entertainment channels

Regional GECs continued their strong performance and strengthened their competitive position in respective markets. ZEEL's regional portfolio caters to 7 linguistically diverse markets - Marathi, Bengali, Kannada, Telugu, Tamil, Oriya and Bhojpuri.

Zee Marathi continued to be the #1 channel garnering a majority share in the Marathi markets. **Zee Yuva**, the only Marathi channel in the youth entertainment space, became the third highest channel by reach and helped grow the network's share in the Marathi market.

Zee Bangla was the #2 channel during the year. It gained significant share in the fourth quarter to become the leader in the urban market. While consolidating its urban reach, the channel has also undertaken ground connect events to increase its rural viewer base, which are yielding results.

Zee Tamil, the #3 channel, continued on the growth trajectory witnessed in FY17, and ramped up its market share in each of the quarters. The channel's fiction shows have shown a significant improvement in ratings, which provide a solid foundation for building loyal viewership. The channel was relaunched with the proposition of '*Let's bridge hearts and welcome change*', appealing to both the young and old generations. During the year, it continued to narrow the gap with the second ranked channel.

Zee Telugu was the #1 channel in the urban market. Launch of new properties and afternoon band helped the channel further consolidate its leadership. The channel also garnered the highest-ever weekly rating by a Telugu channel in the urban market.

Zee Kannada maintained its position as the #2 channel and continued to be the leader in the non-fiction programming genre. The channel strengthened its fiction programming, which drove its performance.

Zee Sarthak continued to be the #1 channel by a distance, being the leader across most of the prime-time slots.

Big Ganga was the #1 Bhojpuri general entertainment channel.

Regional movie cluster

Zee Talkies continued to be the #1 movie destination for the Marathi audience. Along with premiering the best Marathi movies, the channel's non-film programming initiatives have helped maintain its second position amongst all Marathi channels, in terms of reach and viewership, just behind Zee Marathi.

Zee Bangla Cinema, the #2 channel, improved its market share driven by a good selection of movies and ZBC Originals. The channel focused on building its reach on the back of 360° campaigns for the blockbuster movies and aims to be the preferred destination for Bengali movies.

Zee Cinemalu, in its second year of operations, was the #3 most-watched Telugu movie channel. As the only Telugu movie channel airing World Television Premieres, it is quickly ramping up to challenge the established players.

Niche channels

Zee Café was the second most-watched English entertainment channel with an eclectic content catalogue. True to its brand promise of '*All Eyes on New*', it continued to bring the latest English shows from around the world to the audience.

&privé HD, our new channel in the English premium movie segment, quickly climbed to the leadership position and has been the #1 channel since its launch.

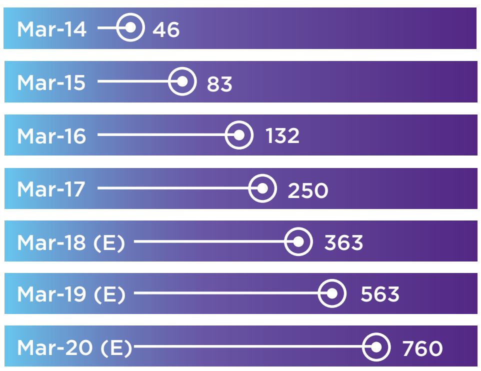
Zee Studio, our English movie channel, performed well during the year. The channel was recently renamed **&flix** with a new brand proposition of '*Leap Forth*'. With a total of 400+ movies in its library and 52 premiers, it will give a larger-than-life experience to the audience.

Zing maintained its position as one of the leading youth entertainment channels with a mix of music and Bollywood based shows.

Digital

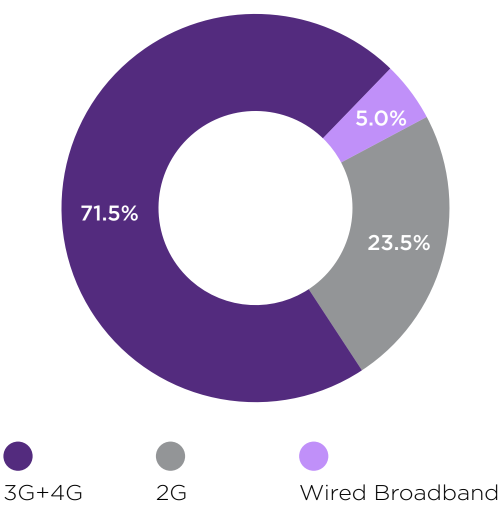
Digital continued to lead the growth of the M&E industry. With 28.8% growth in advertising and 50% growth in subscription, digital media grew by 29.4% shrugging off the impact of GST. The contribution of digital to overall ad spends increased to 17% in 2017, up from 15% a year earlier. This strong growth in digital revenues is underpinned by the increasing reach of the medium and the growth in time spent. India has the second largest internet subscriber base of around 445mn. The strong growth in internet user base, 90% of which access internet on mobile, is driven by the 4G roll-out coupled with falling tariffs. Although the wireless data is growing by leaps and bounds, wired broadband penetration in the country is still low. This is resulting in relatively low per capita data consumption.

Number of 3G+4G data subscribers (mn)



Source: TRAI, IIFL estimates

Growth in broadband subscriber base driven by mobile

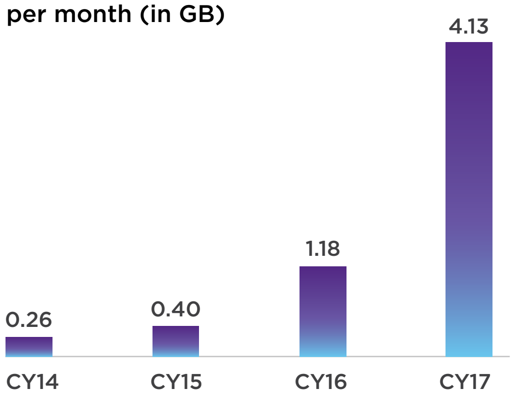


Source: TRAI Reports

Trend of increasing digital video consumption to continue

Consumers in India and around the world have been spending more time on their mobile phones. This growth is primarily driven by content consumption and communication, including social media. As per FICCI-EY 2018 Report, over three-fourths of online video consumption in India is taking place on the mobile data network. The rising video consumption has led to proliferation of OTT apps and explosion in content choice available to consumers. Exponential growth in content consumption is likely to continue and video viewing is likely to contribute to 72% of mobile data traffic by 2020 as compared to 40% in 2015. Digital represents a new growth opportunity for entertainment content producers like ZEEL.

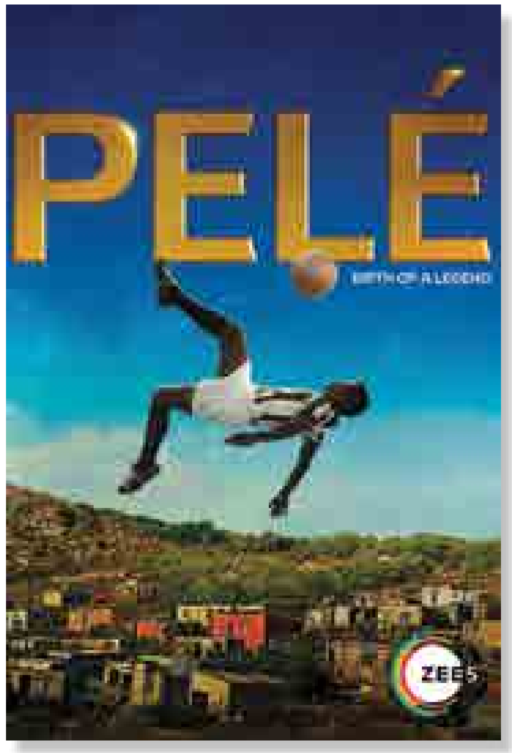
Average Data Usage per user per month (in GB)



Source: TRAI

Telecom emerging as a new content distribution channel

With mobile leading the internet penetration, it has emerged as a natural platform for content consumption. To gain subscribers, all large telecom operators have launched affordable data plans and are offering value-added services like entertainment content. They have entered into partnerships with entertainment content creators to offer premium content. To promote data consumption on their platforms, currently content is available free with the data plans. With a large subscriber base, telecom operators provide a captive audience for content creators.



Indian language content to dominate

Similar to television viewership, digital consumption is also dominated by Indian language content, accounting for more than 90% of content consumed. Consumers have a propensity to watch entertainment content in their native language, and a higher availability of content in these languages has led to a higher consumption on television. The content consumption pattern on digital could follow a similar trend. With OTT platforms focusing on content in Hindi and regional languages, the consumption is set to increase.

Too many platforms not sustainable

OTT players in India can be broadly classified into four categories – global players, telcos, independent platforms, and broadcasters. Global platforms either cater primarily to the English-speaking audience or are largely driven by user generated content. Telcos are yet to build content creation expertise though they are already playing a crucial role in content aggregation. Independent players' platforms offer content of specific genres. And lastly, broadcasters' OTT platforms offer a full spectrum of India-centric content. Like in television, more than one player can co-exist in digital space. However, due to a natural constraint on the number of apps that a consumer can have on his phone, too many players will not be able to sustain in the market.

Digital Business Review

Digital Leadership Team

The company launched its new digital offering, ZEE5, on 14th February. The platform presents a significant upgrade, both in terms of content and technology, to the earlier digital offerings - OZEE and dittoTV. A majority subscribers of both these platforms have been upgraded to ZEE5, providing a strong foundation for growth. The initial response to ZEE5 has been encouraging.

Content strength

Launched with over 1,00,000 hours of content across 12 languages, ZEE5's content catalogue offers extensive choices to the users. With a wide range of content across genres, the platform's core proposition is 'content for everyone'.

- **Digital exclusive content** in 6 Indian languages
- **Expansive movie library** with 3500+ titles across 12 languages
- **International content** from countries like Turkey, Brazil Pakistan, etc., dubbed in multiple Indian languages
- **Premium English** content
- **Live TV** streaming of 90+ channels
- **Music** videos from Zee Music Company's catalogue
- **Kids** content
- **Theatre**, **Lifestyle** content
- **Catch-up** of all the ZEEL network television content minutes after broadcast

Technology Innovations for the Indian consumer

Considering that majority of Indians have limited familiarity with English, ZEE5 gives consumers an option to choose from 11 Indian languages, which displays navigation menu, content titles, and content synopsis in the language of their choice. Given the inconvenience of typing on small screens, which hampers user experience, the platform has a voice search feature, which enables seamless content discovery. ZEE5 also allows consumers to set the preferred languages for content. To offer a smooth streaming experience, we have partnered with multiple CDNs (Content Delivery Networks), which enables content streaming even when connectivity is poor. Given that internal phone memory is limited for majority of Indians, ZEE5 offers an option to download content on memory card.

Movies

As per the FICCI-EY Report, the Indian movie industry grew by 28% YoY to ₹156 billion in CY17. Domestic theatrical revenues grew at 12.5% YoY to ₹96.3 billion while overseas theatrical collections tripled to ₹25 billion. Strong growth in overseas revenues was driven by the success of a few movies in foreign markets. Revenue from sale of digital rights also rose 42% YoY to ₹8.5 billion. The Indian movie industry is estimated to grow 7.2% CAGR over CY17-20 as per the Report.

Movies are immensely popular in India with around 2,000 movies released every year, across several languages. The Indian movie production industry has immensely benefited over the past decade due to multiplex proliferation, decline in piracy due to digitized delivery, and growth of regional cinema. However, domestic theatrical collection has been growing at a slower pace even as multiplexes continue to expand. For larger chains, footfall growth in past couple of years has been trailing growth in seats. While on the one hand, top movies are taking away a larger share, on the other, niche content is getting wider acceptance from the audience.

Digital movie rights and international box office revenue streams have significantly strengthened the economics for Indian movie producers. The sharp increase in content consumption on digital devices is driving up the price of digital rights of movies. For some small budget niche movies, revenues from the sale of digital rights is now equaling the box office collections. Similarly, the international box office is also emerging as an important additional revenue source, especially for large movies.

Movie Business Review

Zee Studios, ZEEL's film production and distribution arm, continued to perform well and has now established a strong position in the space. In FY18, the studio released 9 movies across 3 languages, compared to 7 movies in the previous year. All these movies were based on strong story lines and were well received by the audience. Zee Studios continues its focus on building a strong movie slate for the future.

Zee Studios' business approach

FOCUS ON SCRIPT AND EXECUTION

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

Involvement in every step of movie making with control on costs and execution

PORTFOLIO APPROACH

Produce movies across budgets and multiple languages to reduce risk

PROFIT SHARING WITH KEY TALENT

Strive to engage with key talent on a profit sharing basis

Reduces financial risk should the movie fail

LEVERAGE PRESENCE ACROSS VERTICALS

Presence across verticals provides useful consumer insights and helps promote films

Other businesses are natural buyers of movie rights.

Key Highlights

FY18 movies released

- **Hindi** – Mom, Secret Superstar, Qarib Qarib Singlle
- **Marathi** – Chi Va Chi Sau Ka, Faster Fene, Yere Yere Paisa, Gulaabjaam
- **Punjabi** – Saab Bahadar, Channa Mereya

FY19 plans

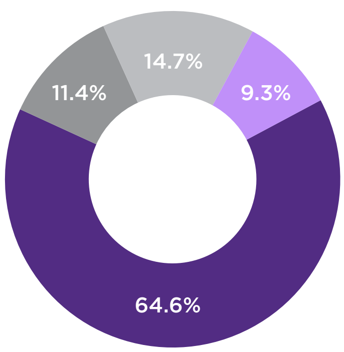
We have a strong line-up of movies for FY19. Some of the movies already locked in for FY19 include - Beyond the Clouds (Hindi), Parmanu (Hindi), Dhadak (Hindi), Manikarnika (Hindi), Nude (Marathi).

Movies & Music Business Leadership Team

Music

The music industry in India, like in most other countries, is growing due to a multi-fold rise in music consumption. Rising smartphone penetration, affordable mobile data, and the growing adoption of music streaming platforms has been the driver for music industry's growth. India is one of the countries where digital music sales has overtaken physical sales, with digital now accounting for more than 65% of the revenue. While piracy, one of the major leakages for music industry revenue, has come down substantially, music contributes only 1% of the M&E revenue. The music industry grew by 7% in 2017 and is expected to grow at a CAGR of 12% over CY17-20 to ₹ 18 billion.

Revenue breakdown for Music industry



Source: FICCI-EY M&E Report 2018

In India, music produced for movies, both Bollywood and regional, is the key driver for the music industry. This is different than most other countries, where artists are brands themselves and drive the sale of music. In India, the music publishing labels own the rights, including IP rights, of the music and are able to monetize it across platforms. Owning the IP rights to music provides music labels alternate streams of monetization including producing the music in different languages, or producing remix versions.

Music Business Review

Zee Music Company (ZMC), our music publishing label, is the fastest growing music label in the country. It has acquired an expansive catalogue of music rights, across languages, to become the second most 'listened to' Indian music label in less than 4 years of commencing operations. Its presence across 11 languages makes it the only pan-India player. ZMC is also the second biggest music channel in terms of subscribers on YouTube. Our in-house distribution capability along with key partnerships with major movie studios and leading music streaming platforms, uniquely position ZMC to scale up. Our partnership with small-to-mid sized movies is mutually beneficial, enabling them to leverage our vast distribution network. We are also gradually ramping up our catalogue of 'ZMC Originals', which creates original music and provides a platform for new artists to collaborate with senior artists.

ZEE MUSIC CO.

- Pan India player with presence in 11 languages
- Strong partnerships with content creators and music streaming platforms
- 360° promotion of music and in-house distribution capability

Key Highlights

- ZMC's YouTube channel more than doubled its subscriber base to 18.1 mn and is the second most subscribed Indian music channel on YouTube
- In FY18, ZMC acquired rights to more than 140 movies' music across 11 languages
- Key titles acquired during the year – Half Girlfriend, Secret Superstar, Baahubali, Pad Man
- ZMC's content garnered an average of 1.1 billion views per month on YouTube in the last quarter of FY18.

International Business

International Business Leadership Team

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

Internation Business Review

During the year, ZEEL increased its reach in international markets and stepped up the local productions in several territories. Our new distribution partnerships across markets like Americas and MENA helped us gain a wider audience. In UK, our channels moved to the basic pack of some of our distributors. These initiatives have helped us increase the reach of ZEEL's content to 578 million (59% YoY) people. To help us connect better with the audience in international markets, we started local production in several new markets and have ramped up production in existing markets. Most of these shows are ad-funded or sponsored programs.

USA:

- Zee has become the biggest multicultural network in USA with 35 channels
- Zee Mundo was launched on new platforms including Amazon Fire Stick and smart TVs, to expand reach
- Local shows like *Made in America*, *Those Who Made It* were produced to connect with the South Asian millennials

Europe:

- Strategic tie-up with a large distributor to move from premium pay pack to the basic pack thereby significantly increasing reach
- Zee One, our channel in Germany, gained significant traction and witnessed a sharp improvement in ratings and reach
- Zee TV Russia was among the top-10 rated movies and series thematic channels

MENA:

- Zee Aflam and Zee Alwan, our Arabic channels, increased their viewership share during the year
- Zee TV and Zee Cinema continued to retain their #1 position as the most watched channels by South Asians in their respective genres
- Launched regional channels with distribution tie-ups in UAE and Qatar, amongst other markets

Africa:

- Zee World consistently retained its position as one of the top 3 most-watched pay channels in South Africa
- Zee Magic, the French dubbed GEC, gained traction among African Francophone viewers

APAC:

- Local shows like *Antakshari* in Singapore, *SRGMP* in Hong Kong, *Dulha Dulhan Destination* in Thailand were produced to connect with the South-Asian audience
- Zee Sine, started in FY17, was launched on the largest DTH platform in Philippines

Live Events

According to the FICCI-EY Report, the organized live events industry in India is estimated to be around ₹ 65.2 billion, growing at 15% CAGR over the last 5 years. It is expected that growth will accelerate and the industry will reach ₹ 109.5 billion in size by CY 2020. IP-related events continue to ramp up and garner a substantially higher revenue share compared to the number of events. The ticketed events space continues to see growth due to the increased propensity to pay for these events, especially in tier-1 cities. With the number of ticketed events going up and event aggregating platforms gaining traction, event discovery and occupancy has improved. If some of the issues such as lack of infrastructure, skilled manpower, and multiple taxes are resolved, the live events space could see a much higher growth.

Live Events Business Review

Zee Live focuses on creating memorable on-ground experiences for the audiences. It aims to become the gateway to the world for Indian live experiences, while simultaneously bringing the best concepts from around the globe to India. Through Zee Theatre, it aims to revive, restore and spread the rich cultural heritage of theatre and bring together some of the finest works for the audience to experience. With stories across genres, from drama and musical to classics, comedy, horror and satires, Zee Theatre provides entertainement for everyone.

During the last year, Zee Live continued with the execution of its first event IP, Wicked Weekends - India's longest party marathon, at the biggest hotspots across six cities. Featuring some of the most popular independent Indian musicians, the event has become a platform to connect with the young urban audience. Zee Theatre kick-started Maruti Suzuki Zee Theatre tour and staged 13 plays across 4 cities in India. Zee Live is looking at collating an exciting line-up of events which will enable it to create a strong identity in the live events space.

Financial Review

Consolidated Financials

(₹ Millions)	FY18	FY17	Growth
Operating Revenue	66,857	64,342	3.9%
Expenditure	46,096	45,073	2.3%
EBITDA	**20,761**	**19,269**	**7.7%**
Add: Other Income	4,403	2,240	96.6%
Less: Depreciation	1,821	1,152	58.1%
Less: Finance Cost	1,448	1,372	5.5%
Less: Fair Value Through P&L	68	2,205	
PBT before exceptional items	**21,829**	**16,780**	**30.1%**
Add: Exceptional Items	1,346	12,234	
PBT after exceptional items	**23,175**	**29,014**	
Less: Tax Expense	8,409	6,808	23.5%
Add: Share of Profit of Associates	12	(5)	
Less: Minority Interest	(14)	(12)	
Profit After Tax (PAT)	**14,791**	**22,213**	

The Company's consolidated revenues stood at ₹ 66,857 million for the year ended 31st March 2018, compared to ₹ 64,342 million in the previous year, a growth of 3.9%. Adjusted for the sale of Sports business, revenues witnessed a growth of 15.2%. Advertising revenues, at ₹ 42,048 million, witnessed a growth of 14.5%. On a comparable basis (excluding impact of sale of Sports business and acquisitions), domestic advertising revenues grew 15.9% YoY during the year ended 31st March 2018. Growth in the first half of the fiscal was impacted due to disruption in trade channels during transition to GST which lead to a cut back in spends by advertisers. However, ad spends recovered strongly during the second half as FMCG and other consumer discretionary companies stepped up advertising on new product launches and activations. Subscription revenues, at ₹ 20,287 million, witnessed a decline of 10.3%. Excluding the impact of sale of Sports business, domestic subscription business witnessed a growth of 11.8% YoY. The subscription revenue growth for the year was impacted by delay in monetization of newly digitised markets due to uncertainty regarding TRAI's tariff order. Exit of a DTH player also impacted subscription business during the year.

The Company's operating expenses stood at ₹ 46,096 million for the year ended 31st March 2018, compared to ₹ 45,073 million in the previous year, a growth of 2.3%. The underlying increase was higher but was offset by the sale of Sports business. On a like to like basis, programming cost increased due to higher original content hours across the network and higher movie amortization cost, while the reported programming cost declined due to sale of Sports business. Advertising, publicity and other expenses increased by 25.6% YoY to ₹ 14,164 million on account of brand refresh campaign, costs related to silver jubilee events and launch of ZEE5.

EBITDA at ₹ 20,761 million, witnessed an increase of 7.7%. EBITDA margins stood at 31.1% for the year ended 31st March 2018, as compared to 29.9% during the year ended 31st March 2017. Depreciation and Amortization expense witnessed an increase of 58.1% YoY, led by higher amortization expenses of intangible assets. During the year, the company recorded an exceptional gain of ₹ 1,346 million as against ₹ 12,234 million in the year ended 31st March 2017, relating to sale of Sports business.

Consolidated income tax expense at ₹ 8,409 million witnessed an increase of 23.5% as compared to previous year. Effective tax rate for the year ended 31st March 2018, was at 41.4%, higher than the marginal tax rate. During the year, the company's foreign subsidiaries paid out dividend of ₹ 7,816 million to the parent entity from the sale proceeds of Sports business. As per Indian tax laws, dividend receipts from foreign subsidiaries attract a tax at the rate of around 17%. Accordingly, the company paid a tax of ₹ 1,352 million on the dividend so received which is part of the current tax line item in P&L statement. Consolidated profits after taxes including exceptional items stood at ₹ 14,791 million.

The Company has adoptetd Indian Accounting Standards (Ind-AS) for the preparation of its consolidated financial statements w.e.f. April 01, 2016, which was required as per notification issued by the Ministry of Corporate Affairs (MCA).

Liquidity and Funding

As on 31st March 2018, the Company had cash and cash equivalents of ₹ 16,117 million and treasury investments of ₹ 13,696 million. During the year ended 31st March 2018, the Company's consolidated long-term debt reduced to ₹ 11,452 million from ₹ 18,208 million during 31st March 2017. Repayment of debt undertaken as part of RBNL acquisition and part redemption of preference shares led to the decline in overall debt position of the Company.

Consolidated operating free cash flow stood at ₹ 5,544 million for the year ended 31st March 2018 as compared to ₹ 7,406 million during the previous year. Higher investments in acquisition of movie rights (satellite and digital rights, including future rights) led to increase in working capital, thereby impacting operating cash flow during the year. Capex during the year stood at ₹ 3,191 million as against ₹ 2,768 million in the previous year. Cash flow from financial activities was impacted due to part redemption of preference shares, repayment of long-term loan which was transferred as part of RBNL acquisition and payment of equity dividend to shareholders.

Risk Factors

A detailed risk framework and the risks faced by the Company are presented in a separate section titled, **Risk Management Framework**, on page 38 of this Annual Report.

Human Resource Development

ZEEL considers that people are the most important differentiator and there is continuous focus to attract, develop and retain talent. To ensure sustainable growth and prepare for the future, we have been strengthening our talent management, performance management and employee engagement processes. During the year, we continued to build a high-trust, high-performance culture and as a result have been ranked amongst the Top 100 'India's Best Companies to Work For 2017', as well as amongst the Best Company to Work For in the Media and Entertainment Industry, in a study conducted by Great Place to Work® Institute and The Economic Times. Our endeavor is to build a strong talent pipeline by engaging and hiring talent from renowned campuses, building capabilities in key business functions through training and development initiatives and providing enriching work experience. We also believe in inculcating a strong value system in our people and conduct regular trainings for the same.

Internal Control

Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control processes and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited will be held at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 on Tuesday, the 17th day of July 2018, at 4.00 p.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared as per Indian Accounting Standards (Ind-AS) on a standalone and consolidated basis, for the financial year ended March 31, 2018 including the Balance Sheet as at March 31, 2018, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.

2. To confirm Dividend(s) paid on the Preference Shares by the Company during, and for, the financial year ended March 31, 2018.

3. To declare Equity Dividend of ₹ 2.90 per share for the financial year ended March 31, 2018.

4. To appoint a Director in place of Mr Ashok Kurien (DIN 00034035), who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.**
   "Resolved that pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, the Cost Audit Fees of ₹ 3,00,000/- (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses, payable to M/s Vaibhav P Joshi & Associates, Cost Accountants (Firm Registration No 101329) towards Cost Audit for the Financial Year 2017-18, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

6. **To consider and if thought fit, to pass the following resolution as a Special Resolution.**
   "Resolved that pursuant to Sections 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr Adesh Kumar Gupta (DIN 00020403), who holds the office of Independent Director of the Company until December 29, 2018, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from December 30, 2018 until December 29, 2021."

7. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution.**
   "Resolved that pursuant to the provisions of Section 188 of the Companies Act, 2013 ('the Act') read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable laws and regulations, Mr Amit Goenka, a Related Party under Section 2(76) of the Act, be re-appointed to the Office of Place of Profit as Chief Executive Officer of Asia Today Limited, Mauritius, a wholly owned overseas subsidiary of the Company at the remuneration, as detailed herein, to be paid by Asia Today Limited:

   a) **Salary:** Mr Amit Goenka shall be eligible for annual salary of USD 564,300 with the authority to the Board of Asia Today Limited to determine any merit based increase in the salary from time to time.

   b) **Variable Pay:** In addition to salary, Mr Amit Goenka would be entitled to Variable Pay, as may be approved from time to time by the Board of Asia Today Limited, based on the pre-defined performance criteria.

   c) **Perquisites & Allowances:** In addition to the Salary & Variable Pay, Mr Amit Goenka shall be entitled to such perquisites as per the policy of Asia Today Limited.

   Resolved further that the Board of Directors of the Company (which term shall mean and include any Board Committee) be and is hereby authorised to accept, approve and take note of any merit based increase in the remuneration payable to Mr Amit Goenka as approved by Asia Today Limited, Mauritius, from time to time."

Equity Dividend, if approved by Members at the Annual General Meeting, will be paid on or before July 23, 2018, to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before the Record Date i.e. Tuesday, July 10, 2018 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of Equity Shares held in electronic form, as at the end of the business day on Tuesday, July 10, 2018.

By Order of the Board

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Place: Mumbai
Date: May 10, 2018

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

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty members and holding in aggregate not more than 10% of the total Equity Share Capital of the Company. Any member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.

3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Annual General Meeting is annexed.

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

   In respect of the proposed re-appointment of Mr Adesh Kumar Gupta as Independent Director not liable to retire by rotation, the Board of Directors have reviewed the declaration submitted by Mr Adesh Kumar Gupta confirming that he continues to meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that Mr Gupta fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company.

5. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2018, may send their queries at least seven days before the Annual General Meeting to the Chief Compliance Officer & Company Secretary at the Registered Office of the Company or by e-mail to shareservice@zee.esselgroup.com

6. Equity Dividend for the Financial Year ended March 31, 2011, which remains unpaid and unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in October 2018. Members who have not encased their dividend warrants for Dividend issued by the Company for the financial year ended March 31, 2011 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agents.

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

7. Electronic copy of the Annual Report for 2017-18 is being sent to all the Members whose e-mail addresses are registered with the Company/ Depository Participants(s) for communication. For Members who have not registered their e-mail address, physical copies of the Annual Report for 2017-18 is being sent. The Annual Report may also be accessed on the Company's Corporate Website www.zeeentertainment.com

8. Members are requested to notify immediately about any change in their address/e-mail address/dividend mandate/bank details to (a) their Depository Participant (DP) in respect of their shareholding in Demat mode; and (b) to the Company's Registrar and Share Transfer Agents, M/s Link Intime India Private Ltd., at their office at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083 in respect of their physical shareholding. Members holding Shares of the Company in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agent of the Company to receive all communications including Annual Report and Notice of Meeting(s) by e-mail, by sending appropriate communication on rnt.helpdesk@linkintime.co.in.

9. **E-voting**

   In compliance with Section 108 of the Companies Act, 2013, Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide equity shareholders with the facility to exercise their right to vote on all businesses detailed in the Notice of 36th Annual General Meeting by electronic means. The facility of casting votes by any member using electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the businesses detailed in this notice.

   The remote e-voting period for all items of business contained in this Notice shall commence from Friday the 13th day of July 2018 at 9.00 a.m. and will end on Monday, the 16th day of July 2018 at 5.00 p.m. During this period, equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the Cut-off date of Tuesday, the 10th day of July 2018, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

10. The facility for voting shall also be made available at the meeting venue and those members (as on Cut-off date i.e. Tuesday, the 10th day of July 2018) who are attending the meeting and who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

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

12. The voting rights of Members for remote e-voting prior to the meeting or at the meeting shall be in proportion to their equity shareholding in the paid-up equity share capital of the Company as on the Cut-off date of July 10, 2018.

13. The Company has appointed ACS Vinita Nair, Partner, M/s Vinod Kothari & Co., Company Secretaries as Scrutiniser to conduct / supervise remote e-voting process as well as the voting process at the Annual General Meeting in a fair and transparent manner and submit a report thereon. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in

the presence of at least two witnesses not in the employment of the Company and shall submit, not later than two days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast to the Chairman of the AGM or Managing Director of the Company who shall countersign the same and declare the results of the voting forthwith.

14. Details of results declared together with copy of the Scrutiniser's report shall be placed on the website of the Company www.zeeentertainment.com and shall also be communicated to the Stock Exchanges. The Resolutions, if approved, shall be deemed to be passed on the date of Annual General Meeting.

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

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:

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

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

   c) How to retrieve your 'initial password'?

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

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

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

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

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

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

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

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

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

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of Zee Entertainment Enterprises Limited.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

II. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Company and Scrutiniser through e-mail to shareservice@zee.esselgroup.com and vinita@vinodkothari.com with a copy marked to evoting@nsdl.co.in

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

IV. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 10, 2018, may obtain the login ID and password by following steps mentioned above or sending a request at evoting@nsdl.co.in or shareservice@zee.esselgroup.com

    However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

V. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send email to shareservice@zee.esselgroup.com.

VI. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO 5

At the meeting held on June 8, 2017 your Board had, after reviewing confirmation received and based on the recommendations of the Audit Committee, approved appointment of M/s Vaibhav P Joshi & Associates, Cost Accountants (Firm registration No 101329), as Cost Auditor of the Company for FY 2017-18 at remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, ratification by the Shareholders is sought for the remuneration payable to the Cost Auditor for FY 2017-18.

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

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

ITEM NO 6

At the 34th Annual General Meeting held on July 26, 2016, Members of the Company had approved appointment of Mr Adesh Kumar Gupta, as Independent Director of the Company not liable to retire by rotation. The current term of the said appointment of Mr Adesh Kumar Gupta as Independent Director of the Company shall expire on December 29, 2018. As per Section 149(10) of the Act, an Independent Director shall be eligible for re-appointment for a second term of up to 5 years with Shareholders approval by passing a Special Resolution.

Since the current term of appointment of Mr Gupta shall expire before the Annual General Meeting scheduled in 2019, your Board, based on the performance evaluation and after reviewing confirmation of independence received, recommends re-appointment of Mr Adesh Kumar Gupta as an Independent Director for the second term of 3 years commencing from the expiry of his current term of appointment i.e. from December 30, 2018 until December 29, 2021. Appropriate notice has been received from a Member proposing appointment of Mr Adesh Kumar Gupta as Independent Director of the Company and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Mr Adesh Kumar Gupta who is proposed to be re-appointed for the second term as an Independent Director of the Company fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is Independent of the management. Brief Profile and other details of Mr Adesh Kumar Gupta forms part of this Notice.

Your Board recommends the Special Resolution as set out in Item No 6 for your approval.

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

ITEM NO 7

The appointment of Mr Amit Goenka, son of Dr Subhash Chandra and brother of Mr Punit Goenka, to the Office of Place of Profit as Chief Executive Officer of Asia Today Limited, Mauritius, one of the overseas wholly owned subsidiaries of the Company for a period of three years effective March 1, 2016, was approved by the Shareholders vide resolution passed by Postal Ballot on February 24, 2016 and the current term of the said appointment would expire on February 28, 2019.

The International Broadcasting business of the Company comprises of content creation, broadcasting and distribution of approx. 39 television channels (including 13 dedicated non-Indian language channels) in overseas territories which are managed by direct and indirect overseas subsidiaries of the company. Mr Amit Goenka was appointed as CEO of Asia Today Limited, to facilitate clear strategic alignment for accelerated decision making and growth of International Broadcasting business. During the current tenure, Mr Amit Goenka was instrumental in expanding the reach of International Broadcasting business by launch of various Channels in overseas territories including Zee Sine in Philippines, Zee One in Germany, Zee Mundo in Hispanic Market, Zee Phim in Vietnam, Zee Nung in Thailand, Zee World, Zee Bollynova and Zee Bollymovies in Africa. Mr Goenka also led groups' expansion in Digital business with launch of ZEE5 during FY 2017-18.

Considering the achievements and growth of International Broadcasting business under the leadership of Mr Amit Goenka, approval of the Shareholders is sought for re-appointment of Mr Amit Goenka as CEO of Asia Today Limited at the remuneration as detailed in the Resolution.

Since Mr Amit Goenka, being son of Dr Subhash Chandra, Non-Executive Chairman and brother of Mr Punit Goenka, Managing Director & CEO of the Company, is a related party as per Section 2(76) of the Companies Act, 2013, the proposed re-appointment and payment of remuneration to Mr Amit Goenka, as CEO of Subsidiary, shall be subject to prior approval of unrelated equity shareholders as per Section 188(1)(f) of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014. Accordingly, all related parties of the Company including Promoters and entities forming part of promoter group shall not vote to approve this resolution.

Brief Profile: Mr Amit Goenka, an experienced professional has been associated with Essel Group managing its technology businesses including Cyquator Technologies Limited - a Company engaged in web hosting and e-solution space, Playwin – India's first online lottery etc. Apart from technology led businesses of Essel Group, Mr Goenka was involved in operations of Shirpur Gold Refinery Limited and Essel Utilities – an entity engaged in power distribution. Currently since March 2016, Mr Goenka as Director & CEO of Asia Today Ltd, Mauritius is responsible for the growth and expansion strategy of International Broadcasting Business of the Company.

Other details in connection with said related party transactions are mentioned herein:

Name of Related Party	:	Mr Amit Goenka
Name of Interested Director/ Key Managerial Person & nature of relationship	:	Dr Subhash Chandra – Father of related party Mr Punit Goenka – Brother of related Party
Brief terms of appointment	:	Appointment of Mr Amit Goenka as CEO of Asia Today Limited, Mauritius, a wholly owned overseas subsidiary of the Company, at an annual Salary of USD 564,300 (and any merit based increments from time to time), plus Variable Pay as may be approved by the Board of Asia Today Limited from time to time and other Perquisites and allowances as per the policy of Asia Today Limited.
Other relevant information	:	Nil

Considering achievements and growth of International Broadcasting business under the leadership of Mr Amit Goenka, your Board recommends his re-appointment as CEO of Asia Today Ltd, Mauritius, upon expiry of his current term, with effect from March 1, 2019 at the remuneration as detailed in the Ordinary resolution as set out in Item No 7 for approval of Unrelated Equity Shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Dr Subhash Chandra, Chairman and Mr Punit Goenka, Managing Director and CEO - being related to Mr Amit Goenka, are concerned or interested in the said Ordinary Resolution.

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

Mr Ashok Kurien (DIN 00034035) 68, Non-Executive Director, is one of the Founder associated with the Company since its inception. Mr Kurien has been in the business of building brands for over 35 years, particularly in the fields of media and communications and now Menstrual Hygiene and Water Filters (without electricity) for the poor and marginalized. An early bird, Ashok Kurien has the keen eye of driving start-ups in emerging businesses and guiding them to size and scale, such as TV, DTH, Lottery, PR and Dot coms, where he invested and mentored, which have been resounding success stories. Mr. Kurien, a well-known personality in the Advertising world, founded Ambience Advertising, one of the most formidable creative powerhouse in its first decade. Ambience has come a long way, and was later sold to the Publicis Groupe. He is founder and promoter of various business ventures including Hanmer & Partners, one of India's top-3 Public Relations agencies; Livinguard Technologies, the world's 1st self-disinfecting textiles, as well as a few other internet ventures.

Despite the great heights he's achieved in his career, Mr Kurien has his feet firmly rooted to the ground. He believes in commitment to society and is involved with number of charities, NGOs and social service organizations.

Apart from the Company, Mr Kurien holds directorship in Dish TV India Ltd and Ambience Business Services Pvt. Ltd. As at March 31, 2018 Mr Kurien held 1,268 Equity shares of the Company.

Mr Adesh Kumar Gupta (DIN 00020403) 62, Chartered Accountant, Company Secretary and AMP from Harvard is a professional with rich experience of almost 4 decades in Corporate Strategy, M&A, Business restructuring, Fund raising, Taxation etc. During his distinguished career of over 3.5 decades in Aditya Birla Group, Mr Adesh Kumar Gupta held various senior positions in companies with varied businesses including as Whole-Time Director & CFO of erstwhile Aditya Birla Nuvo Ltd and Grasim Industries Ltd. Post Voluntary retirement from Grasim, Mr Gupta ventured into Business Finance & Corporate Service space as Designated Partner of Probizadvizor & Business Excellence LLP and is also an Insolvency Professional.

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

Apart for the Company Mr Gupta serves as director on the Board of Aditya Birla Insurance Brokers Ltd, Aditya Birla Trustee Company Pvt Ltd, Mukund Security & Investment Limited, Essel Finance Business Loans Limited and Essel Finance AMC Limited. As at March 31, 2018, Mr Adesh Kumar Gupta held 300 Equity Shares and 457 Listed Preference Shares of the Company.

By Order of the Board

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Place: Mumbai
Date: May 10, 2018

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

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Thirty Sixth Annual Report of your Company's business and operations along with the Audited Financial Statements ('Annual Accounts') for the financial year ended March 31, 2018.

1. RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Annual Accounts for the Financial Year 2017-18, your Directors confirm that:

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

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

c. The accounting policies selected were applied consistently and the judgments and estimates related to these annual accounts have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018, and, of the profits of the Company for the year ended on that date;

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

e. Requisite internal financial controls to be followed by the Company were laid down and that such internal financial controls are adequate and operating effectively; and

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

2. FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2018 is summarized below:

(₹ MILLIONS)

	Standalone Year Ended		Consolidated Year Ended	
Particulars	**31.03.2018**	**31.03.17***	**31.03.2018**	**31.03.17***
Revenue from Operations	57,956	50,249	66,857	64,342
Other Income	9,818	3,479	4,403	2,240
Total Income	**67,774**	**53,728**	**71,260**	**66,582**
Total Expenses	**40,463**	**38,047**	**49,431**	**49,802**
Share of Associates / Joint Ventures	-	-	12	(5)
Exceptional Items	-	470	1,346	12,234
Profit Before Tax	**27,311**	**16,151**	**23,187**	**29,009**
Provision for Taxation (net)	8,192	6,467	8,409	6,808
Profit after Tax	**19,119**	**9,684**	**14,778**	**22,201**

Note: * FY 17 results have been restated to incorporate the effect of certain business undertakings vested with the Company as at 31 March 2017 in pursuance of Scheme of Arrangement

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during the Financial Year 2017-18.

3. DIVIDEND

Equity Shares

In accordance with the Dividend Distribution Policy adopted by your Board and available on the website of the Company www.zeeentertainment.com, your Directors recommend payment of Equity Dividend of ₹ 2.90 per equity share of ₹ 1/- each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as at the Record Date i.e. July 10, 2018. The outflow on account of equity dividend and the tax on such dividend distribution, based on current Paid-up Equity Share Capital of the Company would aggregate to ₹3357.87 million, resulting in payout of 25% of the Consolidated Net Profits for the Financial year 2017-18.

Preference Shares

In accordance with the terms of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares issued as Bonus in 2014 (Bonus Preference Shares) and Unlisted Series B – 6% Cumulative Redeemable Non-Convertible Preference Shares issued in accordance with the Scheme (Unlisted Series B Preference Shares), the Company had remitted an aggregate Preference Dividend of ₹ 1194.54 Million, comprising of:

- Pro-rata Preference Dividend of ₹ 0.11145 on the redemption value of ₹ 2 per Bonus Preference Share for the period from April 1, 2017 till Redemption date;
- Preference Dividend of ₹ 0.48 per share for FY 2017-18 on the Bonus Preference Shares of ₹ 8 per share post redemption; and
- Pro-rata Preference Dividend of ₹ 0.41 per share on the Unlisted Series B Preference Shares of ₹ 10 each for the period from date of allotment till March 31, 2018

4. BUSINESS OVERVIEW

During fiscal 2018, your Company delivered another strong year of performance despite certain challenges and uncertainties in the macro-environment. The advertising revenues were impacted in the first half due to disruptions caused by implementation of Goods and Services Tax (GST) - an unified taxation regime, which led to cut-back in ad spends by advertisers. However, FMCG and other consumer discretionary categories launched new products and stepped up their spending on campaigns and activations during the second half of the fiscal, aiding the growth of advertising revenues. On the subscription business, TRAI's tariff order on MRP based channel distribution and the lack of clarity on the status of this regulation resulted in temporary delays in monetization in newly digitized Phase III markets for the broadcasters, besides the exit of a DTH player affecting the subscription growth for the industry. Overall, as per FICCI-EY report, the Indian Media and Entertainment (M&E) industry registered a growth of 12.6% in CY17, reaching ₹1,473 billion in size and is forecasted to register 11.3% CAGR over the next three years with all segments of M&E industry registering growth over this period.

FY18 was an eventful year for your company. On completion of 25 years of broadcast operations, your Company adopted a refreshed brand philosophy of 'Extraordinary Together' with new brand logos across all business verticals and the initiative was accompanied by iconic 360° marketing campaigns, enhancing the brand equity and brand recall significantly.

ZEE5 – your Company's new OTT offering in digital space, was launched with 100,000+ hours of content across genres in 12 languages. The initial response has been encouraging and your Company plans to significantly ramp-up original content production for usage in the platform in fiscal 2019. In the domestic broadcast business, your company was the #1 player in the non-sports entertainment segment with an all-India viewership share of 18%. This was led by strong performance by the flagship channel – Zee TV, market share gains in regional channels portfolio and integration of two channels of RBNL.

During the year under review:

- Zee TV was the number one Hindi GEC, with 200 bps increase in market share;
- Zee Anmol and the portfolio of Hindi movie channels continued to be leader in their respective categories;
- Zee Marathi, Sarthak and Big Ganga in regional channels space maintained their leadership positions and other regional channels such as Zee Telugu, Zee Bangla, Zee Tamil and Zee Kannada witnessed market share gains and most of the channels narrowed gap with the leader;
- &Privé HD was launched as a premium English movie channel which quickly climbed to be the #1 position since launch;
- Zee Studios, the movie production business, released 10 movies across three languages – Hindi, Marathi and Punjabi, all of which were received well at the box office. 'Mom' won the National Award for Best Actor – Female;
- Zee Music Company continued to expand its music catalogue across languages and the music label has gained strong traction in just four years of its launch and is already the #2 music channel by subscribers on YouTube; and
- In the international business, your Company expanded the reach of its channels across geographies and has entered into new distribution partnerships in markets like USA and MENAP to gain a wider audience. In select markets like UK, the channels moved to the basic pack of some of our distributors. These initiatives have helped to increase the reach of ZEEL's content to 578 million people across 170+ countries.

5. CORPORATE RESTRUCTURING

During the year under review, your Company:

- Acquired the General Entertainment Broadcasting business of Reliance ADAG group housed under Reliance Big Broadcasting Pvt Ltd, Big Magic Limited and Azalia Broadcast Private Limited, in pursuance of a Composite Scheme of Arrangement approved by the Mumbai Bench of Hon'ble National Company Law Tribunal vide order passed on July 13, 2017. The said Scheme *inter alia* provided for Demerger of 6 (six) Television Channels of Reliance ADAG group companies viz. Big Magic (Hindi GEC in Comedy genre), Big Ganga (Regional Channel in Bhojpuri language), Big Magic Punjab (Regional channel in Hindi), Big Magic HD, Big Gaurav and Big Thrill vesting with the Company with effect from Appointed Date of March 31, 2017. This acquisition enabled the Company to expand its portfolio of the Channels into newer genres; and
- Consolidated certain businesses carried on by some of the Domestic Subsidiaries in pursuance of a Composite Scheme of Arrangement and Amalgamation *inter alia* for (a) Demerger of Demerged Undertakings (as defined in the Scheme) of Zee Digital Convergence Limited, India Webportal Pvt Ltd and Zee Unimedia Limited vesting with the Company; and (b) Amalgamation of Sarthak Entertainment Pvt Ltd with the Company, with effect from Appointed Date of April 1, 2017. The said

Composite Scheme of Arrangement and Amalgamation was approved by the Mumbai bench of Hon'ble National Company Law Tribunal vide order passed on April 11, 2018 and became effective on and from May 3, 2018. The consolidation of the businesses of the Domestic Subsidiaries in pursuance of the Scheme is expected to enable efficient cash flow management, better tax efficiency and avoidance of duplication of administrative overheads.

The effect of above Scheme(s) have been given in the Audited Financial Statements of the Company for FY 2017-18 and accordingly as required under Indian Accounting Standards, the Financial Statements for the previous financial year 16-17 has been restated to make it comparable.

6. CAPITAL STRUCTURE

During the year under review, your Company had:

- Issued and allotted 39,49,105 – Unlisted 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each (Series B Preference Shares), on July 24, 2017, as consideration in pursuance of the Composite Scheme of Arrangement for acquisition of General Entertainment Broadcasting Business of Reliance ADAG group entities;
- Redeemed 20% of Nominal value of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each (Bonus Preference Shares) on the 4th anniversary of its issuance as per the terms of the issue, resulting in outflow of ₹ 4033.88 Million towards redemption at the rate of ₹ 2 per Preference Share. As required under Section 55 of the Act, the amount equivalent to Redemption value was credited to Capital Redemption Reserve Account of the Company. Further pursuant to the provisions of Income Tax Act, 1961 the said redemption amount paid was treated as Dividend pay-out and accordingly was subjected to payment of Dividend Distribution Tax by your Company; and
- Issued and allotted 4,900 Equity Shares of ₹ 1 each upon exercise of options granted under Company's ESOP Scheme.

Consequent to the above issuance/redemption, the Paid-up Share Capital of the Company as at March 31, 2018 stood at ₹ 17,135,483,166/- comprising of 960,453,620 Equity shares of ₹ 1/- each; 2016,942,312 of Bonus Preference Shares of ₹ 8/- each; and 3,949,105 Unlisted Series B Preference Shares of ₹ 10/- each.

Subsequent to closure of the financial year, your Company had issued and allotted 9,450 Equity Shares of ₹ 1 each upon exercise of stock options granted under the ESOP Scheme.

During the year under review, Brickwork Ratings India Private Ltd had re-affirmed the rating assigned to the Bonus Preference Shares of the Company, at 'BWR AAA' which denotes that the instruments with this rating are considered as having highest degree of safety regarding timely servicing of financial obligations.

7. SUBSIDIARIES & JOINT VENTURES

As at March 31, 2018 your Company had 29 Subsidiaries (28 Subsidiaries as on March 31, 2017), 2 Associates (3 as at March 31, 2017) and 1 Joint Venture Company (1 as at March 31, 2017).

Your Board confirms that as at March 31, 2018, none of the Subsidiaries of the Company qualifies to be considered as Material Subsidiary as per SEBI Listing Regulations and Company's policy on determining Material Subsidiary.

International Operations: As at March 31, 2018, the International Operations of the Company are carried out through 21 direct and indirect subsidiaries (21 as at March 31, 2017).

During the year under review:

- Zee Studio International Limited, Canada, a step-down wholly owned overseas subsidiary of the Company through ATL Media Limited, Mauritius, incorporated a wholly owned subsidiary in the Province of British Columbia in the name of Pantheon Productions Limited;
- Zee Radio Network Middle East FZ LLC, a Step down wholly owned overseas subsidiary of Company through Asia Today Limited, Mauritius was de-registered and ceased to exist with effect from December 23, 2017;
- The second phase of Sale of Sports Broadcasting business, housed under erstwhile domestic subsidiary Taj Television (India) Pvt Ltd and overseas step down subsidiary Taj TV Ltd, Mauritius, to Sony group was concluded upon receipt of aggregate consideration of USD 366.32 Million, after certain adjustments as per terms of Agreement;
- Taj TV Ltd, Mauritius - a wholly owned step-down overseas subsidiary, bought back 12,150 Ordinary Shares of USD 1000 each held by its Holding Company ATL Media Limited, Mauritius at an aggregate consideration of USD 111.59 Millions and consequently the paid-up capital of Taj TV Ltd stood reduced to 4,800 Ordinary Shares of USD 1000 each held entirely by ATL Media Limited; and
- ATL Media Limited - a wholly owned overseas subsidiary, redeemed Preference Shares of USD 110.5 Million held by the Company and remitted the redemption amount along with Preference Dividend of USD 8.66 Million. Additionally, ATL Media Limited, remitted Equity Dividend(s) aggregating to USD 118.51 Million during the year to the Company.

India Operations: As at March 31, 2018, the Company had 8 direct and indirect domestic subsidiaries (7 as at March 31, 2017).

During the year under review your Company acquired:

- Balance 49% equity stake in India Webportal Private Limited - a Joint Venture entity, from its existing shareholders thereby making it a Wholly Owned Subsidiary of the Company;
- Balance 51% equity stake in Fly-By-Wire International Private Limited - an associate entity, from its existing shareholders, thereby making it a wholly owned subsidiary of the Company;
- 80% equity stake in Margo Networks Private Limited, a technology start-up which has developed a technology to set-up server and compute infrastructure which will enable content consumption and has the potential to significantly drive-up the digital content consumption scenario;
- 12.5% stake (on fully diluted basis) in Tagos Design Innovations Pvt Ltd, a technology start-up engaged in development of in-video discovery platform, with an intent to expand digital platforms for the Media content.

Further, in pursuance of the Composite Scheme of Arrangement and Amalgamation approved by Hon'ble National Company Law Tribunal vide order passed on April 11, 2018,

- Sarthak Entertainment Pvt Ltd - a wholly owned subsidiary merged with the Company and dissolved without winding-up with effect from Appointed Date of April 1, 2017; and

- Certain business undertakings of the wholly owned subsidiaries viz. Zee Digital Convergence Limited, Zee Unimedia Limited and India Webportal Pvt Ltd stood demerged and vested with the Company and your Company's investment in these wholly owned subsidiaries stood reduced, consequent to reduction of the paid-up capital of these subsidiaries to reflect the remaining business after such demerger.

Apart from the above, no other Subsidiary / Joint-venture / Associate was acquired or divested during the financial year 2017-18. In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all the subsidiaries in Form AOC-1 is annexed to this report as Annexure A.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements including the consolidated financial statements and related information of the Company and audited accounts of each of the subsidiaries are available on the website of the Company www.zeeentertainment.com These documents will also be available for inspection during business hours on all working days (except Saturday) at the Registered Office of the Company.

Your Company has obtained a certificate from its Statutory Auditors certifying that the Company is in compliance with the FEMA regulations with respect to the downstream investments made during the year under review.

8. EMPLOYEE STOCK OPTION SCHEME

In pursuance of ZEEL ESOP Scheme 2009, during the year under review the Nomination and Remuneration Committee had granted 18,900 Stock Options to Mr Punit Misra, CEO – Domestic Broadcast Business, resulting in aggregate grant of 28,700 Stock Options to Mr Punit Misra as at March 31, 2018. The said Stock Options are convertible into equivalent number of Equity Shares upon payment of Exercise Price of ₹ 1/- per share by the Option Grantee. Accordingly, as per the terms of grant and upon exercise of vested Stock options by Mr Punit Misra, 4,900 Equity Shares were issued and allotted to him during FY 17-18 and 23,800 unvested Stock Options were outstanding as at March 31, 2018.

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

Subsequent to closure of the financial year, the Nomination and Remuneration Committee approved grant of 17,300 additional Stock Options to Mr Punit Misra on similar terms and had issued and allotted 9,450 Equity Shares to Mr Punit Misra upon exercise of options vested in April 2018.

9. CORPORATE SOCIAL RESPONSIBLITY

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

During the year under review, CSR Committee approved commitment to CSR projects spends aggregating to ₹ 293.90 Million in the spheres of education, citizen empowerment, community development, and preservation of cultural and national heritage. The said commitment *inter alia* included 2 long term CSR projects requiring need/milestone based funding staggered over a period of 2 years, which includes

a. An Education and Skill development project taken up by Subhash Chandra Foundation, by expanding the Community Empowerment Platform Sarthi to the States of Bihar and Jharkhand. The said project was established last year as Pilot run in the States of Madhya Pradesh and Chattisgarh with focus on education, skill development & alternate livelihood, and had a good impact on the society wherein Sarthi partnered with 434 organizations to increase its reach. Based on learnings during the pilot run, Subhash Chandra Foundation proposed to expand the platform to the States of Bihar and Jharkhand at a project cost of ₹ 215 Million committed by your Company and required to be funded in tranches over a period of 2 years.

b. An Integrated Rural Development Project taken up by Subhash Chandra Foundation in collaboration with Ekal Gramothan Foundation by setting up a Gramothan Resource Centre (GRC) which will serve around 100 surrounding villages by facilitating creation of self-sustainable opportunities, enhance farm productivity, promote and support rural micro-entrepreneurs and help arrest migration. As part of the project Subhash Chandra Foundation proposes to set-up a GRC in Haryana at a project cost of ₹ 50 Million committed by your Company and required to be funded in tranches over a period of 2 years.

During the year under review, as against the committed and approved CSR spend of ₹ 293.90 Million, your Company had released an aggregate of ₹ 68.90 Million and the balance amounts would be spent/remitted towards long term CSR Projects mentioned above over a period of next financial year from out of the CSR budget of FY 17-18.

Annual report on Corporate Social Responsibility activities initiated by the Company during the year under review, in compliance with the requirements of Companies Act, 2013, is annexed to this report as Annexure C. The said Annual Report on CSR activities for FY 17-18, does not include CSR spend of ₹ 2.50 Million by Sarthak Entertainment Pvt Ltd, which got amalgamated with the Company with effect from April 1, 2017, for promoting an integrated Agri-rural development project in the State of Haryana.

10. CORPORATE GOVERNANCE AND POLICIES

In order to maximize shareholder value on a sustained basis, your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), applicable provisions of Companies Act, 2013 and applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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

In compliance with the requirements of Companies Act, 2013 and Listing Regulations, your Board has approved various Policies including Code of Conduct for Directors & Senior Management, Material Subsidiary Policy, Insider Trading Code, Document Preservation Policy, Material Event Determination and Disclosure Policy, Fair Disclosure Policy, Corporate Social Responsibility Policy, Whistle Blower and Vigil Mechanism Policy, Related Party Transaction Policy, Remuneration Policy and Dividend Distribution Policy. These policies & codes along with the Directors Familiarization Program and Terms and Conditions for appointment of Independent Directors have been uploaded on Company's corporate website and can be viewed on https://www.zeeentertainment.com/investors/investor-governance.

In compliance with the requirements of Section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board which *inter alia* include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. The Committee had also approved in-principle that the initial term of an Independent Director shall not exceed 3 years.

11. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year there has been no change in the constitution of your Board which comprises of 8 Directors including 4 Independent Directors, an Executive Director and 3 Non-Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2017-18 your Board met 8 (eight) times details of which are available in Corporate Governance Report annexed to this report.

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

The Notice of ensuing Annual General Meeting includes a proposal seeking Members approval by way of Special Resolution for re-appointment of Mr Adesh Kumar Gupta as an Independent Director for the second term of 3 years from expiry of his current term on December 29, 2018. Your Company has received a notice from a Members proposing such re-appointment of Mr Adesh Kumar Gupta as Independent Director for second term and based on performance evaluation process and communication received from Mr Adesh Kumar Gupta confirming that he continues to meet the criteria of Independence, your Board recommends his re-appointment as an Independent Director for the second term of 3 years upon expiry of the current term on December 29, 2018.

During the year under review, consequent to Mr Mihir Modi moving to handle other functions within the group, Mr Bharat Kedia was appointed as Chief Financial Officer of the Company with effect from August 1, 2017. Accordingly, the Key Managerial Personnel of the Company as at March 31, 2018 comprised of Mr Punit Goenka, Managing Director & CEO, Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary and Mr Bharat Kedia, Chief Financial Officer.

Subsequent to closure of FY 2017-18, Mr Bharat Kedia resigned as Chief Financial Officer of the Company with effect from the close of business on April 28, 2018 and pending appointment of new Chief Financial Officer by the Board, the finance functions of the Company are currently being discharged by Mr Sundeep Mehta, Finance Controller.

12. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the evaluation of annual performance of the Directors / Board / Committees was carried out for the financial year 2017-18. The details of the evaluation process are set out in the Corporate Governance Report annexed to this Report.

13. BOARD COMMITTEES

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

14. AUDITORS

Statutory Audit:

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

Secretarial Audit:

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

The reports of M/s Deloitte Haskins & Sells LLP., Chartered Accountants as Statutory Auditors and M/s Vinod Kothari & Co. Company Secretaries as Secretarial Auditor forming part of this Annual report do not contain any qualification, reservation or adverse remarks. During the year under review the Statutory Auditors had not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

Cost Audit:

In compliance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, M/s Vaibhav P Joshi & Associates, Cost Accountants, (Firm Registration No. 101329) was engaged to carry out Audit of Cost Records of the Company for Financial Year 2017-18. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2017-18 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

15. HUMAN RESOURCES & PARTICULARS OF EMPLOYEES

Being in the business of creativity, your Board believes that people are the ultimate differentiators in your Company and efforts are taken to attract, develop and retain employees. In order to ensure sustainable business growth and become future ready, your Company over the years has been focusing on strengthening its talent management, performance management & employee engagement processes. Employees of your Company are trained to drive values and they believe, live and demonstrate the 7 core values of the company - namely Customer First, Go for Big Hairy Audacious Goals (BHAG), Be Frugal, Respect Humility and Integrity, Speed and Agility, Solve big Problems, and Accountability for Results. During the year, your Company has moved on to build a high-trust, high-performance culture and as a result has been ranked amongst the top 100 'India's Best Companies to Work For 2017' as well amongst the Best Company to work for in the Media Industry, in a study conducted by Great Place to Work® Institute and The Economic Times. Your company has been institutionalizing the people philosophy framework "SAMWAD" (Effective Conversation) to ensure that, as part of the key objectives, people managers deliver on organization's expectations of managing outcome and developing people by focusing on their talents. Your company continues to build talent pipeline by engaging and hiring fresh talent from renowned campuses, building capabilities in key business functions through training and development initiatives, breaking the barriers of communication, building a culture of appreciation, recognizing top talent and offering a seamless employee experience by migrating to SAP's SuccessFactors Human Capital Management (HCM). As on March 31, 2018, your Company had 1776 employees.

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

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

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

Conservation of Energy

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

Technology Absorption

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

The new technology initiatives by your Company span across production, transmission and distribution of content which ensures unparalleled high-quality content delivery with the lowest time to air across any network in India. Production of content for premium channels is based on use of 4K equipment and the transmission networks are upgraded to use high efficiency modes, with near doubling of capacities across its multiple satellite leases which reflect in customer perceived video quality (PVQ) on its channels. Most of the distribution network of your Company has been revamped with the use of very high grade professional multichannel decoders which match the changing ground paradigm of agglomeration of networks, and larger DTH and MSO networks delivering content to millions of digital customers.

Foreign Exchange Earnings & Outgo:

During the Financial Year 2017-18 the Company had Foreign Exchange earnings of ₹ 9,789 Millions (which includes ₹ 7,816 Millions being the Dividend received from an overseas Subsidiary) and outgo of ₹ 566 Millions.

17. DISCLOSURES

i. **Particulars of loans, guarantees and investments:** Particulars of loans, guarantees and investments made by the Company as required under section 186 (4) of the Companies Act, 2013 and the Listing Regulations are contained in Note No. 37 to the Standalone Financial Statements.

ii. **Transactions with Related Parties:** All contracts/arrangements/ transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. During FY 2017-18, there are no materially significant Related Party Transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

iv. **Internal Financial Controls and their adequacy:** Your Company has adequate internal financial controls and processes for orderly and efficient conduct of the business including safeguarding of assets, prevention and detection of frauds and errors, ensuring accuracy and completeness of the accounting records and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically and at the end of each financial year.

Your Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles in India.

v. **Deposits & Unclaimed Dividend/Shares:** Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013.

During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company for financial year 2009-10, both interim and Final, aggregating to ₹ 2.28 Million was transferred to Investors Education and Protection Fund.

Additionally, in compliance with the requirements of The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) as amended, your Company had during the year under review transferred 113,370 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority. The said Unclaimed Dividend and/or the Equity Shares can be claimed by the Shareholders from IEPF authority after following process prescribed in IEPF Rules.

vi. **Extract of Annual Return:** The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 is annexed to this report as Annexure E.

vii. **Sexual Harassment:** Your Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted 8 Internal Complaints Committee functioning at various locations to redress complaints regarding sexual harassment.

During the year under review, 3 (three) complaints were received by the Company and were investigated in accordance with the procedure and resolved.

viii. **Regulatory Orders:** No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and Company's operations in future.

18. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2018

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement containing salient features of the financial statement of subsidiaries/associates/joint ventures as per the Companies Act, 2013 for the year ended 31 March 2018
Part 1: Subsidiaries

(₹ Millions)

Name of the subsidiary	Date of Acquisition	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Other than Subsidiary)	Turnover	Profit / (Loss) before Taxation	Provision for taxation	Profit / (loss) after taxation	Proposed Dividend	Mode and % of shareholding
Zee Turner Limited	31-Dec-01	INR	1	52	118	65	25	-	0	(5)	5	-	74%
Essel Vision Productions Limited	10-Sep-10	INR	130	(262)	5,451	5,583	-	4,034	(506)	21	(527)	-	100%
ZEE Digital Convergence Limited	23-Sep-04	INR	300	(306)	81	87	-	21	(5)	-	(5)	-	100%
Zee Unimedia Limited	01-Apr-16	INR	100	(66)	53	19	-	17	9	1	8	-	100%
Margo Networks Private Limited	17-Apr-17	INR	1	676	736	59	540	-	(70)	1	(71)	-	80%
Fly by Wire International Private Limited !	14-Jul-17	INR	20	62	539	457	5	342	92	40	53	-	100%
India Webportal Private Limited ##	10-Dec-10	INR	1	3	19	15	-	166	(81)	-	(81)	-	100%
Idea Shopweb and Media Private Limited (wef 22 July 2017) ##	01-Oct-15	INR	0	(5)	1	6	-	10	(4)	-	(4)	-	51.04%
Zee Multimedia Worldwide (Mauritius) Limited	10-Jun-11	USD	3,689	1,542	5,232	1	-	-	112	3	109	-	100%
Zee TV USA Inc. $	30-Sep-99	USD	65	(65)	-	-	-	-	-	-	-	-	100%
Asia TV Limited &	30-Sep-99	GBP	1,495	(442)	2,341	1,288	-	1,846	105	25	80	-	100%
OOO Zee CIS Holding LLC **	06-Feb-09	RUB	-	-	-	-	-	-	-	-	-	-	100%
OOO Zee CIS LLC **	26-Feb-09	RUB	0	18	35	17	-	26	(13)	-	(13)	-	100%
Asia Multimedia Distribution Inc. **	26-May-14	CAD	0	18	290	272	-	200	10	2	8	-	100%
Zee TV South Africa (Proprietary) Limited**	30-Sep-99	ZAR	0	(255)	128	383	-	211	7	-	7	-	100%
Asia TV USA Limited**	9-Nov-15	USD	0	131	2,879	2,748	-	2,148	82	(0)	82	-	100%
ATL Media Ltd	31-Mar-00	USD	0	13,479	18,985	5,506	5,395	2,117	11,990	131	11,859	-	100%
Expand Fast Holdings (Singapore) Pte Limited ^	30-Sep-99	USD	4	133	137	0	-	95	4	0	4	-	100%
Taj TV Limited ^	22-Nov-06	USD	312	2,569	3,360	479	-	218	1,748	13	1,735	-	100%
Asia Today Limited ^	19-Jan-06	USD	6	910	9,119	8,203	191	2,463	344	6	338	-	100%
Asia Today Singapore Pte Limited &	30-Dec-15	USD	65	(50)	168	153	2	483	25	3	22	-	100%
Zee Technologies (Guangzhou) Limited &&	11-Jul-06	YUAN	117	(192)	2	77	-	-	(10)	-	(10)	-	100%
Zee Entertainment Middle East FZ-LLC &	04-Sep-05	AED	44	1,799	2,079	236	-	1,938	587	-	587	-	100%
ATL Media FZ-LLC &	12-Feb-14	AED	1	(232)	846	1,077	-	206	(77)	-	(77)	-	100%
Zee Radio Network Middle east FZ - LLC (upto 23 Dec 2017) &	04-Sep-16	AED	1	-	1	-	-	1	0	-	0	-	100%
Zee Studio International Limited ^	20-Mar-17	CAD	0	(11)	63	74	-	-	(15)	(4)	(11)	-	100%
Z5X Global FZ - LLC &	20-Dec-16	AED	1	(313)	840	1,152	65	-	(283)	-	(283)	-	100%
Asia TV Gmbh **	21-Mar-16	EUR	1	4	103	98	-	480	4	1	3	-	100%
Pantheon Production Limited	29-Mar-18	CAD	-	-	-	-	-	-	-	-	-	-	100%
Eevee Multimedia Inc. #	08-Jul-13	USD	16	(78)	2	64	-	-	(2)	0	(2)	-	100%

^ Held through ATL Media Limited, ** Held through Asia TV Limited, & Held through Asia Today Limited, && Held through Asia Today Singapore Pte Limited, # Held through Essel Vision Productions Limited, $ Held through ZMWL, ! Associates upto 13 July 2017, ## Joint Venture upto 21 July 2017, As on 31 March 2018 PL Rate 1 USD = ₹ 64.470, 1 MUR = ₹ 1.903, 1 YUAN = ₹ 9.728, 1 AED = ₹ 17.528, 1 ZAR = ₹ 4.960, 1 GBP = ₹ 85.415, 1 RUB = ₹ 1.114, 1 CAD = ₹ 50.234. As on 31 March 2018 BS Rate 1 USD = ₹ 64.948, 1 MUR = ₹ 1.933, 1 YUAN = ₹ 10.340, 1 AED = ₹ 17.659, 1 ZAR = ₹ 5.492, 1 GBP = ₹ 90.964, 1 RUB = ₹ 1.136, 1 CAD = ₹ 50.347

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

(₹ Millions)

Name of Associates/Joint Ventures	Date of Acquisition	Shares of Associate/Joint Venture held by the company on the year end				Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate/joint venture is not consolidated
		Latest audited balance Sheet Date	Numbers	Amout of Investment in Associates/Joint Venture	Extent of Holding %		Considered in Consolidation	Not Considered in Consolidation		
Aplab Limited#	17-Nov-06	31-Mar-18	1,321,200	47	26.42%	-	-	(56)	Refer Note A	-
Asia Today Thailand Limited	05-May-14	31-Mar-18	10,000	2	25%	2	1	-	Refer Note A	-
Media Pro Enterprise India Private Limited	29-Jun-11	31-Mar-18	2,500,000	25	50%	187	30	-	Refer Note B	-

The investments is zero as share of networth is negative, Note A :- There is significant influence due to percentage (%) of Share Capital
Note B :- There is joint control by virtue of Joint Control Agreement

For and on behalf of the Board of Directors

Adesh Kumar Gupta
Director

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date: May 10, 2018

ANNEXURE 'B' TO DIRECTORS' REPORT

Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated July 16, 2015:

Sr	Particulars	Details
1	Relevant disclosures in terms of the Guidance Note on Accounting for employees share-based payments issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	Refer Note 16 (v) of standalone financial statements for the year ended March 31, 2018.
2	Diluted EPS on issue of shares pursuant to all the Schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earning Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Diluted EPS as per Indian Accounting Standards-33 is ₹19.91 (Refer Note 44 of Standalone financial statements)
3	**Details relating to ESOS**	
i	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS including:	Presently the Company has only one Employee Stock Option Scheme namely ZEEL ESOP Scheme 2009, which was amended on October 25, 2016 to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 and to provide flexibility to the Nomination & Remuneration Committee for determination of exercise price.
	a. Date of Shareholders approval	August 18, 2009
	b. Total No. of Options approved under ESOP	21,700,355 Stock Options which were later enhanced to 43,400,710 in view of Bonus issue in 2010 in the ratio of 1:1.
	c. Vesting Requirements	Options granted under ZEEL ESOP Scheme 2009 would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and /or its Subsidiary companies and thus the options would vest on passage of time. In addition to this, the Nomination & Remuneration Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.
	d. Exercise Price or pricing formula	The exercise price shall be equal to the closing market price on the day previous to the grant date or such other price (minimum being the value equivalent to face value of ₹ 1/- per equity share) as may be decided by the Nomination & Remuneration Committee
	e. Maximum term of Options granted	Options granted under ESOP 2009 shall be capable of being exercised within a period of four years from the date of Vesting of the respective Stock Option
	f. Source of shares (primary, secondary or combination)	Primary
	g. Variation in terms of Options	None
ii	Method used to account for ESOS – Intrinsic or Fair value	Fair Value
iii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable as the Company has accounted for the Stock Option at Fair Value using the Black-Scholes-Merton Model based on assumptions detailed in Note 16 (v) to the Notes to standalone financial statements for FY 2017-18
iv	Option movement during the year	
	Number of options outstanding at the beginning of FY 17-18	9,800
	Number of Options granted during FY 17-18	18,900

Sr	Particulars	Details
	Number of options forfeited / lapsed during FY 17-18	Nil
	Number of options vested during FY 17-18	4,900
	Number of options exercised during FY 17-18	4,900
	Number of shares arising as a result of exercise of options	4,900 Equity shares
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 4,900/-
	Loan repaid by the Trust during the year from exercise price received	Not Applicable
	Number of options outstanding at the end of FY 17-18	23,800
	Number of options exercisable (vested) at the end of FY 17-18	Nil
v	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	During FY 2017-18, the Company had granted 18,900 Options at an exercise price of ₹ 1/- per Option and the Fair Value of these options as per Note 16 (v) to standalone financial statements is ₹ 529/- per Equity Share. In view of this weighted average Exercise Price is ₹ 1/- and weighted average Fair Value is ₹ 526/-
vi	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to (a) Senior Managerial Personnel; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	(a) & (b) Mr Punit Misra, CEO – Domestic Broadcast Business No of Options granted – 18,900 Exercise Price – ₹ 1/- (c) Not Applicable
vii	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information viz. (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Refer Note 16 (v) to the Notes to standalone financial statements for FY 2017-18 for description of method and significant assumptions used to estimate fair value of Options granted during FY 17-18.

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2018

ANNEXURE 'C' TO DIRECTORS' REPORT

Annual Report On Corporate Social Responsibility (CSR)

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Women Empowerment and Sports. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on www.zeeentertainment.com
2	The Composition of the CSR Committee	The CSR Committee of the Board comprises of 3 Directors. Mr Subodh Kumar, Non-Executive Director is the Chairman of the Committee while Prof Sunil Sharma, Independent Director & Mr Punit Goenka, Managing Director & CEO are its Members
3	Average net profit of the Company for last three financial years	₹ 14,630.33 Million
4	Prescribed CSR expenditure (two percent of the average net profits for last three years)	₹ 292.61 Million
5	Details of CSR spent during FY a) Amount to be spent in FY 2018 (including unspent amount for FY 2016-17) b) Amount spent c) Unspent amount d) Areas where spent	₹ 293.55 Million ₹ 68.90 Million ₹ 224.65 Million As detailed herein

CSR Projects or Activities Identified	Sector in which the project is Covered	Projects or Programs Local area or other, specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Millions)	Amount spent on the projects or programs (₹ Millions)	Cumulative expenditure upto the reporting period (₹ Millions)	Amount spent Direct or through implementing Agency
Education & Skill Development	Funding of CSR project for expansion of Community empowerment platform named Sarthi	Bihar & Jharkhand	215.00	40.00	40.00	Subhash Chandra Foundation
Educational Infrastructural Development	Part funding of CSR project for development of facilities for promotion of Education	New Delhi	17.80	17.80	57.80	Subhash Chandra Foundation
Development of Art and Culture	Part funding of CSR project for establishing facilities for development of Traditional Arts and Culture	Udaipur, Rajasthan	11.10	11.10	68.90	Subhash Chandra Foundation

CSR Projects or Activities Identified	Sector in which the project is Covered	Projects or Programs Local area or other, specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ Millions)	Amount spent on the projects or programs (₹ Millions)	Cumulative expenditure upto the reporting period (₹ Millions)	Amount spent Direct or through implementing Agency
Integrated Rural Development	Funding of CSR project for establishing Integrated Rural Development Centre to assist surrounding Rural areas	Haryana	50.00	-	68.90	Subhash Chandra Foundation
Total			**293.90**		**68.90**	

6	Reason for not spending entire CSR amount	While the CSR Committee had approved commitment of CSR spends aggregating to ₹ 293.90 Million, in line with the CSR spend required to be made by the Company during FY 2017-18, the said commitment included two long term CSR projects requiring need / milestone based funding staggered over a period of 2 years. While the need/milestone based funding during FY 2017-18 were made from time to time, entire amount required to be spent on CSR during FY 17-18 could not be spent.

The CSR committee hereby certifies that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Subodh Kumar
Non-Executive Director

Punit Goenka
Managing Director and CEO

Place : Mumbai
Date : May 10, 2018

ANNEXURE 'D' TO DIRECTORS' REPORT

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

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

Name of Director/ Key Managerial Person	Remuneration (₹ Millions)	% increase in Remuneration	Ratio of Directors remuneration to Median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of Turnover	% of net Profit before tax
Non-Executive Directors $					
Subhash Chandra	2.75	25%	3:1	NA	NA
Ashok Kurien	2.75	25%	3:1	NA	NA
Sunil Sharma	2.75	25%	3:1	NA	NA
Neharika Vohra	2.75	25%	3:1	NA	NA
Manish Chokhani	2.75	25%	3:1	NA	NA
Adesh Kumar Gupta	2.75	25%	3:1	NA	NA
Subodh Kumar	2.75	25%	3:1	NA	NA
Executive Director					
Punit Goenka	103.44	9%	99.1	0.18	0.38
Key Managerial Personnel					
Mihir Modi @	12.41	13%	NA	0.02	0.05
Bharat Kedia #	10.53	NIL	NA	0.02	0.04
M Lakshminarayanan	17.50	8%	NA	0.03	0.07

Note:
$ Non-Executive Directors remuneration represents Commission payable for FY 2017-18. During last FY the Company had provided Commission of ₹ 2.20 Million to each Non-Executive Director and the increase in Commission to Non-Executive Directors has been worked out on annualized basis.
@ Resigned as CFO w.e.f. August 1, 2017
# Appointed as CFO w.e.f. August 1, 2017

Sr	Requirement	Disclosure
1	The percentage increase in median remuneration of employees in FY 17-18	9.2%
2	Number of permanent employees on the rolls of the Company	1776
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 11% while the average increase in managerial remuneration during the year was 9%
4	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company

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

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

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Anuj Talukder	43	President - Zee Live	15,317,644	BA - Economics	19	13-May-2016	VMOBO INC
2	Anurag Bedi	41	Cluster Head, Niche Channels & Zee Music Company	16,328,758	2nd Mates License in Nautical Sciences	17	5-Feb-2007	Star India Pvt. Ltd.
3	Atul Das	50	President - Affiliate Revenues & Distribution	20,665,004	B.Com, MMS	25	1-May-2016	Taj Television (India) Pvt Ltd
4	Avnindra Mohan	57	President – Legal	23,517,119	B.Com (H), FCA, LLB, GMP -IIM (Kozhikode), PG Diploma in Business Finance	33	1-Apr-2015	Essel Corporate Resources Pvt. Ltd.
5	M. Lakshminarayanan	55	Chief Compliance Officer & Company Secretary	17,495,460	B.Com, ACS	35	19-Jan-2006	BPL Power Projects Ltd.
6	Punit Goenka	43	Managing Director & CEO	103,438,462	B.Com	20	1-Apr-1998	ASC Enterprises Ltd.
7	Punit Misra	47	CEO - Domestic Broadcast	51,201,503	MCA, BE	23	1-Oct-2016	Hindustan Unilever Ltd.
8	Raghavendra Hunsur	32	Business Head, Zee Kannada	10,924,716	BA	14	5-May-2014	ETV Kannada
9	Sharada Sunder	51	Cluster Head - RHSM Channels	18,220,613	B Com, CA	25	3-Sep-2010	Real Global Broadcasting
10	Siju Prabhakaran	44	Cluster Head - South	16,518,510	B Tech, MBA Marketing	19	27-Sep-2004	UTV Software Communication Ltd.
11	Sujoy Sen	54	Head - DTH Business	12,639,327	B.Sc (Hons), PGDBM	31	1-May-2014	Mediapro Enterprise India Pvt. Ltd.
12	Syed Ali Zainul Abedeen Zaidi	46	Business Head - Café Chain	12,849,986	B Com	20	17-Aug-2007	Star India Pvt. Ltd.
13	Viresh Dhaibar	56	Chief Legal Counsel -Distribution Business	12,766,096	B.Com, M.Com, LLB, PG Diploma in HR, DLP, LLM	34	1-May-2016	Taj Television (India) Pvt Ltd.

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

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Date of Leaving	Last Employment
1	Alok Govil	56	National Head - Channel Placement	6,888,769	PGDMM - Marketing & Sales Management	31	15-Apr-2013	30-Jun-2017	Hathway Cable & Datacom Ltd.
2	Bharat Kedia	50	Chief Financial Officer	10,525,402	CA	26	11-Jul-2017	NA	Parag Milk Foods Ltd
3	Mihir Modi	40	Chief Finance & Strategy Officer	12,406,751	CA, MBA	20	2-Sep-2013	31-Jul-2017	Godrej Industries Ltd
4	Piyush Sharma	48	Chief Executive Officer – Zliving (India & APAC)	13,755,217	MBA	13	10-Mar-2015	30-Apr-2017	Emm Burda International Ltd
5	Rajeev Kheror	53	President – Strategy & Planning, International Business	10,993,951	B.Com	26	20-Feb-2006	31-Aug-2017	Mukta Arts Ltd
6	Rajesh Iyer	40	Business Head, &TV	14,718,826	PG Marketing	15	19-Mar-2014	22-Dec-2017	Viacom 18 Media Pvt. Ltd
7	Rajesh Sethi	47	CEO – Distribution Business	42,864,340	BE, PGDM	24	1-May-2016	30-Jun-2017	Taj Television (India) Pvt. Ltd.
8	Sunil Buch	53	Chief Business Officer	19,426,767	MMS	23	3-Nov-2014	11-Oct-2017	Reliance Communications Ltd.
9	Venkat Nettimi	44	Head - Consumer Insights	13,382,297	MBA	21	20-Jun-2017	NA	Star India Pvt. Ltd.
10	Vikas Bajaj	44	Cluster Head	7,243,784	MBA	21	5-Mar-2014	31-Aug-2017	Allianz Global Assistance

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2018

ANNEXURE 'E' TO DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

Form No MGT - 9
As on the financial year ended on March 31, 2018
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

1	CIN	L92132MH1982PLC028767
2	Registration Date	25/11/1982
3	Name of the Company	Zee Entertainment Enterprises Limited
4	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
5	Address of the Registered Office & Contact details	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel Mumbai 400 013 Tel No: +91-22-7106 1234 Fax No: +91-22-2300 2107
6	Whether Listed	Yes
7	Name, Address and Contact Details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai -400 083 Tel No: +91-22-4918 6000 Fax No:+91-22-4918 6060 Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service (As per 2004)	% to total turnover of the company
1	Broadcasting Services	92132	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
A	**Holding Company**		
	Nil		
B	**Subsidiary Companies (including step down subsidiaries)**		
Indian Subsidiaries			
1	Essel Vision Productions Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U74990MH2010PLC198648	100%	2(87)(ii)
2	Zee Digital Convergence Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U64200MH2004PLC148772	100%	2(87)(ii)
3	India Webportal Private Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U72900MH2010PTC201526	100%	2(87)(ii)

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
4	Fly-By-Wire International Private Limited No. 39, United Mansions, 3rd Floor, M.G. Road, Bangalore 560 001 Karnataka U62200KA2012PTC064650	100%	2(87)(ii)
5	Margo Networks Private Limited Office no. 3 and 4, First Floor, Trade Globe, Andheri Kurla Road, Andheri East, Mumbai, 400 059 U74999MH2016PTC284879	80%	2(87)(ii)
6	Zee Turner Limited B-10, Essel House, Lawrence Road Industrial Area, New Delhi 110 035 U74899DL2001PLC113501	74%	2(87)(ii)
7	Idea Shop Web and Media Private Limited T 1/6, World Trade Centre Arcade, Cuffe Parade, Mumbai 400 005 U72900MH2011PTC220973	51%	2(87)(ii)
8	Zee Unimedia Limited 16th floor, A wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 U74120MH2016PLC274857	100%	2(87)(ii)
Overseas Subsidiaries			
9	ATL Media Ltd 2nd Flr, Ebene House, 33 Cybercity Ebene, Mauritius	100%	2(87)(ii)
10	Expand Fast Holdings (Singapore) Pte. Limited 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
11	TAJ TV Limited St. Louis Business Centre, Cnr Desroches & St Louis street, Port Louis, Mauritius	100%	2(87)(ii)
12	Asia Today Limited 2nd Floor, Ebene House, 33, Cybercity Ebene, Mauritius	100%	2(87)(ii)
13	Zee Studios International Limited Suite 202-2245 West Broadway, Vancouver, BC V6K 2E4, Canada	100%	2(87)(ii)
14	Pantheon Productions Limited Suite 202-2245 West Broadway, Vancover, BC, V6K 2E4, Canada	100%	2(87)(ii)
15	Zee Multimedia Worldwide (Mauritius) Limited Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100%	2(87)(ii)
16	Zee TV USA. Inc. 1999 Bryan St., Ste.900, Dallas/TX/75201-3136	100%	2(87)(ii)
17	Zee Entertainment Middle East FZ-LLC Office 202 & 204, Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
18	ATL Media FZ-LLC Office 203 Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
19	Asia Today Singapore Pte Ltd. 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
20	Zee Technologies (Guangzhou) Limited Unite 306, 26th Floor, No. 103, B Tower, Tianhe Sports West Road, Guangzhou, GuangDong, P.R. China 510620	100%	2(87)(ii)
21	Asia TV Limited Lower Ground Floor, One George Yard, London, EC3V 9DF	100%	2(87)(ii)
22	Z5X Global FZ LLC Studio Office 1B, 1st Floor, Zee Tower, Dubai, United Arab Emirates	100%	2(87)(ii)
23	Zee TV South Africa (Proprietary) Limited 2nd Floor, Building B, Ballyoaks Office Park 35 Ballyclare Drive, Bryanston, Johannesburg, South Africa, 2021	100%	2(87)(ii)
24	Asia Multimedia Distribution Inc 3660 Hurontario Street, Suite 303, Mississauga, Ontario L5B 3C4	100%	2(87)(ii)

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
25	Asia TV USA Ltd. Wyoming 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
26	Asia TV GmbH Nymphenburger Str.86 Munich 80636	100%	2(87)(ii)
27	OOO Zee CIS Holding LLC Nizhnyaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
28	OOO Zee CIS LLC Nizhnyaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
29	EEVEE Multimedia, Inc 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
C	**Associate / Joint Venture Companies**		
Indian			
1	Aplab Limited Aplab House, Plot No. A-5, Wagale Industrial Estate, Thane 400 604 CIN - L99999MH1964PLC013018	26.42%	2(6)
2	Media Pro Enterprise India Private Limited 7th Floor, Blue Wave, Behind Kuber Chamber, Andheri (West), Mumbai 400053 CIN - U92412MH2006PTC164446	50.00%	2(6)
Overseas			
3	Asia Today (Thailand) Co. Limited 30,32,34,36,38, K.B.S. Building Unit # 306, 3/Floor, Mahesak Road # 3, Suriyawong, Bangrak, Bangkok – 10500, Thailand	25%	2(6)

Note: CIN/GLN Not applicable for overseas entities

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

I. Category Wise Shareholding

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Promoters & Promoter Group**									
1	Indian									
A	Bodies Corporate	241,403,408	-	241,403,408	25.14	242,138,408	-	242,138,408	25.21	0.07
	Sub-total (A) (1):-	**241,403,408**	**-**	**241,403,408**	**25.14**	**242,138,408**	**-**	**242,138,408**	**25.21**	
2	Foreign									
A	Bodies Corporate	172,266,804	-	172,266,804	17.93	157,621,804	-	157,621,804	16.41	(1.52)
	Sub-total (A) (2):-	**172,266,804**	**-**	**172,266,804**	**17.93**	**157,621,804**	**-**	**157,621,804**	**16.41**	
	Total Promoter shareholding (A)	**413,670,212**	**-**	**413,670,212**	**43.07**	**399,760,212**	**-**	**399,760,212**	**41.62**	**(1.45)**
B	**Public Shareholding**									
1	Institutions									
A	Mutual Funds	40,735,298	-	40,735,298	4.24	53,229,233	-	53,229,233	5.54	1.30
B	Alternate Investment Funds	-	-	-	-	20,000	-	20,000	0.00	0.00
C	Banks / FI	1,338,279	-	1,338,279	0.14	48,650,600	-	48,650,600	5.07	4.93

Sr No	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
D	Insurance Companies	-	-	-	-	-	-	-	-	-
E	FIIs	445,181,582	21,900	445,203,482	46.35	397,413,748	19,710	397,433,458	41.37	(4.98)
F	Central/State Govt (incl IEPF)	682,703		682,703	0.07	1,790,062	-	1,790,062	0.19	0.12
	Sub-total (B1)	**487,937,862**	**21,900**	**487,959,762**	**50.80**	**501,103,643**	**19,710**	**501,123,353**	**52.17**	**1.37**
2	Non-Institutions									
A	Bodies Corporate – Indian	33,066,282	-	33,066,282	3.44	33,826,692	-	33,826,692	3.52	0.08
B	Bodies Corporate – Overseas	57,322	-	57,322	0.01	57,322	-	57,322	0.01	0.00
C	Individual shareholders holding nominal share capital upto ₹ 1 lakh	17,211,015	641,681	17,852,696	1.86	15,143,908	565,502	15,709,410	1.64	(0.22)
D	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,572,504	-	1,572,504	0.16	1,834,413	-	1,834,413	0.19	0.03
E	Others - Foreign National	2,643	-	2,643	0.00	2,788	-	2,788	0.00	0.00
F	Others – NRI	1,624,365	791,245	2415610	0.25	1,382,742	772,105	2,154,847	0.22	(0.03)
G	Others – Trust	3,851,689	-	3,851,689	0.40	5,535,425	-	5,535,425	0.58	0.18
H	Others – HUF	-	-	-	-	449,158	-	449,158	0.05	0.05
	Sub-total (B2)	**57,385,820**	**1,432,926**	**58,818,746**	**6.12**	**58,232,448**	**1,337,607**	**59,570,055**	**6.21**	**0.09**
	Total Public Shareholding (B)	**545,323,682**	**1,454,826**	**546,778,508**	**56.93**	**559,336,091**	**1,357,317**	**560,693,408**	**58.38**	**1.45**
C	**Shares held by Custodian for GDRs & ADRs (C)**					**Not Applicable**				
	Grand Total (A+B+C)	**958,993,894**	**1,454,826**	**960,448,720**	**100.00**	**959,096,303**	**1,357,317**	**960,453,620**	**100**	**0.00**

ii. Promoter & Promoter Group Shareholding

Sr	Name of Promoter	Shareholding at the beginning of the year i.e. April 1, 2017			Shareholding at the end of the Year i.e. March 31, 2018			% change
		Number of Shares	%	% of shares/ pledged encumbered to Capital	Number of Shares	%	% of shares/ pledged encumbered to Capital	
1	Essel Infraprojects Ltd.	100	0.00	-	100	0.00	-	-
2	Sprit Infrapower & Multiventures Pvt. Ltd.	400	0.00	-	400	0.00	-	-
3	Cyquator Media Services Pvt. Ltd.	241,402,908	25.14	16.94	241,412,908	25.14	21.87	0.00
4	Essel Media Ventures Ltd.	102,888,286	10.71	-	102,888,286	10.71	-	-
5	Essel Holdings Ltd.	46,378,518	4.83	-	31,733,518	3.31	-	(1.52)
6	Essel International Ltd.	23,000,000	2.39	-	23,000,000	2.39	-	-
7	Essel Corporate LLP	-	-	-	725,000	0.07	-	0.07
	Total	**413,670,212**	**43.07**	**16.94**	**399,760,212**	**41.62**	**21.87**	**(1.45)**

Note: Sprit Infrapower & Multiventures Pvt. Ltd. was earlier known as Sprit Textiles Pvt. Ltd.

iii. Change in Promoters Shareholding

Sr	Name of the Shareholder	Shareholding at the beginning of the year April 1 2017		Date	Reason	Increase/ Decrease in shareholding		Cumulative shareholding during the year	
		No of shares	% of Capital			No of Shares	% of Capital	No of Shares	% of Capital
1	Essel Infraprojects Ltd.	100	0.00	NA	NA	NA	NA	100	0.00
2	Sprit Infrapower & Multiventures Pvt. Ltd.	400	0.00	NA	NA	NA	NA	400	0.00
3	Cyquator Media Services Pvt. Ltd.	241,402,908	25.14	13 Dec17	Market purchase	10,000	0.00	241,412,908	25.14
4	Essel Media Ventures Ltd.	102,888,286	10.71	NA	NA	NA	NA	102,888,286	10.71
5	Essel Holdings Ltd.	46,378,518	4.83	13 Dec17	Market sale	(10,000)	(0.00)		
				23 Jan18	Market sale	(13,910,000)	(1.45)		
				23 Mar18	Market sale	(725,000)	(0.07)	31,733,518	3.31
6	Essel International Ltd.	23,000,000	2.39	NA	NA	NA	NA	23,000,000	2.39
7	Essel Corporate LLP	-	-	23 Mar 18	Market purchase	725,000	0.07	725,000	0.07

iv. Change in shareholding of top ten public shareholders

Name of Shareholder	Shareholding at the beginning of the year i.e. April 1, 2017		Shareholding at the end of the year i.e. March 31, 2018	
	No of Shares	% Equity Share Capital	No of Shares	% Equity Share Capital
Oppenheimer Developing Markets Fund	65,978,899	6.87	65,300,739	6.80
Life Insurance Corporation of India	16,879	0.00	46,946,402	4.89
Virtus Vontobel Emerging Markets Opportunities Fund	0	0	17,644,930	1.84
ICICI Prudential Balanced Fund	2,257,378	0.24	16,015,458	1.67
Vanguard International Growth Fund	13,318,141	1.39	15,971,869	1.66
Aditya Birla Sun Life Trustee Pvt Ltd	10,506,418	1.09	11,448,268	1.19
Government of Singapore	14,230,109	1.48	10,416,636	1.08
Vontobel Fund - Emerging Markets Equity	0	0	10,385,592	1.08
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	9,151,253	0.95	9,042,861	0.94
Abu Dhabi Investment Authority	15,930,719	1.66	8,438,733	0.88

Note:
1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated
2. Shares held in multiple accounts having same PAN are consolidated for the purpose of this disclosure.

v. Shareholding of directors and key management personnel

Name of Director	Shareholding at the beginning of the year i.e. April 1, 2017		Date	Reason	Shareholding at the end of the Year i.e. March 31, 2018		% Change
	No of Shares	% Equity Share Capital			No of Shares	% Equity Share Capital	
Non Executive Directors							
Dr Subhash Chandra	-	-	-	-	-	-	-
Subodh Kumar	-	-	-		-	-	-
Ashok Kurien	-	-	1 Nov 17	Market purchase	1,268	0.00	0.00
Independent Directors							
Prof. Sunil Sharma	-	-	-	-	-	-	-
Prof. Neharika Vohra	-	-	-	-	-	-	-
Manish Chokhani	-	-	-	-	-	-	-
Adesh Kumar Gupta	300	0.00	-	-	300	0.00	0.00
Executive Director							
Punit Goenka	-	-	-	-	-	-	-
Key Managerial Personnel							
Mihir Modi	-	-	-	-	-	-	-
Bharat Kedia	NA	NA			200	0.00	0.00
M Lakshminarayanan	-	-	-	-	-	-	

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ MILLIONS)

Particulars	Secured Loan excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at beginning of FY17-18				
Principal Amount (Fair value as at April 1, 2017)	19	22,012	0	22,031
Interest Due but not paid	0	0	0	0
Interest accrued but not due	0	1,211	0	1,211
Total	**19**	**23,223**	**0**	**23,242**
Change in indebtedness during FY17-18				
Addition / (Fair value Change)	9	428	0	437
Reduction	(11)	(8,406)	0	(8,417)
Net Change	**(2)**	**(7,978)**	**0**	**(7,980)**
Indebtedness at the end of FY 17-18				
Principal Amount (Fair value as at March 31, 2018)	17	15,245	0	15,262
Interest due but not paid	0	0	0	0
Interest accrued but not due	0	1,104	0	1,104
Total	**17**	**16,349**	**0**	**16,366**

Notes:

1. Principal amount as at April 1, 2017, includes unsecured loans vested on the Company in pursuance of Composite Scheme of Arrangement with Appointed Date of March 31, 2017.
2. Secured Loans comprise of Vehicle Loans
3. Unsecured Loans include Preference Shares which are considered as Debt, and have been accounted at Fair Value, as per Indian Accounting Standards prescribed under the Companies Act, 2013.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A.Remuneration to Managing Director, Whole-Time Directors and/or Manager:

(₹ MILLIONS)

Particulars of Remuneration	Amount
Gross salary (As per Income tax act)	
Salary	57.62
Perquisites	0.04
Profits in lieu of salary	-
Stock Option	-
Sweat Equity	-
Commission (as % of profit and/or otherwise)	-
Others	
- Contribution to Provident Fund	4.60
- Variable Pay	11.18
- Special One-time Incentive	30.00
Total (A)	**103.44**
Ceiling as per the Act: 5% of the Profits as per Section 198 of the Companies Act, 2013 is ₹ 1,461 million	

B. Remuneration to Other Directors:

(₹ MILLIONS)

Name of Directors	Sitting Fees	Commission	Others	Total
i) Independent Directors				
Sunil Sharma	0.48	2.75	-	3.23
Neharika Vohra	0.36	2.75	-	3.11
Manish Chokhani	0.45	2.75	-	3.20
Adesh Kumar Gupta	0.63	2.75	-	3.38
ii) Non – Executive Directors				
Subhash Chandra	0.18	2.75	-	2.93
Subodh Kumar	0.36	2.75	-	3.11
Ashok Kurien	0.39	2.75	-	3.14
Total	**2.85**	**19.25**	**-**	**22.10**
Overall Ceiling as per Act	1% of Net Profits as per Section 198 of the Companies Act, 2013 is ₹ 292 Million			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ MILLIONS)

Particulars of Remuneration	Key Managerial Personnel			
	Mihir Modi - CFO upto July 31, 2017	Bharat Kedia - CFO from Aug 1 2017	M Lakshminarayanan Company Secretary	Total
Gross salary (As per Income Tax Act)				
Salary	7.37	7.33	12.62	**27.32**
Perquisites	0.01	0.03	0.04	**0.08**
Profits in lieu of salary		-	-	**-**
Stock Option	-	-	-	
Sweat Equity	-	-	-	
Commission (as % of profit or otherwise)	-	-	-	
Others				
-Contribution to Provident Fund	0.32	0.67	0.84	**1.83**
- Variable Pay	4.71	-	4.00	**8.71**
- Joining Bonus	-	2.50	-	**2.50**
Total	**12.41**	**10.53**	**17.50**	**40.44**

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

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2018

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Zee Entertainment Enterprises Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zee Entertainment Enterprises Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 1, 2017 to March 31, 2018 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
   d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments;
6. Specific laws applicable as mentioned hereunder:
   a. Policy Guidelines for Uplinking of Television Channels issued by the Ministry of Information & Broadcasting;
   b. Policy Guidelines for Downlinking of Television Channels issued by the Ministry of Information & Broadcasting;
   c. The Cable Television Network (Regulations) Act, 1995 read with Amendments and the Cable Television Network Rules, 1994 read with Amendments;
   d. The Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2012;
   e. Standard of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013;

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

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above. We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

Management Responsibility:

i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliance of laws other than those mentioned above;

iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;

v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:
The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the Audit Period.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved with unanimous consent.

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

We further report that during the Audit Period, the Company had the following specific events:

i.Composite Scheme of Arrangement and Amalgamation with WOS

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

i. Demerger of certain undertakings of ZDCL, IWPL and ZUL vesting with the Company and (ii) Amalgamation of SEPL with the company w.e.f. the Appointed Date of April 01, 2017. Hon'ble National Company Law Tribunal, Mumbai Bench sanctioned the Composite Scheme of Arrangement vide order dated April 11, 2018 and the Company has filed the E-form INC-28 with the Registrar on May 3, 2018. Upon filing of which the said Scheme has become effective w.e.f. May 3, 2018.

ii. Composite Scheme of Arrangement with Reliance entities

The Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited, Big Magic Limited, Azalia Broadcast Private Limited and the Company and their respective shareholders and creditors for demerger of General Entertainment Business Undertakings from Reliance entities vesting with the Company was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench vide order dated July 13, 2017 and upon completion of statutory formalities the Scheme became effective from July 21, 2017. The Company has filed the same with the stock exchanges and e-Form INC-28 with Registrar of Companies on July 21, 2017. Pursuant to the said Scheme, the Company had allotted a total of 39,49,105 6% Unlisted Cumulative Redeemable Non-Convertible Preference Shares of INR 10 each (Series B Unlisted Preference Shares) redeemable at the end of 3 years at par or at any time within 3 years at the option of the Company at par.

iii. Partial redemption of Listed Bonus Preference Shares

The Company redeemed 20% of the nominal value of Listed Bonus Preference Shares of INR. 10 each, i.e. redemption of INR 2 per preference share, due at the 4th anniversary of the issue of such Preference Shares on March 5, 2018;

Consequent to such redemption, the outstanding issued, subscribed and paid-up Listed Bonus Preference Share Capital of the Company stands reduced from INR 2016,94,23,120/- comprising of INR 201,69,42,312 Listed Bonus Preference Shares of INR. 10/- each to INR 1613,55,38,496/- comprising of 201,69,42,312 listed bonus preference shares of INR. 8/- each on and from March 6, 2018.

iv. Issue of equity shares under ESOP Scheme:

The Company had allotted 4900 (Four Thousand Nine Hundred) Equity Shares of INR 1 each on November 15, 2017 in accordance with ZEEL ESOP Scheme 2009 (as modified in 2016).

For Vinod Kothari & Company
Practising Company Secretaries

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

Place: Mumbai
Date: May 10, 2018

REPORT ON CORPORATE GOVERNANCE

COMPANY'S GOVERNANCE PHILOSOPHY

The convergence of governance practices brings to the fore the critical role played by the Board to ensure governance framework enjoins higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interest of all stakeholders. Corporate Governance, which assumes great deal of importance at Zee Entertainment Enterprises Limited (ZEE), is intended to ensure consistent value creation for all its stakeholders. ZEE believes that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis.

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

BOARD OF DIRECTORS

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

Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations. In compliance with the requirements of Companies Act, 2013, the Company has issued formal appointment letters to all the Independent Directors. Details of standard term of appointment of Independent Director has been uploaded on the website of the Company www.zeeentertainment.com

During the financial year under review, 8 (Eight) meetings of the Board were held on May 10, 2017, June 8, 2017, July 24, 2017, September 27, 2017, October 6, 2017, October 24, 2017, January 17, 2018, and March 16, 2018. The annual calendar of meetings for consideration of quarterly financial results is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2017-18 and also their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2018 are as under:

Name of Director	Attendance at		No of Directorship in other Public Companies as		No of Committee positions held in other Public Companies as	
	Board Meeting (Total 8 Meetings)	35th AGM held on July 12, 2017	Member	Chairman	Member	Chairman
Independent Directors						
Sunil Sharma	8	No	-	-	-	-
Neharika Vohra	8	Yes	1	-	-	-
Manish Chokhani	8	Yes	5	-	7	2
Adesh Kumar Gupta	8	Yes	4	-	2	-
Non-Executive Directors						
Subhash Chandra	6	Yes	1	-	-	-
Ashok Kurien	7	No	1	-	2	1
Subodh Kumar	6	Yes	-	-	-	-
Executive Director						
Punit Goenka	8	Yes	5	-	3	-

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

None of the Non-Executive Directors of the Company, except Mr. Adesh Kumar Gupta, and Mr Ashok Kurien hold any securities of the Company. As at March 31, 2018, Mr Adesh Kumar Gupta and Mr Ashok Kurien held 300 and 1,268 equity shares respectively of the Company.

Board Procedure: The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the Registered and Corporate office of the Company at Mumbai. The Company Secretary in consultation with the Chairman, and the Managing Director & CEO finalizes the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Any Board Member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board meetings to make presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

The Board reviews and guides the Company in strategic matters, risk policy and oversees the process of disclosure and communications to maintain highest standards of ethical conduct and integrity. Additionally, the Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

Independent Directors Meeting & Board Evaluation Process: In compliance with the requirements of Regulation 25 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on March 16, 2018 to review performance of the Chairman, Managing Director and other Non-Independent Directors, to evaluate performance of the Board and review flow of information between the management and the Board. The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard.

The parameters for evaluation of performance of the Board & Board Committees includes the structure & composition, contents of agenda for the meeting, quality and timelines of information provided, the decision-making process & review thereof, attention to the Company's long term strategic issues, evaluation of strategic risks, overseeing and guiding major plans of action, corporate restructuring, acquisitions, divestment, etc.

The performance of the Independent Directors was also evaluated taking into account (i) the time devoted; (ii) attention given to professional obligations for independent decision making, (iii) acting in the best interests of the Company, (iv) strategic guidance to the Company. (v) help determine important policies, (vi) external expertise provided, (vii) independent judgment that contributes objectively in the Board's deliberations - particularly on issues of strategy, performance and conflict management, etc.

The outcome of the evaluation exercise was discussed at subsequent board meeting. The Board of Directors also expressed satisfaction towards the evaluation process.

Familiarisation Program for Independent Directors: Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of individual channels / profit centers is made to the Board. Details of Directors familiarisation program is available on Company's website at www.zeeentertainment.com

Code of Conduct: The Company has adopted a Code of Conduct for the Members of the Board of Directors and Senior Management, and all the Directors and senior functionaries as defined in the said Code provide their annual confirmation of compliance with the Code. Copy of the Code is available on the website of the Company www.zeeentertainment.com. Besides the Code, the Company has also put in place a Policy on Ethics at Work Place which is applicable to all employees. The role and responsibilities of Independent Directors (including Code of Conduct) as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI Listing Regulations forms part of the appointment letters issued to Independent Directors.

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

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2018.

Punit Goenka
Managing Director & CEO

Mumbai, May 10, 2018

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

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during FY 2017-18 along with attendance of the Members at such Committee Meeting(s) are detailed herein:

	Audit Committee	Nomination & Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
No of Meetings held	**7**	**4**	**6**	**1**	**2**
Directors Attendance					
Subhash Chandra	NA	NA	NA	NA	NA
Subodh Kumar	NA	3/4	NA	1/1	2/2
Punit Goenka	NA	NA	6/6	1/1	2/2
Ashok Kurien	6/7	NA	6/6	NA	NA
Sunil Sharma	7/7	NA	NA	1/1	NA
Neharika Vohra	NA	4/4	NA	NA	NA
Manish Chokhani	7/7	NA	NA	NA	NA
Adesh Kumar Gupta	7/7	4/4	NA	NA	2/2

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

Details of Board Committees are as mentioned herein:

I. AUDIT COMMITTEE

Constitution: As at March 31, 2018, the Audit Committee of the Board comprised of four (4) Directors including Mr Adesh Kumar Gupta, Independent Director as Chairman and Prof Sunil Sharma, Independent Director, Mr Manish Chokhani, Independent Director and Mr Ashok Kurien, Non-Executive Director as its Members.

During the year under review, seven (7) meetings of the Audit Committee were held on May 9, 2017, June 8, 2017, July 24, 2017, September 27, 2017, October 24, 2017, January 17, 2018 and March 16, 2018.

Terms of reference: The Terms of reference and role of the Audit Committee are as per SEBI Listing Regulations and provisions of Section 177 of Companies Act, 2013. The Committee meets periodically and inter alia:

- Reviews Accounting and financial reporting process of the Company;
- Reviews Audited and Un-audited financial results;
- Reviews Internal Audit reports, risk management policies and reports on internal control system;
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations;
- Reviews and approves transactions proposed to be entered into by the Company with related parties including any subsequent modifications thereto;
- Reviews functioning of Whistle Blower & Vigil Mechanism Policy; and
- Recommends proposals for appointment and remuneration payable to the Statutory Auditor and Internal Auditor and approves the appointment of Chief Financial Officer.

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

Audit Committee meetings are generally attended by the Managing Director & CEO, Chief Financial & Strategy Officer (replaced by Chief Financial Officer effective August 1, 2017) and representative(s) of Statutory Auditors of the Company. Internal Auditors attend Audit Committee Meetings wherein the Internal Audit reports are considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

II. NOMINATION & REMUNERATION COMMITTEE

Constitution: As at March 31, 2018 the Nomination and Remuneration Committee comprised of Prof (Mrs) Neharika Vohra, Independent Director as Chairperson and Mr Adesh Kumar Gupta, Independent Director and Mr Subodh Kumar, Non-Executive Director as Members.

During the year under review four (4) meetings of the Nomination & Remuneration committee were held on April 4, 2017, May 9, 2017, July 24, 2017 and March 15, 2018.

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

- Formulation of guidelines for evaluation of candidature of individuals for nominating and/or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification / experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc.
- Formulation of the process for evaluation of functioning of the Board – individually and collectively;
- Recommending nominations / appointments to the Board, including Executive Directors / Independent Directors and/or Members of Board Committees, and suggest the terms of such appointments;
- Recommending all elements of remuneration package of Whole-time Directors including increment / variable pay / special incentive payable to them within the limits approved by the Board / Members; and
- Deciding and approving issuance of Stock Options, including terms of grant etc under the Company's Employee Stock Option Scheme

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

The increments and variable pay of all employees of the Company is deliberated and approved by the Nomination & Remuneration Committee of the Board. The Nomination & Remuneration Committee considers and recommends for approval of the Board, the compensation package of Managing Director & CEO which *inter alia* includes fixed pay (Salary, Allowances & Perquisites) and Variable Pay in the ratio of 75:25. The compensation packages are in accordance with applicable laws, in line with the Company's objectives, shareholders interest and as per the Industry standards. During the year, the MD & CEO was also paid ₹ 30 Million as a One-time Special Incentive towards his extraordinary contributions towards handling M&A activities including the Sale of Sports Business by the Company.

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

Remuneration to Managing Director & CEO: The details of the remuneration paid to Mr Punit Goenka, Managing Director & CEO of the Company during the year ended March 31, 2018 is as under:

(₹ Millions)

Particulars	Amount
Salary & Allowances	57.62
Perquisites	0.04
Variable Pay	11.18
Special one-time Incentive	30.00
Provident Fund Contribution	4.60
Total	**103.44**

Remuneration to Non-Executive Directors: During financial year 2017-18 Non-Executive Directors were paid sitting fee of ₹ 30,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee, Finance Sub-Committee and ESOP Allotment Sub-Committee.

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

Details of the Sitting fees paid and Commission payable to the Non-Executive Directors of the Company for Financial year 2017-18 as approved by the Board are as under:

(₹ Millions)

Name of Director	Sitting Fees Paid	Commission Payable	Total
Subhash Chandra	0.18	2.75	**2.93**
Subodh Kumar	0.36	2.75	**3.11**
Ashok Kurien	0.39	2.75	**3.14**
Sunil Sharma	0.48	2.75	**3.23**
Neharika Vohra	0.36	2.75	**3.11**
Manish Chokhani	0.45	2.75	**3.20**
Adesh Kumar Gupta	0.63	2.75	**3.38**
Total	**2.85**	**19.25**	**22.10**

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

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution: As at March 31, 2018, the Stakeholders Relationship Committee of the Board comprised of Mr Ashok Kurien, Non-Executive Director as Chairman and Mr Punit Goenka, Managing Director & CEO as the Member.

During the year under review, Stakeholders Relationship Committee met six (6) times on April 11, 2017, July 7, 2017, October 9, 2017, November 28, 2017, January 4, 2018 and February 22, 2018.

Terms of reference: Terms of reference of the Stakeholders Relationship Committee is to (i) approve issuance of share certificates pursuant to duplicate / remat / renewal requests received by the Company; (ii) review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard; (iii) supervise and ensure efficient transfer of equity and preference shares; and (iv) ensure proper and timely attendance of investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, and dematerialization etc of shares of the Company in the normal course of business to the executives in the Secretarial Department of the Company. Details of number of requests/complaints received from investors and resolved during the year ended March 31, 2018, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend Warrant(s)	9	9	0
Non-receipt of Shares	6	6	0
Letter received from SEBI/ Stock Exchanges	3	3	0
Complaints received from ROC	1	1	0
Total	**19**	**19**	**0**

IV. RISK MANAGEMENT COMMITTEE

Constitution: As at 31 March 2018, the Risk Management Committee of the Board comprised of Mr Subodh Kumar, Non-Executive Director as its Chairman and Mr Adesh Kumar Gupta, Independent Director, Mr Punit Goenka, Managing Director & CEO, Mr Bharat Kedia, Chief Financial Officer and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as its Members. During the year the Risk Management Committee was re-constituted by nomination of Mr Bharat Kedia as its Member, in place of Mr Mihir Modi w.e.f. August 1, 2017. Post resignation of Mr Bharat Kedia as Chief Financial Officer of the Company on April 29, 2018 he ceased to be a member of the Risk Management Committee.

During the year under review the Committee met twice on May 9, 2017 and January 17, 2018.

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

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year under review the CSR Committee met once on February 21, 2018.

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

VI. OTHER BOARD COMMITTEES

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

i. **Finance Sub-Committee:** With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities that may be offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee comprising of Mr Punit Goenka, Managing Director & Chief Executive Officer as Chairman and Mr Ashok Kurien, Non-Executive Director as Member. During the year under review, the Finance Sub-Committee met once on February 22, 2018.

ii. **ESOP Allotment Sub-Committee:** To facilitate allotment of Equity Shares pursuant to exercise of Stock Options granted in accordance with the Company's ESOP Scheme, by the Nomination & Remuneration Committee had constituted an ESOP Allotment Sub-Committee comprising of Mr Ashok Kurien, Non-Executive Director as Chairman, Mr Punit Goenka, Managing Director & CEO and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as Members. During the year under review the ESOP Allotment Sub-Committee met once on November 15, 2017.

iii. **Corporate Management Committee:** To facilitate grant of authorisations for managing day-to-day affairs of the Company, the Board has constituted a Corporate Management Committee comprising of Senior Management Personnel of the Company. As at March 31, 2018, the Corporate Management Committee comprised of Mr Punit Goenka, Managing Director & CEO as Chairman, Mr Punit Misra, CEO – Domestic Broadcast Business, Mr Bharat Kedia, CFO and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as Members. Post resignation of Mr Bharat Kedia as Chief Financial Officer of the Company on April 29, 2018 he ceased to be a member of the Corporate Management Committee. The Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

GENERAL MEETINGS

The 36th Annual General Meeting of the Company for the Financial Year 2017-18 will be held on Tuesday July 17, 2018 at 4.00 PM at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025.

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed at these meetings are:

Year	Date and Time	Special Resolutions passed	Venue
2016-17	12.07.2017 – 11 a.m.	Re -appointment of Mr Manish Chokhani as Independent Director for Second term Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered Office of the Company	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
2015-16	26.07.2016 – 11 a.m.	Re appointment of Prof. Sunil Sharma as Independent Director for second term. Re appointment of Prof. (Mrs) Neharika Vohra as Independent Director for second term. Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered Office of the Company	
2014-15	15.07.2015 – 11 a.m.	Payment of commission to Non-Executive Directors for a period of 5 years	

All the above special resolutions were passed with requisite majority.

Particulars of Resolutions passed through Postal Ballot during Financial year 2017-18 are as detailed herein:

Meetings of Equity and Preference Shareholders were convened and held on May 9, 2017 pursuant to directions of the Mumbai Bench of Hon'ble National Company Law Tribunal. In pursuance to the said directions, the Company had in connection with the Resolution proposed in the said Meetings provided facility of Remote e-voting and Postal Ballot Voting to the Shareholders before the Meeting and on Poll at the Meeting.

Relevant particulars in connection with voting in this regard are mentioned herein:

Equity Shareholders Meeting

Notice Date : March 31, 2017	Date of Result : May 9, 2017	
Particulars of Resolution	Details of Votes cast (No. of shares and % of total shares for which votes were cast)	
	For	Against
Resolution approving Composite Scheme of Arrangement pursuant to Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 among Reliance Big Broadcasting Private Limited and Big Magic Limited and Azalia Broadcast Private Limited and Zee Entertainment Enterprises Limited and their respective Shareholders and Creditors	800,317,632 (99.9998%)	1,400 (0.0002%)
Mrs Vinita Nair, Partner of M/s Vinod Kothari & Company., Company Secretaries, was appointed as a Scrutinizer in respect of the aforesaid resolution. The above resolution was passed with requisite majority.		

Preference Shareholders Meeting

Notice Date : March 31, 2017	Date of Result : May 9, 2017	
Particulars of Resolution	Details of Votes cast (No. of shares and % of total shares for which votes were cast)	
	For	Against
Resolution approving Composite Scheme of Arrangement pursuant to Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 among Reliance Big Broadcasting Private Limited and Big Magic Limited and Azalia Broadcast Private Limited and Zee Entertainment Enterprises Limited and their respective Shareholders and Creditors	802,268,335 (99.9879%)	97,367 (0.0121%)
Mrs Vinita Nair, Partner of M/s Vinod Kothari & Company, Company Secretaries, was appointed as a Scrutinizer in respect of the aforesaid resolution. The above resolution was passed with requisite majority.		

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

OTHER DISCLOSURES

i. All transactions entered into by the Company with related parties during the financial year 2017-18 were in ordinary course of business and on arms-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

In compliance with the requirements of Regulation 23 of Listing Regulations, the Board of Directors of the Company has approved a Related Party Transaction Policy, to facilitate management to report and seek approval for any Related Party Transaction proposed to be entered into by the Company. The said Related Party Transaction Policy can be viewed on www.zeeentertainment.com

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

ii. As per Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization. Your Board affirms that no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

iii. In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code.

iv. The Company does not have any material non-listed Subsidiary in terms of Regulation 16 of SEBI Listing Regulations. A detailed secretarial activity report along with the minutes of the Meetings of Subsidiaries are placed before the Board at the meeting on periodical basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries. The policy on determining material subsidiaries has been uploaded and can be accessed on the website of the Company at www.zeeentertainment.com.

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

v. There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

vi. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and applicable requirements of Regulation 46 of SEBI Listing Regulations, as amended. The status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

a) Audit Qualification – The financial statements of the Company are unqualified.

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

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

MEANS OF COMMUNICATION

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

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

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

GENERAL SHAREHOLDER INFORMATION

1.	Date, Time and Venue of Shareholder's Meeting	Meeting : 36th Annual General Meeting Day & Date : Tuesday - 17th day of July, 2018 Time : 4 PM Venue : Ravindra Natya Mandir, Nr. Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400 025
2	Financial Year	2017-2018
3.	Record Date	July 10, 2018
4.	Dividend Payment Date	On or before July 23, 2018
5.	Registered office	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg Lower Parel, Mumbai – 400 013 India Tel: +91-22-7106 1234 Fax:+91-22-2300 2107 Website : www.zeeentertainment.com
6.	Corporate Identity Number	L92132MH1982PLC028767
7.	Listing on Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Company has paid requisite Listing Fees to the Stock Exchanges for FY 2017-18.
8.	Stock Code	BSE 505537(Equity) 717503 (Preference) NSE ZEEL EQ (Equity) ZEEL-P2(Preference) Reuters - ZEE.BO (BSE) / ZEE.NS (NSE) Bloomberg - Z IN (BSE) / NZ IN (NSE)
9.	ISIN No.	Equity - INE256A01028 Preference Shares –INE256A04022
10.	Registrar & Share Transfer Agent	Link Intime India Pvt Ltd C-101, 247 Park, L B S Marg, Vikhroli West Mumbai 400 083 India Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 E.Mail: rnt.helpdesk@linkintime.co.in

11. TRANSFER OF UNCLAIMED DIVIDEND / SHARES TO IEPF

As per Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (IEPF Rules) Final Dividend for the Financial Year ended March 31, 2011, which remains unpaid or unclaimed, will become due to be transferred to the Investor Education and Protection Fund (IEPF) on completion of 7 (seven) years in October 2018. Members who have not encashed their dividend warrant(s) issued by the Company for FY 2010-11 and any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

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

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2011	10.08.2011	09.09.2018	08.10.2018
31.03.2012	20.07.2012	21.08.2019	20.09.2019
31.03.2013	25.07.2013	30.08.2020	28.09.2020
31.03.2014	18.07.2014	23.08.2021	22.09.2021
31.03.2015	15.07.2015	20.08.2022	19.09.2022
31.03.2016	26.07.2016	31.08.2023	30.09.2023
31.03.2017	12.07.2017	17.08.2024	16.09.2024

During the year under review, besides transfer of unclaimed dividend(s) pertaining to FY 2009-10, pursuant to the IEPF Rules the Company had also transferred 113,370 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority. The Unclaimed Dividend and/or the Equity Shares transferred to IEPF can be claimed by the Shareholders from IEPF authority after following due process prescribed in IEPF Rules.

12. SHARE TRANSFER SYSTEM

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

13. DEMATERIALIZATION OF SHARES & LIQUIDITY

The Company's Equity and Listed Preference Shares are compulsorily traded in electronic (dematerialized) form on NSE and BSE. As at March 31, 2018, 99.86% of the Equity Share Capital and 99.84% of the Listed Preference Share Capital of the Company are held in electronic form. Under the Depository system, the ISIN allotted to Company's Equity Shares is INE256A01028 and Listed Preference Shares is INE256A04022. Entire equity and preference shareholding of the entities forming part of promoter/promoter group in the Company is held in dematerialized form.

14. SUB-DIVISION/ CONSOLIDATION/ REDEMPTION OF SHARES

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

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

Consolidation of Face Value of Preference Shares: In accordance with the approval accorded by the Equity & Preference Shareholders, the face value of Listed Preference Shares of the Company was consolidated from ₹1 to ₹10 each vide Corporate Action dated April 1, 2016.

Accordingly, all listed preference shares of ₹1 each held in demat mode as at the record date of March 31, 2016 were cancelled and replaced with Preference Shares of ₹10 post such consolidation. The Preference Share Certificates of ₹1 held in physical mode as at the Record date of March 31, 2016 stood cancelled and fresh preference share certificates of ₹10 each were issued to the registered preference shareholders upon consolidation.

Partial Redemption of Preference Shares: As per terms of issue of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹10/- each issued as Bonus in 2014, 20% of the Nominal value of such Preference Shares were redeemed on the 4th anniversary and the Redemption value of ₹2 per share was remitted to the Preference Shareholders of the Company as at the Record date of March 5, 2018. Consequent to the Partial Redemption of Preference Shares, face value of Preference Shares stood reduced from ₹10 to ₹8 on and from March 6, 2018. The aforesaid reduction in face value of Preference Shares was effected on the Shares held in Demat mode by way of a Corporate Action on March 6, 2018. The Preference Shares Certificates of ₹10 held in physical mode as at the Record date of March 6, 2018 stood cancelled and fresh Preference Share Certificates of ₹8 each were issued to registered Preference Shareholders.

15. SHARES HELD IN SUSPENSE

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

Description	Equity Shares		Preference Shares	
	Number of shareholders	Number of Shares	Number of shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2017	339	175,477	0	0
Fresh undelivered cases during the financial year 2017-18	0	0	133	278,868
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2018	6	1,668	0	0
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2018	6	1,668	0	0
Number of Unclaimed Shares transferred to the Demat Account of IEPF Authority during FY 2017-18	116	45,629	NA	NA
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	217	128,180	133	278,868

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares.

16. SHAREHOLDERS' CORRESPONDENCE

The Company has attended to all the investors' grievances /queries/ information requests except for the cases where the Company is restrained due to some pending legal proceedings or court/statutory orders.

It is the endeavor of the Company to reply all letters / communications received from the shareholders within a period of 5 working days.

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

17. OUTSTANDING CONVERTIBLE SECURITIES

The Company has not issued any Convertible Securities in the past and hence as on March 31, 2018, the Company does not have any outstanding convertible Securities.

18. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

19. EQUITY SHARE CAPITAL BUILD-UP

Particulars	No. of shares issued	Date of issue
Initial shareholding at the time of change of name of the Company from Empire Holdings Ltd to Zee Telefilms Ltd	744,000	08.09.1992
Right Issue	8,928,000	15.06.1993
Public Issue	9,000,000	10.09.1993
Allotment under ESOP	160,000	09.06.1999
Allotment under ESOP	190,000	10.07.1999
Allotment under ESOP	396,880	30.09.1999
Issued for acquisition of stake in overseas Company by way of Share Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to ₹ 1 each	388,377,600	23.12.1999
Issued for acquisition of stake in Indian and overseas Company, partly, by way of Share Swap	16,127,412	24.01.2000
Allotment on Preferential basis	4,100,000	31.03.2000
Allotment on Preferential basis	3,900,000	24.04.2000
Allotment on conversion of FCCB	111,237	29.03.2006
Allotment on conversion of FCCB during FY 2006-07	20,950,516	Various dates
Allotment on conversion of FCCB during FY 2008-09	440,346	Various dates
Issued to shareholders of Zee News Ltd pursuant to Scheme	50,476,622	20.04.2010
Issued to shareholders of ETC Networks Ltd pursuant to Scheme	4,413,488	23.09.2010
Issued to shareholders of 9X Media Pvt Ltd pursuant to the Scheme	140,844	08.11.2010
Bonus Issue in ratio of 1:1	489,038,065	15.11.2010
Allotment under ESOP Scheme during FY 2011-12	66,800	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2011-12	(19,372,853)	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2012-13	(4,812,357)	Various dates
Allotment under ESOP Scheme during FY 2013-14	6,491,000	Various dates
Allotment under ESOP Scheme	4,900	15.11.2017
Issued and Paid-up Capital as at March 31, 2018	**960,453,620**	

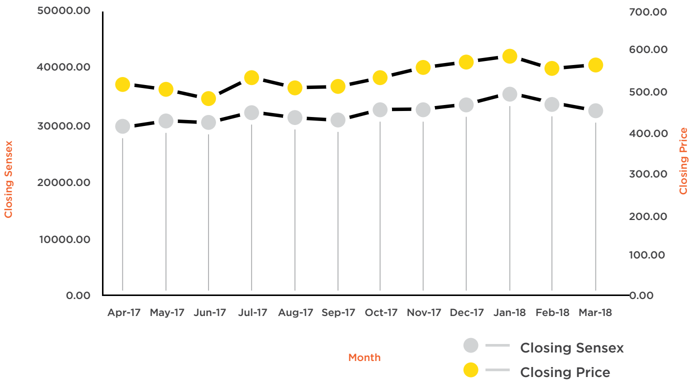
20. STOCK MARKET DATA RELATING TO EQUITY SHARES AND PREFERENCE SHARES LISTED IN INDIA

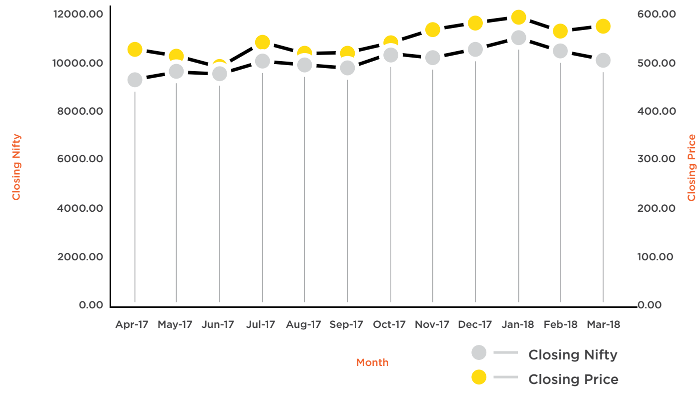
Equity Shares	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2017	554.30	515.50	1609968	555.00	515.70	22741230
May 2017	549.90	494.50	2666716	548.25	493.85	52292919
June 2017	529.10	479.95	1919217	529.40	480.00	37517130
July 2017	561.00	488.00	5880715	560.00	458.10	43719913
August 2017	550.90	501.00	2380951	550.50	500.20	42494114
September 2017	551.15	515.00	7983173	551.05	516.70	38699416
October 2017	550.00	477.25	2979279	550.75	477.00	66190453
November 2017	595.85	525.00	3815888	596.65	493.90	51747677
December 2017	593.50	554.00	1794237	594.30	553.20	30646850
January 2018	619.35	575.00	19046145	619.00	574.70	69880447
February 2018	600.50	554.00	1402593	600.45	553.40	25016184
March 2018	595.90	547.20	1846381	597.00	546.95	31086748

Preference Shares	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2017	10.66	9.31	4325889	9.60	9.30	1368972
May 2017	10.00	9.40	20609604	9.65	9.40	11932258
June 2017	9.68	9.47	23751523	10.35	9.45	5388731
July 2017	9.70	9.50	43346573	9.70	9.50	10984835
August 2017	9.70	9.56	28821953	9.75	9.55	3371685
September 2017	9.84	9.65	30971033	9.95	9.65	5750929
October 2017	9.99	9.75	7173958	10.95	9.70	9063321
November 2017	11.00	9.85	3875409	10.05	9.85	3979732
December 2017	10.04	9.95	9974953	10.50	9.90	6173950
January 2018	10.04	9.97	51414157	10.20	9.95	25106754
February 2018	10.04	9.86	35631417	10.30	9.75	39798911
March 2018 *	8.04	7.50	96726950	8.25	7.45	9940800

* Consequent to Partial redemption of Preference shares carried out on March 5, 2018, the face value of Preference shares stood reduced to ₹ 8/- per Preference Share

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





22. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018

No. of Equity Shares	Equity			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	92,781	98.72	14,860,104	1.55
5001 – 10000	253	0.27	1,825,372	0.19
10001-20000	190	0.20	2,767,955	0.29
20001-30000	90	0.10	2,188,742	0.23
30001-40000	61	0.06	2,095,214	0.21
40001-50000	46	0.05	2,086,792	0.21
50001-100000	131	0.14	9,471,396	0.99
100001 and Above	430	0.46	925,158,045	96.33
Total	**93,982**	**100.00**	**960,453,620**	**100.00**

No. of Preference Shares	Preference			
	Share Holders	No. of Shares	% of shareholding	No. of shares held
	Number	% of Holders	Number	% of Capital
Up to 5000	77,610	97.38	24,101,650	1.20
5001 – 10000	550	0.69	4,141,685	0.20
10001-20000	310	0.39	4,402,412	0.22
20001-30000	171	0.21	4,200,923	0.21
30001-40000	92	0.12	3,226,682	0.16
40001-50000	106	0.13	4,960,359	0.25
50001-100000	173	0.22	13,200,000	0.65
100001 and Above	685	0.86	1,958,708,601	97.11
Total	**79,697**	**100.00**	**2,016,942,312**	**100.00**

23. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2018

No. of Equity Shares	Equity		Preference	
	% of shareholding	No. of shares held	% of shareholding	No. of shares held
Promoters	41.62	399,760,212	10.37	209,071,220
Individuals / HUF	1.87	17,992,981	20.93	422,178,491
Domestic/Central Government Companies	3.71	35,616,754	42.51	857,373,285
FIs, Mutual funds, trust and Banks	11.19	107,435,258	10.15	204,802,303
FIIs, OCBs & NRI	41.61	399,648,415	16.04	323,517,013
Total	**100.00**	**960,453,620**	**100.00**	**2,016,942,312**

24. PARTICULARS OF SHAREHOLDING

a) Promoter Shareholding as on March 31, 2018

EQUITY SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Essel Media Ventures Ltd, Mauritius	102,888,286	10.71
2	Essel International Ltd, Mauritius	23,000,000	2.39
3	Sprit Infrapower & Multiventures Pvt. Ltd.	400	0.00
4	Essel Corporate LLP	725,000	0.07
5	Essel Infraprojects Ltd.	100	0.00
6	Essel Holdings Limited, Mauritius	31,733,518	3.31
7	Cyquator Media Services Pvt. Ltd	241,412,908	25.14
	Total	**399,760,212**	**41.62**

PREFERENCE SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Sprit Infrapower & Multiventures Pvt. Ltd.	146,910,800	7.28
2	Essel Infraprojects Ltd.	210	0.00
3	Veena Investment Pvt. Ltd	210	0.00
4	Cyquator Media Services Pvt. Ltd.	62,160,000	3.09
	Total	**209,071,220**	**10.37**

b) Top ten (10) Public Shareholding as on March 31, 2018

EQUITY SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	65,300,739	6.80
2	Life Insurance Corporation of India	46,946,402	4.89
3	Virtus Vontabel Emerging Markets Opportunities Fund	17,644,930	1.84
4	ICICI Prudential Balanced Fund	16,015,458	1.67
5	Vanguard International Growth Fund	15,971,869	1.66
6	Aditya Birla Sun Life Trustee Pvt Ltd	11,448,268	1.19
7	Government of Singapore	10,416,636	1.08
8	Vontobel Fund - Emerging Markets Equity	10,385,592	1.08
9	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	9,042,861	0.94
10	Abu Dhabi Investment Authority	8,438,733	0.88
	Total	**211,611,488**	**22.03**

PREFERENCE SHARES

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Shree Cement Ltd	209,561,622	10.39
2	Oppenheimer Developing Markets Fund	189,591,305	9.40
3	ICICI Prudential Life Insurance Company Ltd	141,599,758	7.02
4	Edelweiss Alpha Fund Scheme I	81,098,266	4.02
5	Dishman Carbogen Amcis Limited	40,000,000	1.98
6	SBI Life Insurance Co. Ltd	37,766,607	1.87
7	Symphony Limited	35,000,000	1.74
8	Unifi AIF	33,255,168	1.65
9	IIFL Income Opportunities Series Debt Advantage	31,800,000	1.58
10	Reliance Nippon Life Asset Management Limited	29,860,000	1.48
	Total	**829,532,726**	**41.13**

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

AUDITORS' CERTIFICATE

TO THE MEMBERS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This Certificate is issued in accordance with the terms of our engagement letter dated July 14, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the statutory auditors of ZEE ENTERTAINMENT ENTERPRISES LIMITED ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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

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

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

Place: Mumbai
Date: May 10 2018

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN)	:	L92132MH1982PLC028767
2. Name of the Company	:	Zee Entertainment Enterprises Limited
3. Registered Address	:	18th Floor, A Wing, Marathon Futurex N M Joshi Marg, Lower Parel, Mumbai- 400013
4. Website	:	www.zeeentertainment.com
5. Email id	:	shareservice@zee.esselgroup.com
6. Financial Year reported	:	April 1, 2017 – March 31, 2018

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

The Company is mainly engaged in the business of Broadcasting of General Entertainment Television Channels i.e. Non-News & Current Affairs Television Channels falling into 'Television Programming & Broadcasting Services – NIC code (2004) -92132.

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

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

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

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

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

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

10. Markets served by the Company:

Company's television channels reach out to a little over 1.3 Billion viewers across 170+ countries.

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

1. Paid up Capital	:	₹ 17,135 Million
2. Total Revenue	:	₹ 57,956 Million
3. Total Profit after taxes	:	₹ 19,119 Million

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

During the year under review, while the Company (along with its subsidiary Sarthak Entertainment Pvt Ltd, merged w.e.f April 1, 2017) had committed need/milestone based CSR spend aggregating to ₹ 296.40 Million, the actual funds released towards CSR projects were ₹ 71.40 Million which works out to 0.37% of Profit after tax for FY 17-18.

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

During the year under review the CSR spends of the Company were towards (i) Education and Skill Development; (ii) Integrated Rural Development; (iii) Promotion of Education; and (iv) Promotion of Traditional Arts and Culture.

Additionally, Sarthak Entertainment Pvt Ltd, a wholly owned subsidiary, which got amalgamated with the Company in pursuance of a Composite Scheme of Arrangement and Amalgamation with effect from Appointed Date of April 1, 2017, had incurred CSR spend towards Integrated Agri-rural Development.

SECTION C: OTHER DETAILS

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

   As at March 31, 2018, the Company has 29 subsidiaries, including 8 domestic and 21 overseas direct and indirect subsidiaries.

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

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

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

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

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR:**

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

   All Corporate Policies including the Policies forming part of Business Responsibility Reporting are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by Mr. Punit Goenka (DIN - 00031263) Managing Director & CEO of the Company.

   b) **Details of the BR head:**

Sr	Particulars	Details
1	DIN Number	00031263
2	Name	Mr Punit Goenka
3	Designation	Managing Director & CEO
4	Telephone Number	022 – 7106 1234
5	E mail Id	punit.goenka@zee.esselgroup.com

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

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

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

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

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

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

3. Governance related to BR:

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

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

- **Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**
  The Company had started publishing BR report from financial year 2012-13 on a yearly basis. The BR report is/shall be available as part of Annual Report on www.zeeentertainment.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

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

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

   As mentioned in the Corporate Governance Report, 19 complaints were received from Shareholders during FY 2017-18, of which all 19 have been resolved. Additionally, on an ongoing basis the complaints/grievances/views from viewers and other stakeholders are dealt with by respective functions within the Company.

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

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

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

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

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

   The Company's broadcasting operations requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible. The Company's broadcast operations and studios are designed to ensure optimal energy saving. Additionally, the Company has installed Gas Engine plant at its Broadcast operations at Noida for generation of electricity and meeting power back-up requirements of the operations.

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

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

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

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

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

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

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

Being in the business of creativity, people are the ultimate differentiator and efforts are taken to attract, develop and retain employees. To ensure sustainable, business growth and become future ready, the Company has been focusing on strengthening its talent management, performance management & employee engagement processes. Accordingly, apart from confirming to regulatory requirements and industry standards, all HR policies are prepared and implemented considering overall well-being of the employees. Over the years, these policies have helped in building a high-trust, high-performance culture. During FY 17-18, the Company was ranked amongst the top 100 'India's Best Companies to Work For 2017' as well amongst the Best Company to work for in the Media Industry, in a study conducted by Great Place to Work® Institute and The Economic Times.

1. **Please indicate the total number of employees:** 1,776

2. **Please indicate the total number of employees hired on temporary/contractual /casual basis:** 337

3. **Please indicate the number of permanent women employees:** 311

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

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

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

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.** During the year under review, the Company had received 3 (three) complaints on sexual harassment at workplace and these were investigated in accordance with the procedure and resolved. No other complaint in respect of any other subject has been received during the financial year.

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

   The Company organizes various training sessions in-house on a regular basis and also sponsors its employees to attend training sessions organized by external professional bodies to facilitate upgradation of skill, of employees handling relevant functions, basic fire and safety training. These trainings are generally attended by majority of employees.

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

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

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

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

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

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

   Yes

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

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

Principle 5: Business should respect and promote human rights

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

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

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

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

   Apart from Sexual Harassment related complaints, there were no complaints reported on violation of any Human rights during the financial year 2017-18.

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

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

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

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

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

   No

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

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

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

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

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

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

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

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

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

   Nil

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

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

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

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

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

Principle 8: Businesses should support inclusive growth and equitable development

Corporate Social Responsibility (CSR) at Zee is all about engaging in long-term sustainable programs that actively contribute to and support the social and economic development of the society. Accordingly, the Company directs its CSR spends to support long term projects focused on developing and empowering society.

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

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

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

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

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

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

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

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

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

   Yes

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

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

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

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

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

   Not applicable

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

   None

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

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

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Punit Goenka, Managing Director & CEO and Sundeep Mehta, Financial Controller of Zee Entertainment Enterprises Limited ('the Company'), certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:

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

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

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 are fraudulent, illegal or violative of the Company's code of conduct.

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

d) During the year:

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

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

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

Punit Goenka
Managing Director & CEO

Sundeep Mehta
Financial Controller

Mumbai, May 9, 2018

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Zee Entertainment Enterprises Limited (the Company), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matters

a) The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 10 May 2017 expressed an unmodified opinion.

b) These previously issued standalone Ind AS financial statements for the year ended 31 March 2017 have been restated to give effect to the following:
   - The composite scheme of arrangement among Reliance Big Magic from Reliance Big Broadcasting Private Limited, Big Magic Limited and Azalia Broadcast Private Limited (together referred as transferor entities) and the Company, as explained in note 43a to the financial statements.
   - The composite scheme of arrangement and amalgamation between the subsidiaries of the Company viz. Zee Digital Convergence Limited, Zee Unimedia Limited, Sarthak Entertainment Private Limited and the Company and their respective shareholders, as explained in note 43b to the financial statements.

   The financial statements of the said subsidiaries and transferor entities for the year ended 31 March 2017 prepared in accordance with Ind AS have been audited by the respective entity's statutory auditors.

   The adjustments made to the previously issued financial statements/information of the Company for the year ended 31 March 2017 giving effect to the above mentioned composite scheme of arrangement have been audited by us. Our report is not qualified for these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

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

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

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

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

A. B. Jani
Partner
Membership No. 46488

Mumbai, 10 May 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Zee Entertainment Enterprises Limited (the Company) as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

A. B. Jani
Partner
Membership No. 46488

Mumbai, 10 May 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(i) In respect of its fixed assets:

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

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

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. The Company also does not have any immovable properties taken on lease and that are disclosed as fixed asset in the standalone Ind AS financial statements.

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

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

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

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

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

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

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

b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income-tax, Wealth Tax, Sales Tax, Service Tax/Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

c) Details of dues of Income-tax, Sales Tax, Service Tax/Goods and Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Unpaid (₹ in millions)
The Central Excise Act, 1944	Service Tax	Customs, Central Excise and Service Tax Appellate Tribunal	F.Y. 2006-07	314
			F.Y. 2007-08	148
		Additional Commissioner of Service Tax, Mumbai	F.Y. 2011-12 F.Y. 2012-13	5
			F.Y. 2012-13 F.Y. 2013-14 F.Y. 2014-15	39
The Income Tax Act, 1961	Tax Deducted at Source (including interest)	Commissioner of Income Tax (Appeals)	F.Y. 2012-13	10
			F.Y. 2013-14	14
	Income Tax	High Court	F.Y. 1995-96	(₹ 426,630)^
			F.Y. 2004-05	18
		Income Tax Appellate Tribunal	F.Y. 2009-10	4
			F.Y. 2010-11	50
			F.Y. 2011-12	83
			F.Y. 2008-09	3*
			F.Y. 2009-10	30*
	Income Tax-Penalty	Commissioner of Income Tax (Appeals)	F.Y. 2007-08	173

^ represents absolute amount

*pertains to erstwhile ETC Networks Limited, merged with the Company

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

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

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

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

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

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

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

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

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

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

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

Mumbai, 10 May 2018

BALANCE SHEET
AS AT 31 MARCH 2018

(₹ Millions)

	Note	Mar-18	Mar-17 (Restated -Refer note 43)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	3,744	2,950
(b) Capital work-in-progress	5	96	986
(c) Investment property	6	1,462	1,058
(d) Goodwill	7	3,236	621
(e) Other intangible assets	7	1,130	390
(f) Financial assets			
(i) Investments			
a) Investments in subsidiaries	8	6,281	5,761
b) Investments in associates	8	27	27
c) Other investments	8	5,813	3,304
(ii) Other financial assets	9	305	785
(g) Income-tax assets (net)		5,422	4,905
(h) Deferred tax assets (net)	10	-	648
(i) Other non-current assets	11	173	400
Total non-current assets		**27,689**	**21,835**
Current assets			
(a) Inventories	12	21,800	15,943
(b) Financial assets			
(i) Other investments	13	7,757	15,029
(ii) Trade receivables	14	12,853	9,535
(iii) Cash and cash equivalents	15	5,007	4,541
(iv) Bank balances other than (iii) above	15	6,772	1,017
(v) Loans		1,706	1,542
(vi) Other financial assets	9	2,151	1,141
(c) Other current assets	11	4,746	5,846
Total current assets		**62,792**	**54,594**
Total assets		**90,481**	**76,429**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	960	960
(b) Other equity	17	57,237	42,511
Total equity		**58,197**	**43,471**
Liabilities			
Non-current liabilities			
(a) Financial liabilities - borrowings			
(i) Redeemable preference shares	18	11,443	15,262
(ii) Others	18	9	2,946
(b) Provisions	19	772	698
Total non-current liabilities		**12,224**	**18,906**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables		9,769	5,112
(ii) Other financial liabilities			
a) Redeemable preference shares	20	3,802	3,815
b) Others	20	2,135	4,282
(b) Other current liabilities	21	1,075	798
(c) Provisions	19	46	44
(d) Income tax liabilities (net)		1,024	1
(e) Deferred tax liabilities (net)	10	2,209	-
Total current liabilities		**20,060**	**14,052**
Total liabilities		**32,284**	**32,958**
Total equity and liabilities		**90,481**	**76,429**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Sundeep Mehta
Financial Controller

Adesh Kumar Gupta
Director

M Lakshminarayanan
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

		Note	Mar-18	Mar-17 (Restated -Refer note 43)
Revenue				
Revenue from operations		22	57,956	50,249
Other income		23	9,818	3,479
Total income	**I**		**67,774**	**53,728**
Expenses				
Operational cost		24	21,927	20,340
Employee benefits expense		25	4,781	4,491
Finance costs		26	1,426	1,272
Depreciation and amortisation expense		27	1,398	860
Fair value loss on financial instruments at fair value through profit and loss		28	180	2,216
Other expenses		29	10,751	8,868
Total expenses	**II**		**40,463**	**38,047**
Profit before exceptional item and tax	**III=(I-II)**		**27,311**	**15,681**
Add: Exceptional item		30	-	470
Profit before tax	**IV**		**27,311**	**16,151**
Less : Tax expense				
Current tax - current year		31	8,645	3,851
- earlier years		31	(9)	54
Deferred tax		31	(444)	2,562
	V		**8,192**	**6,467**
Profit for the year	**VI=(IV-V)**		**19,119**	**9,684**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
(a)(i) Re-measurement of defined benefit obligation			50	(11)
(ii) Fair value changes of equity instruments through other comprehensive income			6	142
(b) Income-tax relating to items that will not be reclassified to the profit or loss			(15)	6
Total other comprehensive income	**VII**		**41**	**137**
Total comprehensive income for the year	**VIII=(VI+VII)**		**19,160**	**9,821**
Earnings per equity share (face value ₹ 1/- each)		44		
Basic			19.91	10.08
Diluted			19.91	10.08

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Sundeep Mehta
Financial Controller

Adesh Kumar Gupta
Director

M Lakshminarayanan
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

A. EQUITY SHARE CAPITAL

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

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

B. OTHER EQUITY

(₹ Millions)

	Other equity							
	Reserves and surplus						Other comprehensive income	Total other equity
	Capital redemption reserve	Capital reserve on scheme of amalgamation	Capital reserve on business combination	Share based payment reserve	General reserves	Retained earnings	Equity instruments	
As at 1 April 2016	**22**	**-**	**-**	**-**	**3,996**	**30,841**	**289**	**35,148**
Add: On account of amalgamation (Refer note 43b)	-	(359)	-	-	-	-	-	(359)
As at 1 April 2016 (Restated)	**22**	**(359)**	**-**	**-**	**3,996**	**30,841**	**289**	**34,789**
Profit for the year	-	-	-	-	-	9,684	-	9,684
Add: On account of amalgamation (Refer note 43b)	-	(99)	-	-	-	-	-	(99)
Less: Re-measurement loss on defined benefit plans	-	-	-	-	-	(30)	-	(30)
Add: Gain on fair value of financial assets through other comprehensive income	-	-	-	-	-	-	142	142
Add: Income tax impact thereon	-	-	-	-	-	11	-	11
Less: Dividend on Equity Shares	-	-	-	-	-	(2,161)	-	(2,161)
Less: Tax on dividend on Equity Shares	-	-	-	-	-	(167)	-	(167)
Add: Share based payments	-	-	-	2	-	-	-	2
As at 31 March 2017	**22**	**(458)**	**-**	**2**	**3,996**	**38,178**	**431**	**42,171**
Add: On account of acquisition (Refer note 43a)	-	-	340	-	-	-	-	340
As at 31 March 2017 (Restated)	**22**	**(458)**	**340**	**2**	**3,996**	**38,178**	**431**	**42,511**
Profit for the year	-	-	-	-	-	19,119	-	19,119
Add / Less: Transfer on redemption of preference shares	4,034	-	-	-	-	(4,034)	-	-
Add: On account of amalgamation (Refer note 43b)	-	1,245	-	-	-	-	-	1,245
Add: Options granted during the year	-	-	-	6	-	-	-	6
Add: Re-measurement gains on defined benefit plans	-	-	-	-	-	50	-	50
Less: Income tax impact thereon	-	-	-	-	-	(15)	-	(15)
Add: Gain on fair value of financial assets through other comprehensive income (Refer note 17)	-	-	-	-	-	-	6	6
Less: Deferred tax liability on preference shares	-	-	-	-	-	(3,284)	-	(3,284)
Less: Dividend on Equity Shares	-	-	-	-	-	(2,401)	-	(2,401)
As at 31 March 2018	**4,056**	**787**	**340**	**8**	**3,996**	**47,613**	**437**	**57,237**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Sundeep Mehta
Financial Controller

M Lakshminarayanan
Company Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

	Mar-18	Mar-17 (Restated -Refer note 43)
A. Cash flow from operating activities		
Profit before tax	27,311	16,151
Adjustments for :		
Depreciation and amortisation expense	1,398	860
Allowances for doubtful debts and advances	356	339
Bad debts and advances written off	2	112
Share based payment expense	6	2
Liabilities and excess provision written back	(7)	(331)
Unrealised loss on exchange adjustments (net)	6	231
Loss on sale or impairment of property, plant and equipment (net)	49	166
Interest expenses	94	60
Fair value loss on financial instruments at fair value through profit and loss	180	2,216
Profit on disposal of Subsidiary	-	(470)
Net gain on investments carried at fair value through profit and loss	-	(91)
Loss on sale of investments	8	-
Dividend on redeemable preference shares	1,328	1,211
Dividend income	(8,011)	(1,866)
Interest income	(1,363)	(1,033)
Operating profit before working capital changes	**21,357**	**17,557**
Adjustments for :		
(Increase) in inventories	(5,857)	(2,398)
(Increase) in trade and other receivables	(2,691)	(3,472)
Increase in trade and other payables	2,652	2,385
Cash generated from operations	**15,461**	**14,072**
Direct taxes paid (net)	(8,130)	(5,834)
Net cash flow from operating activities (A)	**7,331**	**8,238**
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(538)	(1,701)
Purchase of intangible assets	(216)	(84)
Purchase of investment property	(601)	-
Sale of property, plant and equipment / intangible assets	5	26
Fixed deposit invested	(17,432)	20
Fixed deposit matured	11,677	-
Payment towards acquisition of subsidiary company	(2,765)	(200)
Payment towards acquisition of associate company	-	(13)
Purchase of non current investments	(2,567)	(1,381)
Sale of non current investments	-	487
Purchase of current investments	(42,960)	(55,600)
Sale / redemption of current investments	50,281	53,014
Loans repaid by others	-	250
Dividend received from subsidiary company	8,142	1,365
Dividend received from others	4	130
Interest received	962	908
Net cash flow from / (used in) investing activities (B)	**3,992**	**(2,779)**
C. Cash flow from financing activities		
Redemption of redeemable preference shares	(4,030)	-
Proceeds from long-term borrowings	-	11
Repayment of long-term borrowings	(2,937)	(11)
Dividend paid on equity shares	(2,399)	(2,325)
Dividend paid on Redeemable Non-Convertible Preference Shares	(1,435)	(1,458)
Interest paid	(94)	(10)
Net cash flow from / (used in) financing activities (C)	**(10,895)**	**(3,793)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

	Mar-18	Mar-17 (Restated -Refer note 43)
Net cash flow during the year (A+B+C)	428	1,666
Cash and cash equivalents from merged / demerged entities (Refer note 43b)	38	59
Cash and cash equivalents at the beginning of the year	4,541	2,816
Net cash and cash equivalents at the end of the year	**5,007**	**4,541**

See accompanying notes to the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Sundeep Mehta
Financial Controller

Adesh Kumar Gupta
Director

M Lakshminarayanan
Company Secretary

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Zee Entertainment Enterprises Limited (ZEEL or the Company) is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Mumbai 400013, India. The Company is mainly in the following businesses:

(i) Broadcasting of Satellite Television Channels;

(ii) Space Selling agent for other satellite television channels;

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

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation of financial statements

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

c. Business combination

Business combinations have been accounted for using the acquisition method.

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

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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

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

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

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

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

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

d. Property, plant and equipment

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

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

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

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

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

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

e. Investment property

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

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

f. Goodwill

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

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

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

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

g. Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination:
Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

h. Impairment of Property, plant and equipment / other intangible assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered any impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in profit or loss.

i. Derecognition of property, plant and equipment / other intangibles / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles / investment property is deteremined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit and loss.

j. Leases

(i) Finance lease

The Company as a lessee:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

The Company as a lessee:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

The Company as a lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

k. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

l. Inventories

(i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) including content in digital form are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed. Programs, film rights, music rights are expensed / amortised as under :

1. Programs - reality shows, chat shows, events, game shows and sports rights etc. are fully expensed on telecast / upload.

2. Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast / upload, as per management estimate of future revenue potential.

3. Film rights are amortised on a straight-line basis over the licensed period or sixty months from the commencement of rights, whichever is shorter.

4. Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

(ii) Raw Stock :

Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

m. Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

(ii) Financial assets

(a) Classification of financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

(b) Subsequent measurement

- Debt Instrument - amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

- Fair value through other comprehensive income (FVTOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

(b) The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

- Fair value through Profit and Loss (FVTPL):
"FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss."

- Equity investments:
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payment is established.

- Investment in subsidiaries, joint ventures and associates: Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with Ind AS 27 on 'Separate Financial Statements'.

- Derivative financial instruments:
Derivative financial instruments are classified and measured at fair value through profit and loss.

(c) Derecognition of financial assets
A financial asset is derecognised only when:

(i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or

(ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(d) Impairment of financial assets
The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iii) Financial liabilities and equity instruments

(a) Classification of debt or equity:
Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments:
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(b) Subsequent Measurement:

-Financial liabilities measured at amortised cost:
Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

- Financial liabilities measured at fair value through profit and loss (FVTPL):

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the statement of profit and loss."

(c) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

(d) Fair value measurement

The Company measures financial instruments such as debts and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

-Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

n. Borrowings and Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Provisions, contingent liabilities and contingent assets

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainities surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurance or non-occurance of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

p. Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

(i) Broadcasting revenue -

Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

(ii) Sale of media content -

Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

(iii) Commission revenue -

Commision of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

(iv) Revenue from other services is recognised as and when such services are completed / performed.

(v) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable.

(vi) Dividend income is recognised when the Company's right to receive dividend is established.

(vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

q. Retirement and other employee benefits

Payments to defined contribution plans viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity and leave encashment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

(i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

(ii) net interest expense or income; and

(iii)remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

r. Transactions in foreign currencies

(i) The functional currency of the Company is Indian Rupees ('₹ ')

Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

s. Accounting for taxes on income

Tax expense comprises of current and deferred tax.

(i) Current tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

t. Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results are anti-dilutive.

u. Share based payments

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

3 KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

b. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

c. Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Company has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Company believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Company and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

d. Defined Benefit Obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

e Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

f. Media Content, including content in digital form

The Company has several types of inventory such as general entertainment, movies, and music. Such inventories are expensed/amortised based on certain estimates and assumptions made by Company, which are as follows:

i Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.

ii The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii Cost of movie rights - The Company's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast. Hence, it is amortised on a straight line basis over the license period or sixty months from the date of acquisition, whichever is shorter.

iv Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 on Revenue from Contract with Customers, Appendix B to Ind AS 21 on Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1 April 2018. The Group will be adopting the amendments from their effective date.

a) Ind AS 115 on Revenue from Contract with Customers:

Ind AS 115 supersedes Ind AS 11 on Construction Contracts and Ind AS 18 on Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

b) Appendix B to Ind AS 21 on Foreign currency transactions and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Group, is expected to be not material.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of Assets	Buildings	Plant and machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Leasehold improvements	Total
I. Cost								
As at 1 April 2016	580	2,701	176	132	398	313	459	4,759
On account of amalgamation (Refer note 43b)	-	67	2	8	12	15	22	127
As on 1 April 2016 (Restated)	**580**	**2,768**	**178**	**140**	**410**	**328**	**481**	**4,886**
Additions	-	394	33	95	78	190	74	864
Disposals	-	42	2	19	1	35	-	99
Transfer to investment property	198	-	-	-	-	-	-	198
As at 31 March 2017	**382**	**3,120**	**209**	**216**	**487**	**483**	**555**	**5,453**
On account of acquisition (Refer note 43)	-	12	0	-	31	42	0	85
As at 31 March 2017 (Restated)	**382**	**3,133**	**209**	**216**	**518**	**525**	**555**	**5,538**
Additions	16	440	108	10	288	385	241	1,488
Transfer from investment property	198	-	-	-	-	-	-	198
On account of amalgamation (Refer note 43b)	-	-	0	-	2	13	-	15
Disposals	-	59	0	23	3	3	2	90
As at 31 March 2018	**596**	**3,514**	**317**	**203**	**805**	**920**	**794**	**7,149**
II. Accumulated depreciation								
As at 1 April 2016	41	1,301	69	68	154	166	141	1,940
On account of amalgamation (Refer note 43b)	-	14	1	2	31	5	(0)	53
As on 1 April 2016 (Restated)	**41**	**1,315**	**70**	**70**	**185**	**171**	**141**	**1,993**
Depreciation charge for the year	7	304	28	31	77	86	140	673
Disposals	-	40	2	14	1	19	-	76
Transfer to investment property	2	-	-	-	-	-	-	2
Upto 31 March 2017	**46**	**1,579**	**96**	**87**	**261**	**238**	**281**	**2,588**
Depreciation charge for the year	20	289	46	36	117	156	185	849
Transfer from investment property	4	-	-	-	-	-	-	4
On account of amalgamation (Refer note 43b)	-	-	0	-	1	10	-	11
Disposals	-	23	0	20	2	2	-	47
Upto 31 March 2018	**70**	**1,845**	**142**	**103**	**377**	**402**	**466**	**3,405**
Net book value								
As at 31 March 2018	526	1,669	175	100	428	518	328	3,744
As at 31 March 2017	336	1,554	113	129	257	287	274	2,950

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Net book value	Mar-18	Mar-17 (Restated)
Property, plant and equipment	3,744	2,950
Capital Work-In-Progress	96	986

1. '0' (zero) denotes amounts less than a million.
2. Buildings include ₹ 0 Million (₹ 0 Million) (₹ 114,100, (₹ 114,100)) the value of share in a co-operative society.
3. Part of Property, plant and equipment have been given on operating lease.
4. Capital work-in-progress is net of impairment loss of ₹ 340 Millions (₹ 328 Millions). Amount charged to the Statement of Profit and Loss is ₹ 12 Millions (₹ 164 Millions).
5. Certain vehicles have been hypothecated against borrowings for vehicles aggregating to ₹ 17 Millions (₹ 19 Millions).

6 INVESTMENT PROPERTY

(₹ Millions)

Description of Assets	Land and Building	Total
I. Cost		
As at 1 April 2016	907	907
Transfer from property, plant and equipment	198	198
As at 31 March 2017	**1,105**	**1,105**
Additions	601	601
Transfer to property, plant and equipment	198	198
As at 31 March 2018	**1,508**	**1,508**
II. Accumulated depreciation		
Upto 31 March 2016	**37**	**37**
Depreciation Charge for the year	8	8
Transfer From property, plant and equipment	2	2
Upto 31 March 2017	**47**	**47**
Depreciation charge for the year	3	3
Transfer to property, plant and equipment	4	4
Upto 31 March 2018	**46**	**46**
Net book value		
As at 31 March 2018	1,462	1,462
As at 31 March 2017	1,058	1,058

The fair value of the Company's investment property ₹ 2,457 Millions (₹ 1,779 Millions), has been arrived at on the basis of a valuation carried out at that date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.The fair value measurement is categorized as Level 2.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

7. GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ Millions)

Description of Assets	Goodwill	Trademark	Customer list and websites	Software	Channels	Total
I. Cost						
As at 1 April 2016	-	-	-	441	133	574
On Account of amalgamation (Refer note 43b)	621	290	-	9	-	920
As on 1 April 2016 restated	**621**	**290**	**-**	**450**	**133**	**1,494**
Additions	-	-	-	84	-	84
Disposals	-	-	-	1	-	1
As at 31 March 2017	**621**	**290**	**-**	**533**	**133**	**1,577**
On Account of acquisition (Refer note 43a)	-	-	-	1	-	1
As at 31 March 2017 (Restated)	**621**	**290**	**-**	**534**	**133**	**1,578**
Additions	2,615	0	1,081	216	-	3,912
On account of amalgamation (Refer note 43b)	-	-	-	1	-	1
Transfers	-	0	-	-	-	0
Disposals	-	-	-	0	30	30
As at 31 March 2018	**3,236**	**290**	**1,081**	**751**	**103**	**5,461**
II. Accumulated amortization						
As at 1 April 2016	-	-	-	334	33	367
On account of amalgamation (Refer note 43b)	-	19	-	2	-	21
As on 1 April 2016 restated	**-**	**19**	**-**	**336**	**33**	**388**
Amortisation for the year	-	58	-	94	27	179
Disposals	-	-	-	-	-	-
Upto 31 March 2017	**-**	**77**	**-**	**430**	**60**	**567**
Amortisation for the year	-	128	250	106	62	546
Transfers	-	0	-	1	-	1
Disposals	-	-	-	-	19	19
Upto 31 March 2018	**-**	**205**	**250**	**537**	**103**	**1,095**
Net book value						
As at 31 March 2018	3,236	85	831	214	0	4,366
As at 31 March 2017	621	213	-	104	73	1,011

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

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

Goodwill of ₹621 millions has been allocated for impairment testing purpose to the Cash Generating Unit (CGU) viz. a Regional Channel in India respectively. Recoverable amount for this CGU has been determined based on value in use for which cash flow forecasts of the related CGU's using a 2% terminal growth rate for periods subsequent to 5 years and a pre-tax discount rate of 19.1% has been applied. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long term growth rate), based on a reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Further Goodwill of ₹2,615 Millions has been allocated to the Online Media Business (identified as a separate CGU). For the purpose of impairment testing, the recoverable amount of this CGU is determined based on fair value less cost of disposal as per the requirement of Ind AS 36. The fair value is computed as per the market approach using revenue multiples. 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.

8. NON-CURRENT INVESTMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
a	**Investments in subsidiaries (carried at cost)**		
	Investment in Equity Instruments		
	Wholly Owned - Unquoted		
	56,796,292 (56,796,292) Ordinary shares of USD 1 /- each of Zee Multimedia Worldwide (Mauritius) Limited	2,584	2,584
	583 (583) Ordinary shares of USD 1 /- each of ATL Media Ltd	2,515	2,515
	100,000 (100,000) Equity shares of ₹10 /- each of Zee Digital Convergence Limited (Refer note 43b)	1	1
	1,000,000 (126,990,000) Equity shares of ₹1 /- each of India Webportal Private Limited (Refer note 43b)	9	316
	100,000 (100,000) Equity shares of ₹10 /- each of Zee Unimedia Limited (Refer note 43b)	1	1
	13,009,997 (13,009,997) Equity shares of ₹10 /- each of Essel Vision Productions Limited	330	330
	2,000,000 (980,000) Equity Shares of ₹10 /- each of Fly By Wire International Private Limited (Refer note 42a)	28	13
	Equity portion of 0% Optionally Convertible Debentures of ₹ 1 /- each of Fly By Wire International Private Limited	62	-
	Others - unquoted		
	74,000 (74,000) Equity shares of ₹10 /- each of Zee Turner Limited (Extent of holding 74%)	1	1
	40,000 (Nil) Equity shares of Margo Networks Private Limited (Extent of holding 80%) (Refer note 42b)	750	-
		6,281	**5,761**
b	**In Associate - Quoted**		
	1,321,200 (1,321,200) Equity shares of ₹10 /- each of Aplab Limited (Extent of holding 26.42%)	47	47
	Less : Impairment in value of investments	20	20
		27	**27**
c	**Other investments**		
(i)	**Investments at amortised cost**		
	Other non-current investments at amortised cost		
	Wholly owned subsidiaries - unquoted		
	0% Optionally Convertible Debentures of ₹1 /- each of Fly By Wire International Private Limited	263	-

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
	110,500,000 (110,500,000) 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1 /- each of ATL Media Ltd	-	7,411
	Less: Amount disclosed under the head "Current Investments" (Refer note 13)	-	(7,411)
		-	**-**
	Investment in redeemable debentures		
	Others - quoted		
	50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited (Tenure - 10 years)	52	52
	Others - unquoted		
	50,000 (50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	62	61
	50,000 (50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	55	51
(ii)	**Investments at fair value through other comprehensive income**		
	Investments in equity instruments - quoted		
	1,822,000 (1,822,000) Equity shares of ₹ 2 /- each of Essel Propack Limited	438	433
	Investment in equity instruments - unquoted		
	1 (Nil) equity shares face value ₹ 10 /- each of Tagos Design Innovations Private Limited	0	-
	30,000 (30,000) Equity shares of ₹ 10 /- each of Last Minute Media Private Limited ₹ 300,000 (₹ 300,000)	0	0
	Less: Impairment in value of investment ₹ 300,000 (₹ 300,000)	0	0
		-	**-**
(iii)	**Investments at fair value through profit and loss**		
	Investment in debentures		
	Wholly owned subsidiaries - unquoted		
**	3,985,000,000 (1,900,000,000) 0% Optionally Convertible Debentures of ₹ 1 /- each of Essel Vision Productions Limited	4,409	2,246
	Others - Unquoted		
	2,905 (Nil) compulsorily convertible preference shares face value ₹ 10/- each of Tagos Design Innovations Private Limited	184	-
	1,069.6 (1,069.6) units of ₹ 1,000,000 /- each of Morpheus Media Fund	323	446
	175 (100) units of ₹ 2,00,000 /- each fully paid-up of Exfinity Technology Fund-Series II	27	15
		5,813	**3,304**
	Total	**12,121**	**9,092**

(All the above securities are fully paid-up)

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

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

** Optionally Convertible Debentures (OCD) have a tenure of 5 years. The Company has an option to convert the OCD at any time after initial period of 3 years / 18 months from the date of allotment, into Equity Shares at a price as determined by the Board or per share or net asset value at the time of conversion, whichever is higher. OCD's not converted into Equity Shares shall be redeemable at par at the end of the tenure.

Aggregate amount and market value of quoted Investments	537	532
Aggregate carrying value of unquoted Investments	11,604	8,580
Aggregate amount of impairment in value of investments	20	20

9. OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-Current		Current	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Deposits - unsecured and considered good				
- to related parties	37	486	526	101
- to others	268	298	188	339
Unbilled revenue	-	-	386	80
Interest accrued	-	-	40	15
Other receivables - Related parties	-	-	941	521
- Others *	-	1	70	85
Total	**305**	**785**	**2,151**	**1,141**

* Includes ₹ Nil (₹ 19 Millions) receivable against sale of non-current Investments

10. DEFERRED TAX (LIABILITIES) / ASSETS (NET)

(₹ Millions)

The components of deferred tax balances are as under:	Mar-18	Mar-17 (Restated)
Deferred tax assets		
Employee retirement benefits obligation	285	243
Depreciation and amortization	-	38
Allowance for doubtful debts and advances	396	236
Unutilised tax losses	-	114
Disallowances under section 40(a)	399	17
	1,080	**648**
Deferred tax liabilities		
Depreciation and amortization	5	-
Tax on preference shares redemption	3,284	-
Deferred tax (liabilities) / assets (net)	**(2,209)**	**648**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

11. OTHER ASSETS

(₹ Millions)

	Non-Current		Current	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Capital advances (unsecured)	106	159	-	-
Other advances (unsecured)				
- Considered good				
to related parties	39	45	104	-
others	-	3	4,045	4,609
- Considered doubtful	-	2	263	183
	39	**50**	**4,412**	**4,792**
Less: Allowance for doubtful advances	-	2	263	183
	39	**48**	**4,149**	**4,609**
Prepaid expenses	28	105	89	199
Balance with Government authorities	-	88	508	1,051
Less: Provision	-	-	-	13
	-	**88**	**508**	**1,038**
Total	**173**	**400**	**4,746**	**5,846**

12. INVENTORIES (VALUED AT LOWER OF COST / UNAMORTISED COST OR REALISABLE VALUE)

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Raw stock - tapes	9	10
Media content *	21,748	15,903
Under production - Media content	43	30
Total	**21,800**	**15,943**

* Includes rights ₹ 3,607 Millions (₹ 3,721 Millions), which will commence at a future date.
Inventories expected to be recovered post 12 months is 69% (63%)

13. CURRENT INVESTMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
A	**Investment at amortised cost**		
	Investment in preference shares		
	Wholly owned subsidiaries - unquoted		
	Nil (110,500,000) 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1 /- each of ATL Media Ltd (Refer note 8)	-	7,411
	Investment in redeemable debentures - unquoted		
	12,500 (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000 /- each of SGGD Projects Development Private Limited	1,725	1,543

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
	Others:		
	Certificate of Deposit (Non-Transferable) - unquoted		
	7.10% (Nil) Housing Development Finance Corporation Ltd. (Tenure - 1 year)	1,500	-
	7.10% (Nil) Housing Development Finance Corporation Ltd. (Tenure - 1 year)	500	-
	Nil (10%) SICOM Limited (Tenure - 1 year)	-	1,000
	Nil (10%) SICOM Limited (Tenure - 1 year)	-	1,000
	Nil (10%) SICOM Limited (Tenure - 1 year)	-	1,000
		3,725	**11,954**
B	**Investments carried at fair value through Profit and loss**		
	Mutual Funds - quoted		
	3,610,705 (Nil) units of ₹ 100/- each of Adity Birla Sun Life Cash Plus- Growth	1,005	-
	791,763 (Nil) units of ₹ 1,000/- each of Essel Liquid Fund- Growth	1,515	-
	211,533 (Nil) units of ₹ 1,000/- each of Invesco India Liquid Fund- Growth	506	-
	515,751 (Nil) units of ₹ 1,000/- each of UTI Money Market Fund- Growth	1,006	-
	Nil (305,118) units of ₹ 1,000/- each of Peerless Liquid Fund - Daily Dividend	-	306
	Nil (5,989,991) units of ₹ 100/- each of ICICI Prudential Savings Fund- Daily Dividend	-	608
	Nil (2,800,381) units of ₹ 100/- each of Birla Sun Life Savings Fund -Daily Dividend	-	281
	Nil (38,746,264) units of ₹ 10/- each of JM High Liquidity Fund - Daily Dividend	-	404
	Nil (24,928,512) units of ₹ 10/- each of Reliance Medium Term Fund - Daily Dividend	-	425
	Nil (499,330) units of ₹ 1,000/- each of Tata Money Market Fund- Daily Dividend	-	500
	Nil (400,353) units of ₹ 1,000/- each of Invesco India Liquid Fund- Daily Dividend	-	401
	Nil (137,061) units of ₹ 1,000/- each of LIC MF Liquid Fund - Direct Dividend	-	150
		4,032	**3,075**
	Total (A+B)	**7,757**	**15,029**

(All the above securities are fully paid-up)		
Aggregate amount and market value of quoted investments	4,032	3,075
Aggregate carrying value of unquoted investments	3,725	11,954

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

14. TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	Mar-18	Mar-17 (Restated)
- Considered good	12,853	9,535
- Considered doubtful	870	538
	13,723	**10,073**
Less: Allowance for doubtful debts	870	538
Total	**12,853**	**9,535**

For transactions relating to related party receivables, refer note 50.

15. CASH AND BANK BALANCES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a Cash and cash equivalents		
Balances with banks		
In Current accounts	1,122	1,173
In Deposit accounts	2,684	2,452
Cheques in hand	1,200	915
Cash in hand	1	1
	5,007	**4,541**
b Other bank balances		
In deposit accounts	6,749	1,000
In unclaimed dividend accounts		
- Preference shares	4	-
- Equity shares	19	17
	6,772	**1,017**
Total	**11,779**	**5,558**

16. EQUITY SHARE CAPITAL

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Authorised *		
2,000,000,000 (2,000,000,000) Equity Shares of ₹ 1/- each	2,000	2,000
	2,000	**2,000**
Issued, subscribed and paid up		
960,453,620 (960,448,720) Equity Shares of ₹ 1/- each fully paid up	960	960
Total	**960**	**960**

* Authorised capital of 2,100,000,000 (2,100,000,000) Redeemable Preference Shares of ₹ 10/- (₹ 10/-) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. (Refer Note 18)

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

i) Reconciliation of number of Equity Shares and Share capital

	Mar-18		Mar-17 (Restated)	
	Number of Equity Shares	₹ Millions	Number of Equity Shares	₹ Millions
At the beginning of the year	960,448,720	960	960,448,720	960
Add : Issued during the year	4,900	0	-	-
Outstanding at the end of the year	**960,453,620**	**960**	**960,448,720**	**960**

ii) Terms / rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1 /- each. Each holder of Equity Shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

iii) Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding 31 March 2018.

	Mar-18	Mar-17 (Restated)
Equity Shares bought back and cancelled	4,812,357	24,185,210

iv) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the Shareholders	Mar-18		Mar-17 (Restated)	
	Number of Equity Shares	% Shareholding	Number of Equity Shares	% Shareholding
Cyquator Media Services Private Limited	241,412,908	25.14%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	65,300,739	6.80%	65,978,899	6.87%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

v) Employees Stock Option Scheme (ESOP)

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into Equity Shares not exceeding in the aggregate 5% of the issued and paid-up capital of the Company as at 31 March 2009 i.e. up to 21,700,355 Equity Shares of ₹1 /- each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Company as well as that of its subsidiaries. The said ESOP 2009 was amended during the previous year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year, the Nomination and Remuneration Committee of the Board granted 18,900 stock options convertible at ₹1 /- each to an employee of the Company. The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1, 2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the equity shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	Number of Options
Opening at beginning of the year	9,800
Grant during the year	18,900
Exercised during the year	(4,900)
Outstanding at the end of the year	23,800

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

During the year, the Company recorded an employee stock compensation expense of ₹ 6 Millions (₹ 2 Millions) in the statement of profit and loss. The market price at the date of grant was ₹ 529 /- (₹ 512 /-) per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	21%	22%	20%
Expected dividend yield on the underlying share for the expected term of the option	2.25	2.25	2.25
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year had a weighted average remaining contractual life of 257 days.

17. OTHER EQUITY

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Reserves and Surplus		
Capital Redemption Reserve		
As per last Balance Sheet	22	22
Add: Transfer from retained earnings	4,034	-
	4,056	**22**
Capital Reserve on scheme of amalgamation		
As per last Balance Sheet	(458)	(359)
Add: On account of amalgamation (Refer note 43b)	1,245	(99)
	787	**(458)**
Capital Reserve		
As per last Balance Sheet	340	-
Less: On account of acquisition (Refer note 43a)	-	340
	340	**340**
Share Based Payment Reserve		
As per last Balance Sheet	2	-
Add: Options granted during the year	6	2
	8	**2**
General Reserve		
As per last Balance Sheet	**3,996**	**3,996**
Retained earnings		
As per last Balance Sheet	38,178	30,841

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Add : Profit for the year	19,119	9,684
Less: Transfer to capital redemption reserve	(4034)	-
Add / (Less): Re-measurement gains / (loss) on defined benefit plans	50	(30)
(Less) / Add: Income tax impact thereon	(15)	11
Less: Deferred tax liability on preference shares	(3,284)	-
Less: Payment of dividend on equity shares	(2,401)	(2,161)
Less: Tax on dividend on equity shares	-	(167)
	47,613	**38,178**
Other comprehensive income		
As per last Balance Sheet	431	289
Add: Gain on fair value of financial assets through other comprehensive income	6	142
	437	**431**
Total	**57,237**	**42,511**

1) Capital Redemption Reserve is created on redemption of redeemable preference shares issued.
2) Share Based Payment Reserve is related to share options granted by the Company to its employee under its employee share option plan.
3) General reserves is used from time to time to transfer profits from retained earnings for appropriation purposes.
4) Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.
5) Other comprehensive income includes reserves for equity instruments through other comprehensive income i.e. cumulative gains and losses arising on the measurement of equity instruments at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

18. LONG-TERM BORROWINGS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a Redeemable preference shares - Unsecured, at fair value through profit and loss		
2,016,942,312 (2,016,942,312) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 8 /- (₹ 10 /-) each fully paid-up - Quoted	15,206	19,077
Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	3,802	3,815
	11,404	**15,262**
b 3,949,105 6% Series B Cumulative Redeemable Non-Convertible Preference shares of ₹ 10/- each - Unsecured, at amortised cost	39	-
	11,443	**15,262**
c Vehicle loans from bank, at amortised cost *	17	19
Less: Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	8	8
	9	11
d Others - unsecured, at amortised cost	-	2,935
	9	**2,946**
Total (a+b+c+d)	**11,452**	**18,208**

*Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September 2019.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

Terms / rights attached to Preference Shares

(i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Quoted

During the year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹1 /- each (consolidated to face value of ₹10 /- each in 2017) by way of bonus in the ratio of 21 Bonus Preference Shares of ₹1 /- each fully paid up for every one Equity share of ₹1 /- each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company redeems at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company has an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceeding the date of the meeting.

During the year, the Company redeemed 20% (₹2 /- each) of the Nominal Value of 2,016,942,312 Bonus preference shares of ₹10 /- each consequent to which the face value of these Preference Shares stand revised to ₹8 /- each.

During the year ended 31 March 2017, 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹1 /- each has been converted to 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹10 /- each.

(ii) 6% Series B Cumulative Redeemable Non-Convertible Preference shares - unquoted

During the year the Company has issued and allotted 3,949,105, 6% series B cumulative redeemable non-convertible unlisted preference shares of ₹10 /- each towards acquisition of the general entertainment television broadcasting undertakings (Refer note 43a).

These Preference shares are redeemable at par at any time within three years from the date of allotment.

19. PROVISIONS

(₹ Millions)

	Non-Current		Current	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Provision for employee benefits				
- Gratuity	389	327	15	14
- Compensated absences	382	371	31	30
- Super annuation	1	-	-	-
Total	**772**	**698**	**46**	**44**

20. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Current maturities of long term borrowings - Redeemable preference shares (Refer note 18a)	**3,802**	**3,815**
Current maturities of long-term borrowings - vehicle loan from banks (Refer note 18c)	8	8
Consideration payable on business acquisition	-	39
Deposits received	121	113
Unclaimed dividends	19	17
Unclaimed preference shares redemption	4	-
Creditors for capital expenditure	70	68
Employee benefits payable	522	707
Dividend payable on redeemable preference shares and tax thereon	1,104	1,211
Temporary overdrawn balances	12	268

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Other payables	275	1,851
	2,135	**4,282**
Total	**5,937**	**8,097**

For transactions relating to related party payables refer note 50.
Dividend ₹ 2 Millions (₹ 1 Million) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2018.

21. OTHER CURRENT LIABILTIES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Advances received from customers	692	436
Statutory dues payable	383	362
Total	**1,075**	**798**

22. REVENUE FROM OPERATIONS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Services - Broadcasting revenue		
Advertisement	38,640	32,851
Subscription	15,410	14,195
-Sales - Media content	2,612	2,064
-Commission	804	728
-Transmission revenue	420	338
Other operating revenue	70	73
Total	**57,956**	**50,249**

23. OTHER INCOME

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Interest income from :		
- Bank deposits	333	103
- Other financial assets	849	802
- Income tax refunds	181	128
Dividend income from :		
- Subsidiaries	7,816	1,769
- Investment classified as fair value through other comprehensive income	4	4
- Investment classified as fair value through profit and loss	191	93
Net gain on sale of investments classified as fair value through profit and loss	-	91
Foreign exchange gain (net)	74	-
Liabilities and excess provision written back	7	331
Rent income	296	107
Miscellaneous income	67	51
Total	**9,818**	**3,479**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

24. OPERATIONAL COST

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a) Media content		
Opening - Inventory	15,903	13,306
- Under production - programs	30	50
Add: Amortisation of acquired inventory #	16,522	14,068
Add: Production expenses	10,227	8,127
Less: Closing - Inventory	21,748	15,903
- Under production - programs	43	30
	20,891	**19,618**
b) Telecast and technical cost	**1,036**	**722**
Total (a+b)	**21,927**	**20,340**

Media content of ₹ 1,225 Millions (₹ 1,855 Millions) are written down during the year as the estimated net realisable value was lower than cost.

25. EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Salaries and allowances	4,454	4,168
Share based payment expense	6	2
Contribution to provident and other funds	243	217
Staff welfare expenses	78	104
Total	**4,781**	**4,491**

26. FINANCE COSTS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Interest - vehicle loans	2	2
- others	92	58
Dividend on redeemable preference shares	1,328	1,211
Other financial charges	4	1
Total	**1,426**	**1,272**

27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Depreciation on property, plant and equipment	849	673
Depreciation on investment properties	3	8
Amortisation of intangible assets	546	179
Total	**1,398**	**860**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

28. FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Fair value loss on financial assets (net)	16	280
Fair value loss on financial liabilities (net)	164	1,936
Total	**180**	**2,216**

29. OTHER EXPENSES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Rent	758	632
Repairs and maintenance		
- Buildings	11	2
- Plant and machinery	116	107
- Others	114	103
Insurance	14	13
Rates and taxes	61	99
Electricity and water charges	158	139
Communication charges	115	104
Printing and stationery	22	21
Travelling and conveyance expenses	627	426
Legal and professional charges	592	346
Directors remuneration and sitting fees	22	18
Deferred consideration	49	-
Payment to auditors (Refer note 36)	13	23
Corporate Social Responsibility expenses (Refer note 45)	71	265
Donations	3	20
Hire and Service Charges	889	646
Commission expenses	35	91
Advertisement and publicity expenses	4,473	3,477
Marketing, distribution and promotion expenses	1,892	1,411
Conference expenses	271	112
Exchange fluctuation cost (net)	-	163
Allowances for doubtful debts and advances	356	339
Loss on sale of investments classified as fair value through profit and loss	8	-
Bad debts and advances written off	2	112
Loss on sale / write off of property, plant and equipment (net)	49	166
Miscellaneous expenses	30	33
Total	**10,751**	**8,868**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

30. EXCEPTIONAL ITEM

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Profit on disposal of subsidiary	-	470
Total	**-**	**470**

31. TAX EXPENSE

The major components of income tax for the year are as under:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	8,645	3,851
- earlier years	(9)	54
Deferred tax charge / (benefit)	(444)	2,562
Total	**8,192**	**6,467**
Effective tax rate	**30%**	**40%**

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to the income tax expense at Company's effective income tax rate for the year ended 31 March 2018 and 31 March 2017 is as follows:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Profit before tax	**27,311**	**16,151**
Income tax		
Statutory income tax rate of 34.608% (34.608%) on profit	9,452	5,590
Tax effect on non-deductible expenses	637	1,706
Additional allowances for tax purposes	(24)	(244)
Effect of exempt income and income taxed at lower rates	(1,433)	(537)
Tax credit availed	(450)	6
Effect of change in tax rate	2	-
Tax effect for earlier years	8	(54)
Tax expense recognised in the statement of profit and loss	**8,192**	**6,467**

Deferred tax recognized in statement of other comprehensive income

(₹ Millions)

For the year ended	Mar-18	Mar-17 (Restated)
Defined benefit obligation	15	(6)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% (34.608%) for the year ended 31 March 2018.
Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.
The Company does not have any temporary differences in respect of unutilized tax losses.

Deferred tax recognized as on 31 March 2018

(₹ Millions)

Deferred Tax (liabilities) / Assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefits obligation	243	57	(15)	-	285
Depreciation and amortization	38	(43)	-	-	(5)

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Allowance for doubtful debts and advances	236	161	-	-	396
Unutilized tax credits on account of acquisition and amalgamation (refer note 43)	114	(114)	-	-	-
Disallowances under section 40 (a)	17	382	-	-	399
Tax liability on redemption of preference shares	-	-	-	(3,284)	(3,284)
Total	**648**	**444**	**(15)**	**(3,284)**	**(2,209)**

Deferred tax recognized as on 31 March 2017

(₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefits obligation	152	86	6	-	243
Depreciation and amortization	6	32	-	-	38
Allowance for doubtful debts and advances	167	68	-	-	236
Unutilized tax credits on account of acquisition and amalgamation (refer note 43)	-	(2,765)	-	2,879	114
Disallowances under section 40 (a)	-	17	-	-	17
Total	**325**	**(2,562)**	**6**	**2,879**	**648**

32. LEASES

A. Operating Leases:

The Company as a lessee:

(a) The Company has taken office, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally ranging from 6 months to 120 months.

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Lease rental charges for the year	1,963	1,446
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1,124	1,277
Later than one year but not later than five years	667	1,534
Later than five years	10	-

The Company as a lessor:

(b) The Company has given part of its investment property under cancellable operating lease agreement. The initial term of the lease is for 12 months. The lease rental revenue for the year is ₹ 276 Millions (₹ 107 Millions).

(c) The Company has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Sub lease rent income	91	255
Future sub ease rental obligation receivable (under non-cancellable lease)		
Not later than one year	87	91
Later than one year but not later than five years	-	87

33. (A) CONTINGENT LIABILITIES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a. Corporate Guarantees		
-For subsidiaries	-	2,390
-For other related parties ^^	1,037	1,039
b. Disputed Indirect Taxes	507	467
c. Disputed Direct Taxes *	2,593	3,339
d. Claims against the Company not acknowledged as debts #	641	499
e. Legal cases against the Company @	Not ascertainable	Not ascertainable

^^ Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.

* Income tax demands mainly include appeals filed by the Company before various appellate authorities (including Dispute Resolution Panel) against the disallowance of expenses claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases are likely to be decided in its favour and hence no provision is considered necessary.

The amount represents the best possible estimate arrived at on the basis of available information. The Company has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

(B) The Company has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of Media Rights contract for telecast of cricket matches between India and other Countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ 1,236 Millions (plus interest) in favour of the Company. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Company has also filed an execution petition in April 2018. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

34. CAPITAL AND OTHER COMMITMENTS

(a) Estimated amount of contracts remaining to be executed for capital expenditure not provided for (net of advances) is ₹ 113 Millions (₹ 133 Millions).
(b) Other commitments as regards media content and others are ₹ 2,778 Millions (₹ 5,085 Millions).
(c) Uncalled liability / contractual obligation on investments committed is ₹ 65 Millions (₹ 3,063 Millions).
(d) The Company has committed to provide continued financial support to various subsidiaries - Amount not ascertainable.

35. MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Managing Director included in Note 24 "Employee benefits expense" is as under :

(₹ Millions)

	Managing Director	
	Mar-18	Mar-17 (Restated)
Salary and allowances	99	70
Contribution to provident fund	5	5
Perquisites	-	7

Note: Salary and Allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

36. PAYMENT TO AUDITORS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Audit fees	9	8
Tax audit fees	-	1
Certification and tax representation	3	14
Other services (₹ 500,000 (₹ Nil))	1	-
Reimbursement of expenses (₹ 148,479 (₹ 486,785))	0	0
Total	**13**	**23**

37. INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

a. Loans given

During year ended 31 March 2018

(₹ Millions)

	Mar-17 (Restated)	Given	Repaid	Mar-18
In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,542	224 ^	60 *	1,706

During year ended 31 March 2017

(₹ Millions)

	Mar-16	Given	Repaid	Mar-17 (Restated)
In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,750	42 ^	250	1,542

Notes

^ Represents interest receivable.

* Represents interest received.

Inter Corporate Deposits are given as a part of treasury operations of the Company on following terms:

1 Loans given to unrelated corporate entity at an average interest rate 15% p.a.

2 All loans are short term in nature.

3 All the loans are provided for business purposes.

b. Investments made

There are no investments by the Company other than those stated under Note 8 and Note 13 in the Financial Statements.

c. Guarantees given

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Performance guarantees		
I To secure obligations of Wholly Owned Subsidiary- Guarantees to Banks and Sports Administrators	-	2,390
II To Banks to secure obligations of other related parties:		
- Guarantees	170	170
- Commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers	867	869

d. Securities provided

There are no securities provided during the year.

38. Operational cost, Employee benefits expense and other expenses are net off recoveries ₹ 664 Millions (₹ 667 Millions).

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

39. The financial statements of the Company for the year ended 31 March 2018, were reviewed by the Audit Committee at their meeting held on 9 May 2018 and were approved for issue by the Board of Directors at their meeting held on 10 May 2018.

40. DISCLOSURE REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006.

The Company has no dues to Micro, Small and Medium enterprises as at 31 March 2018, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

41. During the year, the Company has made Political Contribution of ₹ Nil (₹ 20 Millions).

42. INVESTMENT IN SUBSIDIARIES

a. During the previous year, the Company acquired 49% of equity stake of Fly By Wire International Private Limited (FBW). The balance 51% equity stake in FBW was acquired by the Company on 14 July 2017 at an investment value of ₹ 14 Millions, making it a wholly-owned subsidiary of the Company.

b. During the year, the Company acquired 80% equity stake in Margo Networks Private Limited at an investment value of ₹ 750 Millions, making it a subsidiary of the Company.

c. The Company held 51% equity stake in India Webportal Private Limited (IWPL), during the year the Company acquired the balance 49% equity stake in IWPL on 22 July 2017 at an investment value of ₹ 2,001 Millions, making it a wholly-owned subsidiary of the Company.

43. ACQUISITIONS AND AMALGAMATIONS

The figures for the year ended 31 March 2017 have been restated to give effect to the scheme of acquisition and arrangements explained below:

a. Acquisitions

The Board of Directors of the Company at their meeting held on 23 November 2016 had approved the acquisition of the general entertainment television broadcasting undertakings of Reliance Big Broadcasting Private Limited (RBBPL), Big Magic Limited (BML) and Azalia Broadcast Private Limited (ABPL), through demerger and vesting of said undertakings with the Company under a Composite Scheme of Arrangement.

The Scheme provided for the Demerger of Undertakings (as defined in the Scheme) of RBBPL, BML and ABPL which inter-alia includes 5 (five) General Entertainment Television channels owned by RBBPL and 1 (one) General Entertainment Television Channel owned by ABPL and the Media business of BML.

The said Scheme was approved by the Hon'ble National Company Law Tribunal on 13 July 2017 and the certified copy of the Order approving the said Scheme was filed with the Registrar of Companies on 21 July 2017. The appointed date of the said scheme was 31 March 2017 and accordingly, the figures for the year ended 31 March 2017 are restated.

i. Purchase consideration

(₹ Millions)

	Amount
3,949,105, 6% Series B cumulative redeemable non-convertible unlisted Preference Shares of ₹ 10/- each	39

ii. The fair value of assets and liabilities recognised as a result of the acquisition is as follows:

(₹ Millions)

	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	17
Other non current assets	82
Deferred tax assets (net) *	2,876
Current Assets	
Inventories	118
Financial assets	137
Other current assets	856
Total assets acquired (A)	**4,086**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

	Amount
LIABILITIES	
Non current liabilities	
Borrowings	2,934
Provisions	1
Other non current liabilities	1
Current liabilities	
Financial liabilities	629
Other current liabilities	141
Provisions	1
Total liabilities acquired (B)	**3,707**
Net identifiable assets acquired (C=A-B)	**379**

iii. Calculation of Capital Reserve

(₹ Millions)

	Amount
Net Identifiable Assets Acquired	379
Less: Purchase Consideration	39
Capital Reserve @	**340**

@ The excess of net identifiable assets acquired over the consideration paid have been reassessed and reviewed and has been recognised directly in equity as Capital Reserve.

* The restated figures as at 31 March 2017 does not include the deferred tax assets as the same have been utilised during the year ended 31 March 2017. Correspondingly, the net income tax liability stands reduced as at 31 March 2017. The aforesaid utilisation of deferred tax asset, has resulted in restatement of statement of profit and loss for the year ended 31 March 2017 whereby deferred tax expense has increased by ₹ 2,877 Millions and current tax expense has reduced by ₹ 2,873 Millions.

b. Composite Scheme of Arrangement and Amalgamation between the Company and its wholly owned subsidiaries

On 24 July 2017, the Board of Directors had approved a Composite Scheme of Arrangement and Amalgamation (the Scheme) between the Company and its certain wholly-owned domestic subsidiaries which comprise of amalgamation of its wholly owned subsidiary namely, Sarthak Entertainment Private Limited (SEPL) with effect from 1 April 2017 (being the appointed date of merger) and demerger of:

i) Digital media and entertainment business undertaking from Zee Digital Convergence Limited (ZDCL);
ii) Advertisement sales for media business undertaking from Zee Unimedia Limited (ZUL);
iii) Demerger of online media business undertaking from India Webportal Private Limited (IWPL), all vesting with the Company with effect from appointed date of 1 April 2017.

The said Scheme has been approved by the Hon'ble National Company Law Tribunal on 11 April 2018 and the certified copy of the Order approving the said Scheme has been filed with the Registrar of Companies on 3 May 2018.

The Company has incorporated the accounting effects in its books of account as per the accounting treatment prescribed as per the scheme. The accounting for demerged undertaking of ZDCL, ZUL and IWPL and amalgamtion of SEPL has been done in accordance with the pooling of interest method laid down in Appendix C of the India Accounting Standard 103 (Business combination of entities under common control) prescribed under Section 133 of the Companies Act, 2013.

The Scheme defined the following accounting treatment for recording the aforesaid transaction:

- In case of Demerged undertaking of IWPL, upon this Scheme coming into effect, the Company, with effect from the date when the common control of the Demerged Company viz. IWPL and the Company was established for the first time ('Common control Date'), shall record the assets and liabilities of the Demerged undertaking of IWPL transferred pursuant to this Scheme, at their respective carrying values in the consolidated financial statements of the Resulting Company immediately before the demerger.
- In case of Demerged undertakings of ZDCL and ZUL, the Company shall record the assets and liabilities pertaining to the Demerged undertakings of ZDCL and ZUL transferred pursuant to the Scheme, at their respective carrying values as appearing in the books of account of the Demerged Companies viz. ZDCL and ZUL as on the Appointed Date.

NOTES

FORMING PART OF THE FINANCIAL STATEMENTS

- In case of merger of SEPL, the Company shall record all assets, liabilities and reserves of SEPL, at their respective carrying values in the consolidated financial statements of the Company immediately before the merger.
- If the common control existed prior to the appointed date, comparative accounting period presented in the financial statements are to be restated for the accounting impact of demerger/merger, as stated above, as if the demerger had occurred from the beginning of the comparative period in the financial statements or when the control was acquired. Accordingly, ZUL and ZDCL's demerged undertaking's assets and liabilities and SEPL's assets, liabilities and reserves have been recorded as at 1 April 2016. IWPL's demerged undertaking's assets and liabilities have recorded as at 22 July 2017 i.e. the date on which control was achieved (common control date). Post recording of assets and liabilities, all the expenses and income are recorded in the Company's books of account.
- The difference between the net book value of assets acquired over the liabilities assumed pertaining to the Demerged undertakings of ZDCL, ZUL and IWPL, shall be adjusted to Capital Reserves of the Company and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

  Consequently, the previous year figures of the balance sheet and statement of profit and loss have been restated to give effect to the scheme.

The Company has reduced the carrying value of investments in the Demerged companies of ZDCL, ZUL and IWPL to the extent of reduction in respective equity share capital/securities premium of these Demerged companies and this reduction has been adjusted in the capital reserve of the Company.

The impact of the scheme has been given below:

i. Calculation of the capital reserve accounted on account of assuming the assets and liabilities of the demerged undertakings of ZDCL, ZUL and IWPL:

- In case of ZDCL and IWPL

(₹ Millions)

	Accounted as at 1st April 2016	Accounted as at 22nd July 2017
	ZDCL	IWPL
ASSETS		
Non-current assets		
Property, plant and equipment	59	4
Intangible assets	5	1,081
Goodwill	-	2,615
Other non current assets	14	4
Current Assets		
Financial assets	361	184
Other current assets	32	72
Total assets acquired (A)	**471**	**3,960**
LIABILITIES		
Non current liabilities		
Provisions	27	15
Current liabilities		
Financial liabilities	392	389
Other current liabilities	110	1
Provisions	2	3
Total Liabilities acquired (B)	**531**	**408**
Reduction in carrying value of investments due to capital reduction (as approved by the scheme) **(C)**	(299)	(2,307)
Capital reserve (A-B-C)	**(359)**	**1,245**

- In case of ZUL, which was formed on 23 March 2016 and had no assets and liabilities as at 1 April 2016. Consequently, there is no impact of demerger of ZUL as at 1 April 2016. During the year 2016-17, ZUL issued shares agregating ₹ 100 Millions, of which ₹ 99 Millions were cancelled (as approved by the scheme). The corresponding investment in the books of ZEEL also stands cancelled as at the date of issue and the resulting impact is given in capital reserve.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

ii. The Statement of Profit and Loss has been restated for the year ended 31 March 2017, to account for the impact of demerged undertakings of ZUL and ZDCL and the merger of SEPL:

(₹ Millions)

	ZUL	ZDCL	SEPL	Eliminations	Amount
Total income	**1,211**	**175**	**473**	**(883)**	**976**
Operational cost	-	262	187	-	449
Employee benefits expense	1,349	131	40	-	1,520
Finance costs	7	33	-	(33)	7
Depreciation and amortisation expense	13	14	7	58	92
Fair value loss on financial instruments at fair value through profit and loss	-	6	-	21	27
Other expenses	255	197	105	(875)	(318)
Total expenses	**1,624**	**643**	**339**	**(829)**	**1,777**
Profit before tax (A)	**(413)**	**(468)**	**134**	**(54)**	**(801)**
Tax expense **(B)**	(198)	-	47	-	(151)
Profit for the year (A-B)	**(215)**	**(468)**	**87**	**(54)**	**(650)**
Other comprehensive income	9	5	0	-	14
Total Comprehensive income	**(206)**	**(463)**	**87**	**(54)**	**(636)**

iii. The balancesheet for the year ended 31 March 2017 has been restated to account for the impact of demerged undertakings of ZUL and ZDCL and the merger of SEPL:

(₹ Millions)

	ZUL	ZDCL	SEPL	Eliminations	Amount
ASSETS					
Non-current assets					
Property, plant and equipment	29	49	35	-	113
Intangible assets	1	2	214	-	217
Goodwill	-	-	621	-	621
Financial assets	1	22	8	-	31
Deferred tax assets (net)	193	-	2	-	195
Current Assets					
Inventories	-	20	83	-	103
Financial assets	312	360	196	(3)	865
Other current assets	18	39	92	(215)	(66)
Total assets acquired (A)	**554**	**492**	**1,252**	**(218)**	**2,080**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

	ZUL	ZDCL	SEPL	Eliminations	Amount
LIABILITIES					
Non current liabilities					
Borrowings	-	641	-	(641)	-
Other financial liabilities	3	-	-	-	3
Provisions	236	17	4	-	256
Current liabilities					
Financial liabilities	331	112	97	(105)	435
Other current liabilities	103	52	2	-	157
Provisions	16	1	-	-	17
Total liabilities acquired (B)	689	823	103	(746)	869
Net assets / (liabilities acquired) (A-B)	(135)	(331)	1,149	528	1,211
Other equity	-	-	(82)	-	(82)
Investments in SEPL cancelled in Company's books	-	-	(1,067)	-	(1,067)

44. EARNINGS PER SHARE (EPS)

		Mar-18	Mar-17 (Restated)
a	Profit after Tax (₹ Millions)	19,119	9,684
b	Weighted average number of equity shares for basic EPS (in numbers)	960,450,559	960,448,720
c	Nominal value of equity shares (₹)	1	1
d	Basic EPS (₹)	19.91	10.08
e	Weighted average number of equity shares for diluted EPS (in numbers)	960,477,265	960,452,962
f	Nominal value of equity shares (₹)	1	1
g	Diluted EPS (₹)	19.91	10.08

45. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the current year, the Company has spent ₹ 71 Millions (₹ 265 Millions) on various schemes of Corporate Social Responsibility (CSR) Projects as prescribed in Schedule VII of the Companies Act, 2013. The prescribed CSR expenditure required to made spent in the current year as per the Companies Act, 2013 was ₹ 294 Millions. The above spend include CSR contribution of ₹ 2.5 Million made by Sarthak Entertainment Pvt Ltd, an entity merged with the Company in pursuance of a Scheme with effect from Appointed Date of 1 April 2017.

46. SEGMENT INFORMATION

The Company has presented Segment information on the basis of the consolidated financial statements as permitted by Ind AS 108 - Operating Segments.

47. DIVIDEND

Dividend on equity shares is approved by the Board of Directors in their meeting held on 10 May, 2018, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend distribution tax thereon). Appropriation of dividend is done in the financial statements subsequent to approval by the shareholders.

Final dividend on equity shares for the current year is ₹ 2.9 per share (₹ 2.5 per share) which aggregates to ₹ 2,785 Millions (₹ 2,401 Millions).

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

48. FINANCIAL INSTRUMENTS

a. **Capital Management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stake holders through optimisation of debt and equity balance. The Company is not subject to any externally imposed capital requirements.

b. **Categories of financial instruments and fair value thereof**

(₹ Millions)

	Mar-18		Mar-17 (Restated)	
	Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets				
i) Measured at amortised cost				
Trade Receivables	12,853	12,853	9,535	9,535
Cash and cash equivalents	5,007	5,007	4,541	4,541
Other bank balances	6,772	6,772	1,017	1,017
Loans	1,706	1,706	1,542	1,542
Other financial assets	2,456	2,456	1,926	1,926
Optionally convertible debentures	263	263	-	-
Redeemable non-convertible debentures	169	169	164	164
Non-convertible preference shares	-	-	7,411	7,411
Redeemable non-convertible subordinate debentures	1,725	1,725	1,543	1,543
Certificate of deposits	2,000	2,000	3,000	3,000
	32,951	**32,951**	**30,679**	**30,679**
ii) Measured at fair value through profit and loss account				
Investments				
Optionally convertible debentures	4,409	4,409	2,246	2,246
Compulsorily convertible preference shares	184	184	-	-
Morpheus Media Fund	323	323	446	446
Exfinity Technology Fund-Series II	27	27	15	15
Mutual funds	4,032	4,032	3,075	3,075
iii) Measured at fair value through other comprehensive income				
Equity shares	438	438	433	433
B Financial liabilities				
i) Measured at amortised cost				
Trade payables	9,769	9,769	5,112	5,112
Other financial liabilities	2,127	2,127	4,274	4,274
Vehicle loans *	17	17	19	19
Other loans	-	-	2,935	2,935
ii) Fair value through Profit and Loss				
6% Cumulative redeemable non-convertible preference shares *	15,245	15,245	19,077	19,077

* Includes current maturities of long term borrowings.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost.

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

c. Fair value measurement

The following table provides the fair value measurment heirarchy of the Company's assets and liabilities.

Quantative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2018.

(₹ Millions)

	Mar-18	Mar-17 (Restated)	Fair Value Heirarchy	Valuation Technique(s) & key inputs used
Financial assets at fair value through other comprehensive income				
Investment in equity shares	438	433	Level 1	Quoted in an active market
Investment in equity shares	0	-	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period end Black - Scholes method.
Financial assets at fair value through profit and loss				
Investment in mutual funds	4,032	3,075	Level 1	Quoted in an active market
Investment in optionally convertible debentures	4,409	2,246	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period end Black - Scholes method / NAV statements.
Investment in compulsorily convertible preference shares	184	-	Level 3	
Morpheus media fund	323	446	Level 3	
Exfinity technology fund-series II	27	15	Level 3	
Financial liabilities at fair value through profit and loss				
Quoted 6% Cumulative Redeemable Non-Convertible Preference Shares	15,206	19,077	Level 1	Quoted in an active market
Unquoted 6% Series B Cumulative Redeemable Non-Convertible Preference Shares	39	-	Level 2	Based on quoted share price of Company's listed non-convertible preference shares

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models which includes discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of Level 3 category of financial assets:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Opening balance	**2,707**	**2,283**
Funds invested	2,262	702
Gains / (loss) recognised	(25)	(278)
Closing balance	**4,944**	**2,707**

d. Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings (majorly comprises redeemable preference shares issued by the Company), trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk.

- **Foreign currency risk**

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk.

The carrying amounts of financial assets and financial liabilities the Company denominated in currencies other than its functional currency are as follows:

(₹ Millions)

Currency	Assets as at		Liabilities as at	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
United States Dollar (USD)	1,033	7,936	89	287
Euro (EUR)	-	3	0	0
Canadian Dollar(CAD)	1	-	-	-
Hongkong Dollar (HKD)	0	-	-	-
Singapore Dollar (SGD)	0	-	-	1
Australian Dollar (AUD)	1	-	-	-
Great Britain Pound (GBP)	0	-	4	-

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

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-18		Mar-17 (Restated)	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
United States Dollar (USD)	(94)	94	(765)	765
Euro (EUR)	0	(0)	(0)	0
Canadian Dollar(CAD)	(0)	0	-	-
Hongkong Dollar (HKD)	(0)	0	-	-
Singapore Dollar (SGD)	(0)	0	0	(0)
Australian Dollar (AUD)	(0)	0	-	-
Great Britain Pound (GBP)	0	(0)	-	-

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

The Company is mainly exposed to USD currency fluctuation risk.

The Company's sensitivity to foreign currency assets has decreased during the current year mainly due to redemption of investment in preference shares.

The Company's sensitivity to foreign currency liabilities has decreased during the current year is mainly on account of overall reduction in liabilities in foreign currency.

- Interest rate risk

The borrowing of the Company includes redeemable preference shares and vehicle loan which carries fixed coupon rate and consequently the Company is not exposed to interest rate risk.

The Company's investment in debt instruments and loans given by the Company are at fixed interest rates, consequently the Company is not exposed to interest rate risk.

- Other price risk

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis

The sensitivity analyses below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 10% lower / higher:

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-18		Mar-17 (Restated)	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Other comprehensive income for the year ended would decrease / increase by	(44)	44	(43)	43

ii. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables, deposits given, loans given, investments made and balances at bank.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Company does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 45 days. The Company's exposure to customers is diversified and except for one customer, no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Trade Receivables (Unsecured)		
Over six months	537	562
Less than six months	13,186	9,511
Total	**13,723**	**10,073**

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	538	196
Add: Provided during the year	273	338
Add: Transferred on account of amalgamation (Refer Note 43)	59	6
Less: Reversal during the year	-	(2)
Balance as at the end of the year	**870**	**538**
Net Trade receivable	**12,853**	**9,535**

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

Investments in Secured Non-convertible debenture of an entity aggregating to ₹ 1,725 Millions (including interest) are outstanding and overdue as at 31 March 2018. The Company has initiated legal action in terms of enforcing the security attached to the said debenture etc. Accordingly, the outstanding amounts are considered good.

Loans given aggregating ₹ 1,706 Millions (including interest) is outstanding and overdue as at 31 March 2018. The Company does not consider any credit risk on such loans given as it has been indemnified against any financial loss.

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit-rating agencies. The credit risk on mutual funds, commercial paper, non-convertible debentures, certificates of deposit and other debt instruments is limited becasue the couterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

iii. Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018:

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	11,897	-	-	11,897	11,897
Borrowings	4,041	12,151	-	16,192	15,262
Total	**15,938**	**12,151**	**-**	**28,089**	**27,159**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017:

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	9,386	-	-	9,386	9,386
Borrowings	4,042	19,082	-	23,124	22,031
Total	**13,428**	**19,082**	**-**	**32,510**	**31,417**

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

49. EMPLOYEE BENEFITS

The Disclosures as per Ind AS 19 - Employee Benefits are as follows:

a. Defined Contribution Plans

'Contribution to provident and other funds' is recognized as an expense in Note 25 'Employee benefit expenses' of the statement of profit and loss.

b. Defined Benefit Plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

(₹ Millions)

		Mar-18	Mar-17 (Restated)
		Gratuity (Non Funded)	
i.	**Expenses recognised during the year**		
1	Current service cost	65	59
2	Interest cost	27	25
3	Past service cost	50	-
	Total Expenses	**142**	**84**

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
		Gratuity (Non Funded)	
ii.	**Amount recognized in other comprehensive income (OCI)**		
1	Opening amount recognized in OCI	24	12
2	Remeasurement during the period due to		
	Experience adjustments		
	- Changes in financial assumptions	(29)	23
	- Changes in experience charges	(22)	(11)
	Closing amount recognized in OCI	**(27)**	**24**
iii.	**Net Liability recognised in the Balance Sheet as at 31 March**		
1	Present value of defined benefit obligation (DBO)	404	341
2	Net Liability	404	341
iV.	**Reconciliation of Net Liability recognised in the Balance Sheet**		
1	Net Liability at the beginning of year	341	325
2	Transferred during the year	8	-
3	Expense as per I above	142	84
4	Other comprehensive income as per II above	(51)	12
5	Liabilities transferred on divestiture	(3)	(46)
6	Benefits paid	(33)	(34)
	Net Liability at the end of the year	**404**	**341**
V.	**The following payments are expected to defined benefit plan in future years :**		
1	Expected benefits for year 1	16	14
2	Expected benefits for year 2 to year 5	90	73
3	Expected benefits beyond year 5	1,112	982
Vi.	**Actuarial Assumptions**		
1	Discount rate	7.85%	7.25%
2	Expected rate of salary increase	9.50%	9.50%
3	Mortality	IAL (2006-08)	IAL (2006-08)

Vii. The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:
Interest risk: A decrease in the bond interest rate will increase the plan liability.

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

Viii. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Impact of increase in 50 bps on DBO - discount rate	377	320
Impact of decrease in 50 bps on DBO - discount rate	432	364
Impact of increase in 50 bps on DBO - salary escalation rate	423	353
Impact of decrease in 50 bps on DBO - salary escalation rate	384	329

Notes:

a) The current service cost recognized as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

c) Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the projected unit credit method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.

50. RELATED PARTY DISCLOSURES

i) List of Parties where control exists

Subsidiary companies

a) Wholly owned (Direct and indirect subsidiaries)

Asia Multimedia Distribution Inc.; Asia Today Limited ; Asia Today Singapore Pte Limited; Asia TV Gmbh; Asia TV USA Limited; Asia TV Limited; ATL Media FZ-LLC; ATL Media Limited; Eevee Multimedia Inc.; Essel Vision Productions Limited; Expand Fast Holdings (Singapore) Pte. Limited; Fly by Wire International Private Limited (extent of holding 100% w.e.f. 14 July 2017); Idea Shop Web and Media Private Limited (held through India Webportal Private Limited); India Webportal Private Limited (extent of holding 100% w.e.f. 22 July 2017); OOO Zee CIS Holding LLC; OOO Zee CIS LLC; Pantheon Productions Limited; Sarthak Entertainment Private Limited (Merged with the Company w.e.f. 1 April 2017); Taj Television (India) Private Limited (Upto 28 February 2017); Taj TV Limited; Zee Digital Convergence Limited; Zee Entertainment Middle East FZ-LLC; Zee Multimedia Worldwide (Mauritius) Limited; Zee Radio Network Middle East FZ-LLC (De-registered on 24 December 2017); Zee Technologies (Guangzhou) Limited; Zee TV South Africa (Proprietary) Limited; Zee Unimedia Limited; Z5X Global FZ-LLC; Zee Studios International Limited; Zee TV USA Inc.

b) Other subsidiaries

Zee Turner Limited (extent of holding 74%); Margo Networks Private Limited (extent of holding 80% w.e.f. 17 April 2017)

ii) Associates

Aplab Limited (extent of holding 26.42%); Asia Today Thailand Limited (extent of holding 25% through Asia Today Singapore Pte Limited); Fly by Wire International Private Limited* (extent of holding 49% w.e.f. 07 May 2016)

*Became subsidiary during the year

iii) Joint Venture

India Webportal Private Limited* (extent of holding 51%); Idea Shop Web and Media Private Limited (extent of holding 51.04% through India Webportal Private Limited)*; Media Pro Enterprise India Private Limited (extent of holding 50% through Zee Turner Limited).

*Became subsidiary during the year

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

iv) **Other Related parties consists of companies controlled by Key Management Personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:**

Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Creantum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Essel Business Excellence Services Limited; Essel Finance VKC Forex Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Essel Finance Wealth Zone Private Limited; Essel Solar Energy Private Limited; Indian Cable Net Company Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Real Media FZ-LLC; Siti Networks Limited; Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Subhash Chandra Foundation; Today Merchandise Private Limited; Veria International Limited; Zee Akaash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited

Directors / Key Management Personnel

Dr. Subhash Chandra (Non-Executive Director); Punit Goenka (Managing Director & CEO); Ashok Kurien (Non-Executive Director); Subodh Kumar (Non-Executive Director); Prof. Sunil Sharma (Independent Director); Prof. Neharika Vohra (Independent Director); Manish Chokhani (Independent Director); Adesh Kumar Gupta (Independent Director)

v) **Disclosure in respect of related party transactions and balances as at and during the year**

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
	Transaction during the year		
A)	**Fixed Assets**		
i)	**Assets purchased**		
	Subsidiaries	56	11
	Other Related Parties	-	2
ii)	**Assets sold**		
	Subsidiaries	-	4
B)	**Non-Current Investments**		
i)	**Investments purchased / subscribed**		
	Subsidiaries	5,253	1,461
ii)	**Investments Sold**		
	Subsidiaries	7,411	-
C)	**Revenue from operations**		
i)	**Advertisement income**		
	Subsidiaries (2017: ₹ 400,000)	19	0
	Joint Venture	-	60
	Other Related Parties	105	110

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
ii)	**Subscription income**		
	Subsidiaries	-	1,279
	Other Related Parties	3,481	2,603
iii)	**Share of subscription income payable**		
	Subsidiaries	998	1,798
	Other Related Parties	713	603
iV)	**Commission - Space Selling**		
	Subsidiaries	153	147
	Other Related Parties	392	358
V)	**Transmission income**		
	Subsidiaries	315	273
	Other Related Parties	76	57
Vi)	**Sales - Media Content**		
	Subsidiaries	1,314	1,251
	Joint Venture	58	147
	Other Related Parties	2	-
Vii)	**Other Operating Income**		
	Other Related Parties (2018 : ₹ 14,000; 2017: ₹ 151,100)	0	0
D)	**Other Income**		
i)	**Dividend income**		
	Subsidiaries	7,816	1,769
ii)	**Rent / Miscellaneous income**		
	Subsidiaries	1	40
	Joint Venture (2017: ₹ 71,808)	-	0
	Other Related Parties	272	99

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
E)	**Purchase - Media Content**		
	Subsidiaries	3,058	3,553
	Other Related Parties	43	-
F)	**Purchase of Services**		
	Subsidiaries	228	24
	Joint Venture	-	1
	Associate	88	267
	Other Related Parties	2,286	1,880
G)	**Advances and Deposits received**		
	Other Related Parties (2017: ₹ 92,877)	-	0
H)	**Advances and Deposits repaid**		
	Subsidiaries	-	6
I)	**Recoveries / Reimbursement) (net)**		
	Subsidiaries	342	272
	Joint Venture	-	7
	Other Related Parties	322	388
J)	**Loans, Advances and Deposits given**		
	Associates	-	40
K)	**Loans, Advances and Deposits Repayment received**		
	Other Related Parties	44	-
L)	**Corporate Social Responsibility**		
	Other Related Parties	71	216
M)	**Remuneration to Managing Director & CEO**		
	Short term employee benefits*	104	82
N)	**Commission and sitting fees**		
	Non-executive directors	22	18

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
O)	**Dividend paid**		
	Director (2018: ₹ 870; 2017: ₹ 765)	0	0

	Balances as at 31 March		(₹ Millions)
A)	**Investment**		
	Subsidiaries	10,953	15,487
	Joint Venture	-	316
	Associates	47	60
B)	**Provision for Diminuition in value of investments**		
	Associates	20	20
C)	**Trade Receivable**		
	Subsidiaries	859	391
	Joint Venture	1	256
	Other Related Parties	1,090	773
D)	**Loans, Advances And Deposits Given**		
	Subsidiaries	175	-
	Associates	-	175
	Other Related Parties	427	471
E)	**Other Receivables**		
	Subsidiaries	393	86
	Joint Venture (2018: ₹ 213,400; 2017: ₹ 213,400)	0	0
	Other Related Parties	721	318
F)	**Trade Advances Received**		
	Subsidiaries	1	1
	Other Related Parties	24	24
G)	**Trade/Other Payables**		
	Subsidiaries	786	652
	Joint Venture (2017: ₹ 267,303)	1	0
	Other Related Parties	535	272

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
H)	**Due To Principals**		
	Subsidiaries	768	656
I)	**Corporate Gurantees given**		
	Subsidiaries	-	2,390
	Other Related Parties	1,037	1,039

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

vi) Disclosure in respect of material related party which account for 10% or more of the transactions and balances during the year

(₹ Millions)

Sl. No.	Particulars	Mar-18	Mar 17 (Restated) (Refer note 43)
	Transaction during the year		
A)	**Fixed Assets**		
i)	**Assets purchased**		
	Taj Television (India) Private Limited	-	11
	Expand Fast Holdings (Singapore) Pte. Limited	56	-
	Zee Media Corporation Limited	-	2
	Others (2017: ₹ 460,736)	-	0
ii)	**Assets sold**		
	Zee Media Corporation Limited	-	4
B)	**Non-Current Investments**		
i)	**Investments purchase / subscribed**		
	Preference Shares of ATL Media Limited	-	679
	Debenture - Essel Vision Productions Limited	2,163	682
	Equity Shares of Margo Networks Private Limited	750	-
	Equity Shares of India Webportal Private Limited	2,001	-
	Others	339	100

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
ii)	**Investments Sold**		
	Redemption of Preference Shares of ATL Media Limited	7,411	-
C)	**Revenue from operations**		
i)	**Advertisement income**		
	Essel Vision Productions Limited	14	-
	India Webportal Private Limited	-	60
	Dish TV India Limited	92	89
	Others	18	21
ii)	**Subscription income**		
	Taj Television (India) Private Limited	-	1,279
	Dish TV India Limited	2,442	1,688
	Siti Networks Limited	746	707
	Others	293	208
iii)	**Share of subscription income payable**		
	ATL Media Limited	998	908
	Taj Television (India) Private Limited	-	890
	Living Entertainment Enterprises Private Limited	238	223
	Zee Media Corporation Limited	475	380
iV)	**Commission - Space Selling**		
	ATL Media Limited	123	114
	Diligent Media Corporation Limited	70	55
	Zee Akaash News Private Limited	65	52
	Zee Media Corporation Limited	241	246
	Others	46	38
V)	**Transmission income**		
	Asia Today Limited	246	192
	ATL Media Limited	69	11
	Taj TV Limited	-	71
	Zee Media Corporation Limited	56	45
	Others	20	11

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
Vi)	**Sales - Media Content**		
	Asia Today Limited	1,314	1,251
	India Webportal Private Limited	58	147
	Others	2	-
Vii)	**Other Operating Income**		
	Essel Corporate Resources Private Limited (2018 : ₹ 14,000)	0	-
	Dish TV India Limited (2017 : ₹ 144,100)	-	0
	Others (2017: ₹ 7,000)	-	0
D)	**Other Income**		
i)	**Dividend income**		
	ATL Media Limited	7,816	404
	Taj Television (India) Private Limited	-	1,365
ii)	**Rent / Miscellaneous income**		
	Taj TV Limited	-	32
	Dish TV India Limited	19	16
	Siti Networks Limited	36	6
	Zee Media Corporation Limited	106	57
	Dish Infra Services Private Limited	18	15
	Essel Business Excellence Services Limited	30	-
	Essel Infra Projects Limited	27	-
	Others	37	13
E)	**Purchase - Media Content**		
	Essel Vision Productions Limited	2,968	1,642
	Taj TV Limited	-	1,563
	Others	133	348
F)	**Purchase of Services**		
	Fly by Wire International Private Limited	309	267
	Broadcast Audience Research Council	287	273
	Digital Subscriber Management and Consultancy Services Private Limited	563	528
	Essel Business Excellence Services Limited	302	197

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
	Siti Networks Limited	270	261
	Essel Corporate Resources Private Limited	366	200
	Others	505	446
G)	**Advances and Deposits received**		
	Zee Learn Limited (2017 : ₹ 92,877)	-	0
H)	**Advances and Deposits repaid**		
	Taj Television (India) Private Limited	-	6
I)	**Recoveries / (Reimbursement) (net)**		
	Taj Television (India) Private Limited	-	100
	ATL Media Limited	330	153
	Essel Corporate Resources Private Limited	23	124
	Zee Media Corporation Limited	154	212
	Others	157	78
J)	**Loans, Advances and Deposits given**		
	Fly by Wire International Private Limited	-	40
K)	**Loans, Advances and Deposits Repayment received**		
	Essel Corporate Resources Private Limited	35	-
	Broadcast Audience Research Council	9	-
L)	**Corporate Social Responsibility**		
	Subhash Chandra Foundation	71	216
M)	**Remuneration to Managing Director and CEO**		
	Short term employee benefits*	104	82
N)	**Commission and sitting fees**		
	Non-executive directors	22	18
O)	**Dividend paid**		
	Director (2018: ₹ 870; 2017: ₹ 765)	0	0

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
	Balance as at 31 March		
A)	**Investment**		
	Equity Shares of Zee Multimedia Worldwide Limited, BVI	2,584	2,584
	Equity Shares of Asia Today Limited	2,515	2,515
	Debentures - Essel Vision Production Limited	4,409	2,246
	Preference Shares of ATL Media Limited	-	7,411
	Others	1,492	1,107
B)	**Provision for Diminuition in value of investments**		
	Aplab Limited	20	20
C)	**Trade Receivable**		
	Asia Today Limited	769	359
	India Webportal Private Limited	-	170
	Dish TV India Limited	259	2
	Siti Networks Limited	639	530
	Others	282	359
D)	**Loans, Advances And Deposits Given**		
	Fly by Wire International Private Limited	175	175
	Digital Subscriber Management and Consultancy Services Private Limited	340	340
	Others	87	131
E)	**Other Receivables**		
	ATL Media Limited	324	53
	Zee Media Corporation Limited	268	79
	Living Entertainment Enterprises Private Limited	139	118
	Others	383	154
F)	**Trade Advances Received**		
	Essel Corporate Resources Private Limited	10	10
	Essel Infra Projects Limited	12	12
	Others	3	3

NOTES
FORMING PART OF THE FINANCIAL STATEMENTS

(₹ Millions)

Sl. No.	Particulars	Mar 18	Mar 17 (Restated) (Refer note 43)
G)	**Trade / Other Payables**		
	ATL Media Limited	162	421
	Essel Vision Productions Limited	521	153
	Indian Cablenet Company Limited	229	178
	Others	410	172
H)	**Due To Principals**		
	Asia Today Limited	82	53
	ATL Media Limited	686	603
I)	**Corporate Gurantees given**		
	Taj TV Limited	-	2,390
	Broadcast Audience Research Council	170	170
	Siti Networks Limited	867	869

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Sundeep Mehta
Financial Controller

Adesh Kumar Gupta
Director

M Lakshminarayanan
Company Secretary

LAST FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ending March 31	Consolidated					Standalone				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
Revenue Account										
Income from Operations	66,857	64,342	58,125	48,837	44,217	57,956	50,249	42,065	34,262	30,757
Total Expenses	46,095	45,073	42,989	36,299	32,174	37,459	33,699	30,332	23,815	20,442
Operating Profit	**20,762**	**19,269**	**15,136**	**12,538**	**12,043**	**20,497**	**16,550**	**11,733**	**10,447**	**10,315**
% to Income from Operations	31%	30%	26%	26%	27%	35%	33%	28%	30%	34%
Other Income	4,403	2,240	1,951	2,278	1,807	9,818	3,479	2,260	2,273	1,845
PBIDT and Fair Value adjustments	**25,165**	**21,509**	**17,087**	**14,816**	**13,850**	**30,315**	**20,029**	**13,993**	**12,720**	**12,160**
Financial Expenses	1,448	1,372	1,598	103	158	1,426	1,272	1,486	18	72
Fair value through profit and loss	68	2,205	673	-	-	180	2,216	609	-	-
Depreciation / Amortisation	1,821	1,152	777	673	501	1,398	860	599	580	338
Add: Share of Results of Associates & Joint ventures	12	(5)	19	-	-	-	-	-	-	-
Profit Before Tax & Exceptional Items	**21,841**	**16,775**	**14,059**	**14,040**	**13,191**	**27,311**	**15,681**	**11,299**	**12,122**	**11,750**
Exceptional Items	1,346	12,234	(331)	-	-	-	470	-	-	-
Taxation	8,409	6,808	5,491	4,285	4,291	8,192	6,467	4,717	3,804	4,027
Profit After Tax before non-controlling interest	**14,778**	**22,201**	**8,237**	**9,755**	**8,900**	**19,119**	**9,684**	**6,582**	**8,318**	**7,723**
Add: Share of Results of Associates	-	-	-	(37)	2	-	-	-	-	-
Less: Non-controlling Interest	(14)	(12)	5	(57)	(19)	-	-	-	-	-
Profit After Tax for the year	**14,791**	**22,213**	**8,232**	**9,775**	**8,921**	**19,119**	**9,684**	**6,582**	**8,318**	**7,723**
% to Total Income	21%	33%	14%	19%	19%	28%	18%	15%	23%	24%
Dividend	2,785	2,401	2,161	2,161	1,921	2,785	2,401	2,161	2,161	1,921
Dividend Rate	290%	250%	225%	225%	200%	290%	250%	225%	225%	200%
Capital Account										
Share Capital - Equity	960	960	960	960	960	960	960	960	960	960
Share Capital - Preference	-	-	-	20,192	20,170	-	-	-	20,192	20,170
Reserves & Surplus	74,657	65,944	47,079	34,346	26,247	57,237	42,511	35,119	24,723	18,551
Deferred Tax Balances	1,996	(903)	(648)	(531)	(298)	2,209	(648)	(325)	(266)	(172)
Non-Controlling Interests	142	10	22	4	61	-	-	-	-	-
Loan Funds**	11,452	18,208	17,149	12	17	11,452	18,208	17,149	12	16
Capital Employed	**89,207**	**84,219**	**64,562**	**54,983**	**47,157**	**71,858**	**61,031**	**52,903**	**45,621**	**39,525**
Eff. Capital Employed	87,211	85,122	65,210	55,514	47,455	69,649	61,679	53,228	45,887	39,697
Eff. Networth	75,617	66,904	48,039	55,498	47,377	58,197	43,471	36,079	45,875	39,681
Tangible and intangible assets	15,682	10,714	15,409	12,254	11,730	9,667	6,005	4,374	3,814	3,625
Investments (Including Current Investments)	15,290	13,432	10,499	9,755	8,290	19,878	24,121	21,342	11,088	10,080
Net Assets	58,235	60,073	38,654	32,974	27,137	42,313	30,905	27,187	30,719	25,820
Capital Deployed	**89,207**	**84,219**	**64,562**	**54,983**	**47,157**	**71,858**	**61,031**	**52,903**	**45,621**	**39,525**
Closing market price per share of ₹ 1 /-	575.50	534.65	386.40	341.75	271.35	575.50	534.65	386.40	341.75	271.35
Market capitalisation	552,741	513,504	371,117	328,233	260,618	552,741	513,504	371,117	328,233	260,618

"0" (Zero) denotes amounts less than a million

PERFORMANCE RATIOS - AN ANALYSIS

Year Ending March 31		Consolidated					Standalone				
		2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
Financial Performance											
Advertisement Income / Income from Operations	(%)	62.9%	57.1%	57.9%	54.5%	53.8%	66.7%	65.4%	68.5%	65.0%	65.1%
Subscription Income / Income from Operations	(%)	30.3%	35.2%	35.4%	36.7%	40.8%	26.6%	28.2%	25.6%	27.6%	28.3%
Operating Profit / Income from Operations	(%)	31.1%	29.9%	26.0%	25.7%	27.2%	35.4%	32.9%	27.9%	30.5%	33.5%
Other Income / Total Income	(%)	6.2%	3.4%	3.2%	4.5%	3.9%	14.5%	6.5%	5.1%	6.2%	5.7%
Programming Cost / Income from Operations	(%)	35.3%	40.8%	42.4%	41.2%	38.6%	36.0%	39.0%	42.3%	38.1%	41.2%
Personnel Cost / Income from Operations	(%)	10.0%	9.4%	8.6%	9.2%	8.8%	8.2%	8.9%	7.4%	8.2%	7.3%
Selling and Admin Expenses / Income from Operations	(%)	21.2%	17.5%	20.7%	21.3%	17.1%	18.6%	17.6%	21.2%	21.9%	16.6%
Total Operating Cost / Income from Operations	(%)	68.9%	70.1%	74.0%	74.3%	72.8%	64.6%	67.1%	72.1%	69.5%	66.5%
Financial Expenses / Income from Operations	(%)	2.2%	2.1%	2.7%	0.2%	0.4%	2.5%	2.5%	3.5%	0.1%	0.2%
Tax / Income from Operations	(%)	12.6%	10.6%	9.4%	8.8%	9.7%	14.1%	12.9%	11.2%	11.1%	13.1%
PAT for the year / Total Income	(%)	20.7%	33.3%	13.7%	19.1%	19.3%	28.2%	18.0%	14.8%	22.8%	23.7%
Tax / PBT	(%)	36.3%	23.5%	40.0%	30.5%	32.5%	30.0%	40.0%	41.8%	31.4%	34.3%
Dividend Payout / PAT for the year	(%)	18.8%	10.8%	26.2%	22.1%	21.5%	14.6%	24.8%	32.8%	26.0%	24.9%
Dividend Payout / Effective Networth	(%)	3.7%	3.6%	4.5%	3.9%	4.1%	4.8%	5.5%	6.0%	4.7%	4.8%
Balance Sheet											
Debt-Equity ratio (Total loans / Eff. Networth)	(%)	15.1%	27.2%	35.7%	0.0%	0.0%	19.7%	41.9%	47.5%	0.0%	0.0%
Current ratio (Current assets / Current liabilities)	(x)	3.7	4.9	4.0	3.6	3.5	3.1	3.9	4.3	4.0	4.0
Capital Output Ratio (Inc from Ops / Eff. Capital employed)	(x)	0.8	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.8
Tangible / intangible assets Turnover (Inc from Ops / Tangible / intangible assets)^	(x)	6.5	8.0	8.9	11.2	10.8	9.0	9.3	9.6	9.0	8.5
Cash & cash equivalents / Total Eff.capital employed	(%)	18.5%	30.7%	14.8%	13.3%	11.9%	16.9%	9.0%	7.2%	6.6%	4.1%
RONW (PAT for the year / Eff. Networth)	(%)	19.5%	33.2%	17.1%	17.6%	18.8%	32.9%	22.3%	18.2%	18.1%	19.5%
ROCE (PBIT / Eff. Capital employed)	(%)	28.2%	35.7%	23.5%	25.5%	28.1%	41.3%	28.2%	24.0%	26.5%	29.8%
Per Share Data #											
Total Income per share	(₹)	74.2	69.4	62.6	53.2	47.9	70.6	56.0	46.2	38.1	34.0
Dividend per share	(₹)	2.90	2.50	2.25	2.25	2.00	2.90	2.50	2.25	2.25	2.00
Indebtedness per share	(₹)	11.9	19.0	17.9	0.0	0.0	11.9	19.0	17.9	0.0	0.0
Book value per share	(₹)	78.8	69.7	50.0	57.8	49.4	60.6	45.3	37.6	47.8	41.3
Earnings per share	(₹)	15.4	23.1	8.6	8.7	9.3					
PE Ratio -Price / EPS Ratio (Share Price as of March 31,)	(x)	37.4	23.1	45.1	39.4	29.2					

Note :
**Loan funds represents non-current portion of borrowings i.e. redeemable preference shares, other borrowings and vehicle loans.
^ Excludes Goodwill on consolidation of ₹ 5,467 Millions (2017: ₹ 2,676 Millions) and ₹ 3,236 Millions (2017: ₹ 621 Millions) for the consolidated and standalone entity respectively.
# Annualised
Figures for the Financial Year 2017 have been regrouped wherever necessary. Standalone figures for FY 2017 have been restated on account of demerger / merger / amalgamation of undertakings. Consolidated figures for FY 2017 have been restated on account of demerger / merger / amalgamation of undertakings.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Zee Entertainment Enterprises Limited (hereinafter referred to as 'the Parent') and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), which includes Group's share of profit/ loss in its associates and its joint venture, comprising the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind AS financial statements').

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates and Joint venture in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in sub-paragraphs (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associates and joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTERS

(a) We did not audit the financial statements of 26 subsidiaries, whose financial statements reflect total assets of ₹ 56,797 million as at 31 March 2018, total revenues of ₹ 31,678 million and net cash outflows amounting to ₹ 18,440 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 6 million for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, and our report in terms of sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and joint venture is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 1 million as at 31 March 2018, total revenues of ₹ 8 million and net cash outflows amounting to ₹ 1 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ nil for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements / financial information certified by the Management.

The comparative financial information of the Group for the year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 10 May 2017 expressed an unmodified opinion.

This previously issued financial information for the year ended 31 March 2017 has been restated to give effect to the composite scheme of arrangement among Reliance Big Magic from Reliance Big Broadcasting Private Limited, Big Magic Limited and Azalia Broadcast Private Limited (together referred as transferor entities) and the Group, as explained in note 39a to the financial statements.

The adjustments made to the previously issued financial information of the Group for the year ended 31 March 2017 giving effect to the above mentioned composite scheme of arrangement have been audited by us. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on 31 March 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiaries, associate and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture company incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiaries, associate and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture.

ii) The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiaries, associate and joint venture companies incorporated in India.

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

A. B. Jani
Partner
Membership No. 46488

Mumbai, 10 May 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH 1 (f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE) REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (THE ACT)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Zee Entertainment Enterprises Limited (hereinafter referred to as 'Parent') and its subsidiary companies, which includes internal financial controls over financial reporting of the Company's subsidiaries, its associate companies and its joint venture, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 7 subsidiary companies, 1 associate company and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

A. B. Jani
Partner
Membership No. 46488

Mumbai, 10 May 2018

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2018

(₹ Millions)

	Note	Mar-18	Mar-17 (Restated-refer note 39)
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	6,005	4,872
(b) Capital work-in-progress	5	780	1,270
(c) Investment property	6	1,555	1,150
(d) Goodwill	7	5,467	2,676
(e) Other intangible assets	7	1,734	458
(f) Intangible assets under development	7	139	287
(g) Financial assets			
(i) Investments			
a) Investments in associates	8	2	8
b) Investments in joint ventures	8	194	163
c) Other investments	8	1,397	1,392
(ii) Other financial assets	9	758	1,173
(h) Income tax assets (net)		7,026	6,391
(i) Deferred tax assets (net)	10	-	903
(j) Other non-current assets	11	340	558
Total non-current assets		**25,397**	**21,302**
Current assets			
(a) Inventories	12	26,278	16,962
(b) Financial assets			
(i) Other investments	13	13,696	11,868
(ii) Trade receivables	14	15,365	12,418
(iii) Cash and cash equivalents	15	9,345	25,116
(iv) Bank balances other than (iii) above	15	6,772	1,017
(v) Loans		2,428	1,542
(vi) Other financial assets	9	1,798	2,216
(c) Other current assets	11	10,218	10,134
Total current assets		**85,900**	**81,273**
Total Assets		**111,297**	**102,575**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	960	960
(b) Other equity	17	74,657	65,944
Equity attributable to shareholders		**75,617**	**66,904**
Non-controlling interests	17	142	10
Total equity		**75,759**	**66,914**
Liabilities			
Non-current liabilities			
(a) Financial liabilities - borrowings			
(i) Redeemable preference shares	18	11,443	15,262
(ii) Others	18	9	2,946
(b) Provisions	19	892	768
Total non-current liabilities		**12,344**	**18,976**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables		11,497	8,343
(ii) Other financial liabilities			
a) Redeemable preference shares	20	3,802	3,815
b) Others	20	2,579	2,575
(b) Other current liabilities	21	1,438	1,179
(c) Provisions	19	83	90
(d) Income tax liabilities (net)		1,799	683
(e) Deferred tax liabilities (net)	10	1,996	-
Total current liabilities		**23,194**	**16,685**
Total liabilities		**35,538**	**35,661**
Total equity and liabilities		**111,297**	**102,575**

See accompanying notes to the consolidated financial statements

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

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Sundeep Mehta
Financial Controller

M Lakshminarayanan
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

		Note	Mar-18	Mar-17 (Restated-refer note 39)
Revenue				
Revenue from operations		22	66,857	64,342
Other income		23	4,403	2,240
	I		**71,260**	**66,582**
Expenses				
Operational cost		24	25,275	27,757
Employee benefits expense		25	6,657	6,043
Finance costs		26	1,448	1,372
Depreciation and amortisation expense		27	1,821	1,152
Fair value loss on financial instruments at fair value through profit and loss		28	68	2,205
Other expenses		29	14,164	11,273
	II		**49,431**	**49,802**
Profit before share of profit / (loss) in associate / joint venture, exceptional items and tax	**III=(I-II)**		**21,829**	**16,780**
Add / (Less): Share of profit / (loss) in associates and joint ventures	**IV**		12	(5)
Profit before exceptional items and tax	**V=(III+IV)**		**21,841**	**16,775**
Add: Exceptional items	**VI**	30	1,346	12,234
Profit before tax	**VII=(V+VI)**		**23,187**	**29,009**
Less : Tax expense				
Current tax - current year		31	8,792	4,280
- earlier years		31	(14)	53
Deferred tax benefit		31	(369)	2,475
	VIII		**8,409**	**6,808**
Profit for the year	**IX=(VII-VIII)**		**14,778**	**22,201**
Other comprehensive income				
A Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation			47	(42)
(ii) Fair value changes of equity instruments through other comprehensive income			(68)	17
(iii) Share of other comprehensive income in associates and joint ventures			-	1
(b) Income tax relating to items that will not be reclassified to profit or loss			(14)	15
	X		**(35)**	**(9)**
B Items that will be reclassified profit or loss				
(i) Exchange differences on translation of financial statements of foreign operations	**XI**		(364)	(1,073)
Total other comprehensive loss	**XII=(X+XI)**		**(399)**	**(1,082)**
Total comprehensive income for the year	**XIII=(IX+XII)**		**14,378**	**21,119**
Profit for the year				
Attributable to:				
Shareholders of the Company	**XIV=(IX-XV)**		14,791	22,213
Non-controlling interests	**XV**		(14)	(12)
			14,778	**22,201**
Total comprehensive income for the year				
Attributable to:				
Shareholders of the Company	**XVI=(XIII-XVII)**		14,392	21,131
Non-controlling interests	**XVII**		(14)	(12)
			14,378	**21,119**
Earnings per equity share (face value ₹ 1/- each)		32		
Basic			15.40	23.13
Diluted			15.40	23.13

See accompanying notes to the consolidated financial statements

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

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Sundeep Mehta
Financial Controller

M Lakshminarayanan
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

A. EQUITY SHARE CAPITAL

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

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

B. OTHER EQUITY

(₹ Millions)

	Reserves and surplus					Other comprehensive income		Total other equity	Attributable to non-controlling interests
	Capital redemption reserve	Shared based payment reserve	Capital reserve	General Reserves	Retained earnings	Foreign currency translation reserve	Equity instruments		
As at 1 April 2016	**22**	**-**	**-**	**2,820**	**43,319**	**629**	**289**	**47,079**	**22**
Profit / (loss) for the year	-	-	-	-	22,213	-	-	22,213	(12)
Less: Foreign currency translation loss for the year	-	-	-	-	-	(1,073)	-	(1,073)	-
Add: Options granted during the year	-	2	-	-	-	-	-	2	-
Less: Re-measurement loss on defined benefit plans	-	-	-	-	(41)	-	-	(41)	-
Add: Income tax impact thereon	-	-	-	-	15	-	-	15	-
Add: Other comprehensive income (Refer note 17)	-	-	-	-	-	-	17	17	-
Less: Tax on dividend on equity shares by subsidiaries	-	-	-	-	(280)	-	-	(280)	-
Less: Dividend on equity shares	-	-	-	-	(2,161)	-	-	(2,161)	-
Less: Tax on dividend on equity shares	-	-	-	-	(167)	-	-	(167)	-
As at 31 March 2017	**22**	**2**	**-**	**2,820**	**62,898**	**(444)**	**306**	**65,604**	**10**
Add: On account of acquisition (Refer note 39)	-	-	340	-	-	-	-	340	-
As at 31 March 2017 (Restated)	**22**	**2**	**340**	**2,820**	**62,898**	**(444)**	**306**	**65,944**	**10**
Profit / (loss) for the year	-	-	-	-	14,791	-	-	14,791	(14)
Less: Foreign currency translation loss for the year	-	-	-	-	-	(364)	-	(364)	-
Add / Less: Transfer on redemption of preference shares	4,034	-	-	-	(4,034)	-	-	-	-
Add: Options granted during the year	-	6	-	-	-	-	-	6	-
Add: Re-measurement gains on defined benefit plans	-	-	-	-	47	-	-	47	-
Less: Income tax impact thereon	-	-	-	-	(14)	-	-	(14)	-
Add: Non-controlling interest arising on account of acquisition of a subsidiary	-	-	-	-	-	-	-	-	146
Add: Other comprehensive income (Refer note 17)	-	-	-	-	-	-	(68)	(68)	-
Less: Deferred tax liability on preference shares	-	-	-	-	(3,284)	-	-	(3,284)	-
Less: Dividend on Equity Shares	-	-	-	-	(2,401)	-	-	(2,401)	-
As at 31 March 2018	**4,056**	**8**	**340**	**2,820**	**68,003**	**(808)**	**238**	**74,657**	**142**

See accompanying notes to the consolidated financial statements

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

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Sundeep Mehta
Financial Controller

Adesh Kumar Gupta
Director

M Lakshminarayanan
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

	Mar-18	Mar-17 (Restated-refer note 39)
A.Cash flow from operating activities		
Profit before tax	23,187	29,009
Adjustments for :		
Depreciation and amortisation expense	1,821	1,152
Allowances for doubtful debts and advances	547	197
Bad debts and advances written off	16	126
Liabilities / excess provision written back	(10)	(365)
Unrealised (gain) on exchange adjustments (net)	(2)	-
Loss on sale / write off of Property, plant and equipment (net)	105	166
Interest expense	101	73
Fair value loss on financial instruments at fair value through profit and loss	68	2,205
Share based payment expense	6	2
Share of (profit) / loss in associates and joint ventures	(12)	5
Profit on sale of sports business	(1,346)	(12,234)
Remeasurement income	(1,609)	-
Profit on sale of investments	(12)	(90)
Dividend on redeemable preference shares	1,328	1,211
Dividend income	(195)	(99)
Interest income	(1,603)	(1,106)
Operating profit before working capital changes	**22,390**	**20,252**
Adjustments for :		
(Increase) in inventories	(9,359)	(3,676)
(Increase) in trade and other receivables	(2,510)	(2,425)
Increase in trade and other payables	3,318	65
Cash generated from operations	**13,839**	**14,216**
Direct taxes paid (net)	(8,295)	(6,810)
Net cash flow from operating activities (A)	**5,544**	**7,406**
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(1,743)	(2,324)
Purchase of intangible assets	(847)	(444)
Purchase of investment property	(601)	-
Sale of property, plant and equipment / intangible assets	45	64
Fixed deposit invested	(17,432)	20
Fixed deposit matured	11,677	-
Payment towards acquisition of subsidiary companies	(2,015)	(100)
Payment towards acquisition of associate company	-	(13)
Purchase of non current investments	(171)	(389)
Proceeds received from sale of sports broadcasting business	1,346	18,417
Purchase of current investments	(45,424)	(55,600)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

(₹ Millions)

	Mar-18	Mar-17 (Restated-refer note 39)
Sale / redemption of current investments	44,182	53,014
Loans (given to) / repaid by others	(722)	250
Dividend received	5	99
Interest received	1,203	975
Net cash flow from investing activities (B)	**(10,497)**	**13,969**
C. Cash flow from financing activities		
Redemption of redeemable preference shares	(4,030)	-
Proceeds from long-term borrowings	-	10
Repayment of long-term borrowings	(2,937)	(10)
Dividend paid on equity shares	(2,399)	(2,607)
Dividend paid on redeemable preference shares	(1,435)	(1,458)
Interest paid	(101)	(73)
Net cash flow from / (used in) financing activities (C)	**(10,902)**	**(4,138)**
Net cash flow during the year (A+B+C)	**(15,855)**	**17,237**
Cash and bank balances received on acquisition of subsidiary	38	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	46	(717)
Cash and cash equivalents at the beginning of the year	25,116	8,596
Net cash and cash equivalents at the end of the year	**9,345**	**25,116**

See accompanying notes to the consolidated financial statements

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

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Sundeep Mehta
Financial Controller

M Lakshminarayanan
Company Secretary

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ('ZEEL' or 'the Company') is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Mumbai 400013, India. The Company along with its subsidiaries (collectively referred as 'the Group') engaged in the business of media and entertainment. The Group is mainly in the following businesses:

(i) Broadcasting of Satellite Television Channels;

(ii) Space Selling agent for other satellite television channels;

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

2. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation of consolidated financial statements

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of ZEEL and entities controlled by ZEEL and its subsidiaries.

Control is achieved when the parent has power over the investees, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation.

These financial statements are prepared by applying uniform accounting policies in use at the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

d. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint arrangement. Joint control is the contractual agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet as cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in the associate or the joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligation or made payments on behalf of the associate or joint venture.

When necessary, the entire amount of the investment is tested for impairment in accordance with Ind AS 36 - Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss is recognised in profit and loss.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Principal place of business
Direct Subsidiaries		
ATL Media Ltd	100 (100)	Mauritius
Essel Vision Productions Limited	100 (100)	India
Zee Unimedia Limited	100 (100)	India
Zee Digital Convergence Limited	100 (100)	India
Zee Turner Limited	74 (74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100 (100)	Mauritius
India Webportal Private Limited (w.e.f 22nd July 2017)	100 (51)	India
Fly By Wire International Private Limited (w.e.f 14th July 2017)	100 (49)	India
Margo Networks Private Limited (w.e.f 3rd May 2017)	80(Nil)	India
Indirect Subsidiaries		
Asia TV Limited	100 (100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100 (100)	Singapore
OOO Zee CIS Holding LLC #	100 (100)	Russia
OOO Zee CIS LLC	100 (100)	Russia
Taj TV Limited	100 (100)	Mauritius
Asia Today Singapore Pte Limited	100 (100)	Singapore
Asia TV USA Limited, Wyoming	100 (100)	United States of America
Asia Today Limited	100 (100)	Mauritius
Zee Technologies (Guangzhou) Limited	100 (100)	China
Zee Entertainment Middle East FZ-LLC	100 (100)	U.A.E.
ATL Media FZ-LLC	100 (100)	U.A.E.
Zee TV South Africa (Proprietary) Limited	100 (100)	South Africa
Zee TV USA Inc.	100 (100)	United States of America
Asia Multimedia Distribution Inc.	100 (100)	Canada
Idea Shop Web and Media Private Limited	51.04(51.04)	India
Eevee Multimedia Inc.	100 (100)	United States of America
Asia TV GmbH	100 (Nil)	Germany
ZEE Radio Network Middle East FZ -LLC $	Nil (Nil)	U.A.E.
Pantheon Productions Limited ^	100 (Nil)	Canada
Z5X Global FZ-LLC	100 (Nil)	U.A.E.
Zee Studios International Limited*	100 (Nil)	Canada

* Incorporated on 20 March 2017
# Zero capital company
^ Incorporated on 29 March 2018
$ Deregistered on 24 December 2017 effective 3 September 2017.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ASSOCIATE

Name of the Associates	Percentage of holding	Principal place of business
Aplab Limited	26.42% (26.42%)	India
Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand
Fly by Wire International Private Limited (upto 13 July 2017)	49% (49%)	India

JOINTLY CONTROLLED ENTITIES

Name of the jointly controlled entities	Percentage of holding	Principal place of business
Media Pro Enterprise India Private Limited*	50% (50%)	India
India Webportal Private Limited $	51% (51%)	India

* Through subsidiary, Zee Turner Limited
$ upto 21 July 2017

e. Business Combinations

Business combinations have been accounted for using the acquisition method.

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

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in the business combination includes assets and liabilities resulting from the contingent consideration arrangement, the contingent consideration arrangement is measured at its acquistion date fair value and included as a part of the consideration transferred in a business combination.

The subsequent accounting for changes in the fair value of the contingent consideration are recognised in profit or loss.

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

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

f. Property, plant and equipment

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

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

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

(iv) The estimate of the useful life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc. The estimated useful life of items of property, plant and equipment is as mentioned below:
Furniture and Fixtures - 5 years ^
Buildings - 60 years *
Computers - 3 and 6 years *
Equipment - 3 to 5 years ^
Plant and Machinery ^
  Gas plant - 20 years
  Others - 5 to 10 years
Vehicles - 5 years ^
Aircraft - 15 years ^

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

g. Investment property

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

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

h. Goodwill

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

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

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

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

i. Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination:

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

j. Impairment of property, plant and equipment / other intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication that those assets have suffered an impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in consolidated statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in profit or loss.

k. Derecognition of property, plant and equipment / other intangibles / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles / investment property is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss.

l. Leases

(i) Finance lease

The Group as a lessee:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

The Group as a lessee:

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments / revenue are recognised on straight line basis over the lease period in the consolidated statement of profit and loss account unless increase is on account of inflation.

The Group as a lessor:

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

m. Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n. Inventories

(i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) including content in digital form are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value of media content is less than its carrying amount, the difference is expensed. Programs, film rights, music rights are expensed / amortised as under :

1. Programs - reality shows, chat shows, events, game shows and sports rights etc. are fully expensed on telecast / upload.

2. Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast/upload, as per management estimate of future revenue potential.

3. Film rights are amortised on a straight-line basis over the licensed period of sixty months from the commencement of rights, whichever is shorter.

4. Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

5. Films produced and/or acquired for distribution/sale of rights :

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :

a) Satellite rights - Allocated cost of right is expensed immediately on sale.

b) Theatrical rights - 80% of allocated cost is amortized immediately on theatrical release and balance allocated cost is amortised equally in following six months.

c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

(ii) Raw Stock : Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

o. Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the consolidated statement of profit and loss.

(ii) Financial assets

(a) Classification of financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

(b) Subsequent measurement

- **Debt Instrument - amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

- **Fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

b) The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

- **Fair value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

- **Equity investments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to consolidated statement of profit and loss. Dividends from such investments are recognised in consolidated statement of profit and loss as other income when the Group's right to receive payment is established.

- **Derivative financial instruments**

Derivative financial instruments are classified and measured at fair value through profit and loss.

(c) Derecognition of financial assets

A financial asset is derecognised only when:

i) The Group has transferred the rights to receive cash flows from the asset have expired or

ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

(d) Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iii) Financial liabilities and equity instruments

(a) Classification of Debt & Equity

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- **Equity instruments**

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

  Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(b) Subsequent measurement

- **Financial liabilities measured at amortised cost**

  Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit and loss.

- **Financial liabilities measured at fair value through profit and loss (FVTPL)**

  Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the consolidated statement of profit and loss.

(c) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

(d) Fair value measurement

The Group measures financial instruments such as debt and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

p. Borrowings and Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

q. Provisions, contingent liabilities and contingent assets

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainities surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurance or non-occurance of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are not recognised in the consolidated financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

r. Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

(i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

(ii) Sales of media content - Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

(iii) Commission revenue - Commision of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

(iv) Revenue from other services is recognised as and when such services are completed / performed.

(v) Interest income from debt instruments is recognised using the effective interest rate (EIR) method.

(vi) Dividend income is recognised when the Group's right to receive dividend is established.

(vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

s. Retirement and other employee benefits

Payments to defined contribution plans viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity and leave encashment, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to consolidated statement of profit and loss. Past service cost is recognised in consolidated statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

(i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

(ii) net interest expense or income; and

(iii) remeasurement

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group presents the first two components of defined benefit costs in consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.
A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

Short-term and other long-term employee benefits:
A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

t. Transactions in foreign currencies
The functional currency of the Group is Indian Rupees (₹).

(i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous consolidated financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

(iv) On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to consolidated statement of profit and loss.

u. Accounting for taxes on income
Tax expense comprises of current and deferred tax.

(i) Current tax:
Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax:
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Current and deferred tax for the year:
Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

v. Earnings per share
Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

w. Share based payments
The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to consolidated statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

3. KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

a. Income taxes
The Group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b. Business combinations and intangible assets
Business combinations are accounted for using IND AS 103, Business Combinations. IND AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

c. Property, plant and equipment
Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

d. Impairment of Goodwill
Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Group has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Group believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Group and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

e. Defined Benefit Obligation
The costs of providing pensions and other post-employment benefits are charged to the consolidated statement of profit and loss in accordance with IND AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

f. Fair value measurement of financial instruments

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

g. Media Content, including content in digital form

The Group has several types of inventory such as general entertainment, movies and music. Such inventories are expensed/ amortised based on certain estimates and assumptions made by Group, which are as follows:

i. Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.

ii. The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii. Cost of movie rights - The Group's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast. Hence, it is amortised on a straight line basis over the license period or 60 months from the date of acquisition, whichever is shorter.

iv. Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

v. Films produced and/or acquired for distribution/sale of rights :

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :

a) Satellite rights - Allocated cost of right is expensed immediately on sale.

b) Theatrical rights - 80% of allocated cost is amortized immediately on theatrical release and balance allocated cost is amortised equally in following six months.

c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

4. STANDARDS ISSUED BUT NOT YET EFFECTIVE

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 on Revenue from Contract with Customers, Appendix B to Ind AS 21 on Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1 April 2018. The Group will be adopting the amendments from their effective date.

a) Ind AS 115 on Revenue from Contract with Customers:

Ind AS 115 supersedes Ind AS 11 on Construction Contracts and Ind AS 18 on Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

b) Appendix B to Ind AS 21 on Foreign currency transactions and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Group, is expected to be not material.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of Assets	Buildings	Plant and machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Aircraft	Leasehold improvements	Total
I. Cost									
As at 31 March 2016	624	4,615	257	180	482	438	-	494	7,090
Additions	779	620	98	103	142	268	-	92	2,102
Transfer to Investment Property	201	-	-	-	-	-	-	-	201
Disposals	20	329	7	20	1	79	-	(4)	452
Translation	(13)	(34)	(4)	(1)	(3)	(5)	-	-	(60)
As at 31 March 2017	**1,169**	**4,872**	**344**	**262**	**620**	**622**	**-**	**590**	**8,479**
On Account of acquisition (Refer note 39)	-	12	0	-	0	5	-	0	17
As at 31 March 2017 restated	**1,169**	**4,884**	**344**	**262**	**620**	**627**	**-**	**590**	**8,496**
Additions	25	524	130	12	316	466	-	250	1,723
Transfer on acquisition	-	-	1	-	4	19	764	-	788
Transfer from investment property	198	-	-	-	-	-	-	-	198
Disposals	-	572	7	25	4	8	-	2	618
Translation	21	4	3	1	3	1	-	4	37
As at 31 March 2018	**1,413**	**4,840**	**471**	**250**	**939**	**1,105**	**764**	**842**	**10,624**
II. Accumulated depreciation									
As at 1 April 2016	53	2,191	118	108	223	260	-	164	3,117
Depreciation charge for the year	10	513	44	35	92	103	-	142	939
Transfer to investment property	3	-	-	-	-	-	-	-	3
Disposals	-	305	6	16	9	53	-	0	389
Translation	(5)	(19)	(3)	(1)	(4)	(5)	-	(3)	(40)
Upto 31 March 2017	**55**	**2,380**	**153**	**126**	**302**	**305**	**-**	**303**	**3,624**
Depreciation charge for the year	45	478	69	39	136	181	56	188	1,192
Transfer on acquisition	-	-	1	-	2	15	214	-	232
Disposals	-	442	6	21	3	7	-	-	479
Translation	0	31	5	(6)	9	3	-	8	50
Upto 31 March 2018	**100**	**2,447**	**222**	**138**	**446**	**497**	**270**	**499**	**4,619**
Net book value									
As at 31 March 2018	1,313	2,393	249	112	493	608	494	343	6,005
As at 31 March 2017	1,114	2,504	191	136	318	322	-	287	4,872

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Net book value	Mar-18	Mar-17 (Restated)
Property, plant and equipment	6,005	4,872
Capital Work-In-Progress	780	1,270

1. '0' (zero) denotes amounts less than a million.
2. Buildings include ₹ 0 Million (₹ 0 Million), ₹ 114,100 (₹ 114,100) the value of share in a co-operative society.
3. Part of property, plant and equipment have been given on operating lease.
4. Capital work-in-progress is net of impairment loss of ₹ 340 Millions (₹ 328 Millions). Amount charged to the Consolidated Statement of Profit and Loss is ₹ 12 Millions (₹ 164 Millions)
5. Certain vehicles have been hypothecated against borrrowings for vehicles aggregating to ₹ 17 Millions (₹ 19 Millions)

6 INVESTMENT PROPERTY

(₹ Millions)

Description of Assets	Land and Building	Total
I. Cost		
As at 31 March 2016	1,202	1,202
Transfer From property, plant and equipment	200	200
As at 31 March 2017	**1,402**	**1,402**
Additions	601	601
Transfer to property, plant and equipment	198	198
Translation	3	3
As at 31 March 2018	**1,808**	**1,808**
II. Accumulated depreciation		
Upto 31 March 2016	223	223
Depreciation Charge for the year	26	26
Transfer From property, plant and equipment	3	3
Upto 31 March 2017	**252**	**252**
Depreciation charge for the year	6	6
Translation	(1)	(1)
Transfer to property, plant and equipment	4	4
Upto 31 March 2018	**253**	**253**
Net book value		
As at 31 March 2018	1,555	1,555
As at 31 March 2017	1,150	1,150

The fair value of the Group's investment property ₹ 3,620 Millions (₹ 2,352 Millions) has been arrived at on the basis of a valuation carried out at that date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value measurement is categorized as Level 2.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. GOODWILL AND OTHER INTANGIBLE ASSETS

(₹ Millions)

Description of Assets	Goodwill	Trademark	Customer list and websites	Software	Channels	Total
I. Cost						
As at 1 April 2016	8,843	291	-	481	133	9,748
Additions	-	0	-	88	69	157
Disposals	6,144	-	-	23	-	6,167
Translation	(23)	-	-	(2)	-	(25)
As at 31 March 2017	**2,676**	**291**	**-**	**544**	**202**	**3,713**
On Account of acquisition (Refer note 39)	-	-	-	1	-	1
As at 31 March 2017 (Restated)	**2,676**	**291**	**-**	**545**	**202**	**3,714**
Additions	2,791	31	1,081	788	-	4,691
Transfer on acquisition	-	-	-	1	-	1
Disposals	-	-	-	-	30	30
Translation	-	-	-	12	-	12
As at 31 March 2018	**5,467**	**322**	**1,081**	**1,346**	**172**	**8,388**
II. Accumulated amortisation						
As at 1 April 2016	-	19	-	355	40	414
Amortisation for the year	-	58	-	102	27	187
Disposals	-	-	-	21	-	21
Translation	-	-	-	0	-	0
Upto 31 March 2017	**-**	**77**	**-**	**436**	**67**	**580**
Amortisation for the year	-	128	250	183	62	623
Transfer on acquisition	-	-	-	1	-	1
Disposals	-	-	-	-	18	18
Translation	-	-	-	1	-	1
Upto 31 March 2018	**-**	**205**	**250**	**621**	**111**	**1,187**
Net book value						
As at 31 March 2018	5,467	117	831	725	61	7,201
As at 31 March 2017	2,676	214	-	109	135	3,134

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

Net book value	Mar-18	Mar-17 (Restated)
Goodwill	5,467	2,676
Other intangible assets	1,734	458
Intangibles assets under development	139	287

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

Goodwill of ₹ 2,013 millions and ₹ 621 millions has been allocated for impairment testing purpose to the Cash Generating Unit (CGU) viz. International business of the Group and a Regional Channel in India respectively. Recoverable amounts for these CGUs has been determined based on value in use for which cash flow forecasts of the related CGU's using a 2% terminal growth rate for periods subsequent to 5 years and a pre-tax discount rate of 19.1% has been applied. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long term growth rate), based on a reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

During the year, the Group has completed the 100% acquisition of the Online Media Business (identified as a separate CGU) resulting into goodwill of ₹ 2,615 Millions. For the purpose of impairment testing, the recoverable amount of this CGU is determined based on fair value less cost of disposal as per the requirement of Ind AS 36. The fair value is computed as per the market approach using revenue multiples. 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.

8. NON-CURRENT INVESTMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
a	**Investments in associates**		
	Investments accounted using equity method		
	Investments in equity instruments		
	In Associate - Quoted		
	1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	-	-
	In Associate - Unquoted		
	10,000 (10,000) Equity shares of Baht 100/- each of Asia Today Thailand Limited (Extent of holding 25%)	2	1
	Nil (980,000) Equity Shares of ₹ 10/- each of Fly By Wire International Private Limited	-	7
	690 (690) Equity Shares of ₹ 100/- each in Idea Shop Web and Media Private Limited	-	-
		2	**8**
b	**In Joint venture - Unquoted**		
	2,500,000 (2,500,000) Equity Shares of ₹ 10/- each of Media Pro Enterprise India Private Limited (extent of holding 50%)	194	163
	Nil (126,990,000) Equity shares of ₹ 1/- each of India Webportal Private Limited (extent of holding 51% - upto 21 July 2017)	-	-
		194	**163**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
c	**Other investments**		
i)	**Investments at amortised cost**		
	Investments in redeemable debentures		
	Others - Quoted		
	50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited (Tenure - 10 years)	52	52
	Others - Unquoted		
	50,000 (50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	62	61
	50,000 (50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	55	51
ii)	**Investments at fair value through other comprehensive income**		
	Investments in equity instruments - quoted		
	1,822,000 (1,822,000) equity shares of ₹ 2/- each of Essel Propack Limited	438	433
	1,000,000 (1,000,000) equity shares of USD 5.995 of DHX Media Ltd	191	269
	Others - Unquoted		
	396,715 (396,715) equity shares of USD 2.521/- each of Vapour Communications, Inc	65	65
	1 (Nil) equity shares face value ₹ 10/- each of Tagos Design Innovations Private Limited	0	-
	30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited ₹ 300,000 (₹ 300,000)	0	0
	Less: Impairment in value of investment ₹ 300,000 (₹ 300,000)	0	0
		-	**-**
iii)	**Investments at fair value through profit and loss**		
	Others - Unquoted		
	1069.6 (1069.6) units of ₹ 1,000,000 each of Morpheus Media Fund	323	446
	175 (100) units of ₹ 2,00,000 /- each of Exfinity Technology Fund-Series II	27	15
	2,905 (Nil) compulsorily convertible preference shares face value ₹ 10/- each of Tagos Design Innovations Private Limited	184	-
		1,397	**1,392**
	Total	**1,593**	**1,564**

(All the above securities are fully paid-up)
"0' (zero) denotes amounts less than a million.

Aggregate amount and market value of quoted Investments	681	754
Aggregate carrying value of unquoted Investments	912	810
Aggregate amount of impairment in value of investments ₹ 300,000 (₹ 300,000)	0	0

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9. OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-Current		Current	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Deposits - unsecured and considered good				
- to related parties	75	478	365	91
- to others	293	303	291	578
Unbilled revenue	-	-	444	123
Balances with banks - in deposit accounts	-	2	-	-
Interest accrued	-	-	67	18
Other receivables - Related parties	-	-	559	284
- Others * #	390	390	72	1,122
Total	**758**	**1,173**	**1,798**	**2,216**

* Includes ₹ Nil (₹ 1,069 Millions) receivable against sale of sports business.

The Group has recognised a receivable of ₹ 389 Millions (₹ 389 Millions) claimed from competing broadcaster for recovery of the telecast rights money relating to the sports event, which is under litigation. The management on the basis of review of the current status of this case and on the basis of opinion received from the lawyers representing in this matter, are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully realised.

10. DEFERRED TAX (LIABILITIES) / ASSETS (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Deferred tax assets		
Employee retirement benefits obligation	309	265
Allowances for doubtful debts and advances	418	313
Unutilised tax losses	147	318
Disallowances under section 40(a)	449	-
Other disallowances	132	79
	1,455	**975**
Deferred tax liabilities		
Depreciation and amortisation	167	55
Disallowances under section 40(a)	-	17
Tax on preference share redemption	3,284	-
	3,451	**72**
Deferred tax (liabilities) / assets (net)	**(1,996)**	**903**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. OTHER ASSETS

(₹ Millions)

	Non-Current		Current	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Capital advances (unsecured)	117	161	-	-
Other advances (unsecured)				
- Considered good				
to related parties	39	45	104	-
others	-	3	9,216	8,728
- Considered doubtful	-	2	339	183
	39	**50**	**9,659**	**8,911**
Less: Allowance for doubtful advances	-	2	339	183
	39	**48**	**9,320**	**8,728**
Prepaid expenses	184	270	165	308
Balance with Government authorities	-	79	733	1,111
Less: Provision	-	-	-	13
	-	**79**	**733**	**1,098**
Total	**340**	**558**	**10,218**	**10,134**

12. INVENTORIES (VALUED AT LOWER OF COST / UNAMORTISED COST OR REALISABLE VALUE)

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Raw stock - tapes	9	10
Media content *	24,228	16,308
Under production- Media Content	2,041	644
Total	**26,278**	**16,962**

*Includes rights ₹ 3,607 Millions (₹ 2,986 Millions), which will commence at a future date. Inventories expected to be recovered post 12 months is 60 % (64%)

13. CURRENT INVESTMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
A	**Investments at amortised cost**		
	Investment in redeemable debentures - Unquoted		
	12,500 (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited	1,725	1,543
	Certificate of Deposit (Non-Transferable) - Unquoted		
	7.10% (Nil) Housing Development Finance Corporation Ltd. (Tenure - 1 year)	1,500	-
	7.10% (Nil) Housing Development Finance Corporation Ltd. (Tenure - 1 year)	500	-

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
	Nil (10%) SICOM Limited (Tenure - 1 year)	-	1,000
	Nil (10%) SICOM Limited (Tenure - 1 year)	-	1,000
	Nil (10%) SICOM Limited (Tenure - 1 year)	-	1,000
	A	**3,725**	**4,543**
B	**Investments carried at fair value through profit and loss**		
	Mutual Funds - Quoted		
	3,610,705 (Nil) units of ₹ 100/- each of Aditya Birla Sun Life Cash Plus- Growth	1,005	-
	791,763 (Nil) units of ₹ 1,000/- each of Essel Liquid Fund- Growth	1,515	-
	211,533 (Nil) units of ₹ 1,000/- each of Invesco India Liquid Fund- Growth	506	-
	515,751 (Nil) units of ₹ 1,000/- each of UTI Money Market Fund- Growth	1,006	-
	386,159 (Nil) units of ₹ 100/- each of SBI Arbitrage fund	5	-
	19.834 (Nil) units of ₹ 100/- each of SBI Corporate bond Fund	0	-
	319,582 (Nil) units of ₹ 100/- each of ICICI Prudential Savings Fund - Direct Plan - Growth	86	-
	240,172 (Nil) units of ₹ 100/- each of Aditya Birla Sun Life Savings Fund - Growth - Direct Plan	83	-
	6,972,862 (Nil) units of ₹ 10/- each of Franklin India Ultra Short Bond SI - Direct - Growth	168	-
	2,127,406 (Nil) units of ₹ 10/- each of JM High Liquidity Fund (Direct) - Growth Option	101	-
	53,187 (Nil) units of ₹ 1,000/- each of Essel Liquid Fund - Direct Plan - Growth	102	-
	Nil (305,118) units of ₹ 1,000/- each of Peerless Liquid Fund - Daily Dividend	-	306
	Nil (5,989,991) units of ₹ 100/- each of ICICI Prudential Savings Fund- Daily Dividend	-	608
	Nil (2,800,381) units of ₹ 100/- each of Birla Sun Life Savings Fund -Daily Dividend	-	281
	Nil (38,746,264) units of ₹ 10/- each of JM High Liquidity Fund - Daily Dividend	-	404
	Nil (24,928,512) units of ₹ 10/- each of Reliance Medium Term Fund - Daily Dividend	-	425
	Nil (499,330) units of ₹ 1,000/- each of Tata Money Market Fund- Daily Dividend	-	500
	Nil (400,353) units of ₹ 1,000/- each of Invesco India Liquid Fund- Daily Dividend	-	401
	Nil (137,061) units of ₹ 1,000/- each of LIC MF Liquid Fund - Direct Dividend	-	150
	Mutual Funds - unquoted		
	29,850 (Nil) units of USD 1,000 each of Actinium Investments Funds Limited	1,976	-
	44,107 (57,990) units of USD 1,000 each of Poseidon Opportunities Fund Limited	3,418	4,250
	B	**9,971**	**7,325**
	Total (A+B)	**13,696**	**11,868**
	(All the above securities are fully paid-up)		
	Aggregate amount and market value of quoted Investments	4,577	3,075
	Aggregate carrying value of unquoted Investments	9,118	8,793

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

14. TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Considered good	15,365	12,418
Considered doubtful	1,759	1,319
	17,124	**13,737**
Less: Allowance for doubtful debts	1,759	1,319
Total	**15,365**	**12,418**

* For transactions relating to related party receivables, refer note 43

15. CASH AND BANK BALANCES

(₹ Millions)

	Current	
	Mar-18	Mar-17 (Restated)
a Cash and cash equivalents		
Balances with banks		
In Current accounts	2,857	2,360
In Deposit accounts	5,284	21,837
Cheques in hand	1,200	915
Cash in hand	4	4
	9,345	**25,116**
b Other balances with banks		
Balances with banks		
In deposit accounts	6,749	1,000
In unclaimed dividend accounts		
- Preference shares	4	-
- Equity shares	19	17
	6,772	**1,017**
Total	**16,117**	**26,133**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

16. EQUITY SHARE CAPITAL

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Authorised *		
2,000,000,000 (2,000,000,000) Equity Shares of ₹ 1/- each	2,000	2,000
	2,000	**2,000**
Issued, subscribed and paid up		
960,453,620 (960,448,720) Equity Shares of ₹ 1/- each fully paid up	960	960
Total	**960**	**960**

* Authorised capital of 2,100,000,000 (2,100,000,000) Redeemable Preference Shares of ₹ 10/- (₹ 10/-) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. (Refer Note 18).

i) Reconciliation of number of Equity Shares and Share capital

	Mar-18		Mar-17 (Restated)	
	Number of Equity Shares	₹ Millions	Number of Equity Shares	₹ Millions
At the beginning of the year	960,448,720	960	960,448,720	960
Add : Issued during the year	4,900	0	-	-
Outstanding at the end of the year	**960,453,620**	**960**	**960,448,720**	**960**

ii) Terms / rights attached to Equity Shares

The Group has only one class of Equity Shares having a par value of ₹ 1/- each. Each holder of Equity Shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

iii) Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding 31 March 2018.

	Mar-18	Mar-17 (Restated)
Equity Shares bought back and cancelled	4,812,357	24,185,210

iv) Details of Equity Shareholders holding more than 5% of the aggregate Equity shares

Name of the Shareholders	Mar-18		Mar-17 (Restated)	
	Number of Equity Shares	% Shareholding	Number of Equity Shares	% Shareholding
Cyquator Media Services Private Limited	241,412,908	25.14%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	65,300,739	6.80%	65,978,899	6.87%

As per the records of the Group, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

v) Employees Stock Option Scheme (ESOP):

The Group has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Group in 2009 for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Group as at 31 March 2009 i.e. up to 21,700,355 equity shares of ₹ 1 each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Group as well as that of its subsidiaries. The said ESOP 2009 was amended during the previous year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During the year, the Nomination and Remuneration Committee of the Board granted 18,900 stock options convertible at ₹ 1/- each to an employee of the Group. The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1, 2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the equity shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	**Number of Options**
Opening at beginning of the year	9,800
Grant during the year	18,900
Exercised during the year	(4,900)
Outstanding at the end of the year	23,800

During the year, the Group recorded an employee stock compensation expense of ₹ 6 Millions (₹ 2 Millions) in the statement of profit and loss. The market price at the date of grant was ₹ 529/- (₹ 512/-) per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	21%	22%	20%
Expected dividend yield on the underlying share for the expected term of the option	2.25	2.25	2.25
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year had an weighted average remaining contractual life of 257 days.

17a. OTHER EQUITY

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Capital Redemption Reserve		
As per last Balance Sheet	22	22
Add: Transfer from retained earnings	4,034	-
	4,056	**22**
Capital reserve		
As per last Balance Sheet	340	-
Add: On account of acquisition (Refer note 39)	-	340
	340	**340**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Share based payment reserve		
As per last balance sheet	2	-
Add: Options granted during the year	6	2
	8	**2**
General reserve		
As per last Balance Sheet	**2,820**	**2,820**
Retained earnings		
As per last Balance Sheet	62,898	43,319
Add : Profit for the year	14,791	22,213
Add / (Less): Re-measurement gains / (loss) on defined benefit plans	47	(41)
(Less) / Add : Income tax impact thereon	(14)	15
Less: Tax on dividend on equity shares by subsidiaries	-	(280)
Less: Payment of dividend on equity shares	(2,401)	(2,161)
Less: Tax on dividend on equity shares	-	(167)
Less: Transfer to Capital redemption reserve	(4,034)	-
Less: Deferred tax liability on preference shares	(3,284)	-
	68,003	**62,898**
Other comprehensive income		
Foreign currency translation reserve		
As per last balance sheet	(444)	629
Less: Foreign currency translation loss for the year	(364)	(1,073)
	(808)	**(444)**
Equity instruments		
As per last Balance Sheet	306	289
(Less) / Add: Gain on fair value of financial assets through other comprehensive income	(68)	17
	238	**306**
Total	**74,657**	**65,944**

b. NON-CONTROLLING INTEREST

(₹ Millions)

	Mar-18	Mar-17 (Restated)
As per last Balance Sheet	10	22
Less: Loss for the year	(14)	(12)
Add: Non-controlling interest arising on account of acquisition of a subsidiary	146	-
Total	**142**	**10**

1) Capital Redemption Reserve is created on redemption of redeemable preference shares issued.
2) Share based payment reserve is reserve related to share options granted by the Company to its employee under its employee share option plan.
3) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
4) Retained earnings represent the accumulated earnings net of losses if any made by the Group over the years.
5) Other Comprehensive income includes:
   a) Exchange differences relating to translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency are directly recognised in other comprehensive income.
   b) Cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

18. LONG-TERM BORROWINGS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
a	**Redeemable preference shares - Unsecured, at fair value through profit and loss**		
	2,016,942,312 (2,016,942,312) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 8/- (₹ 10/-) each fully paid up - quoted	15,206	19,077
	Less: Amount disclosed under the head "Other financial liabilities" (Refer note 20)	3,802	3,815
		11,404	**15,262**
b	**3,949,105 6% Series B Cumulative Redeemable Non Convertible Preference shares of ₹ 10/- each - Unsecured, at amortised cost**	**39**	**-**
		11,443	**15,262**
c	**Vehicle loan from banks, at amortised cost***	**17**	**19**
	Less : Amount disclosed under the head 'Other financial liabilities' (Refer note 20)	8	8
		9	**11**
d	**Others - unsecured, at amortised cost**	-	2,935
		9	**2,946**
	Total (a+b+c+d)	**11,452**	**18,208**

* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September 2019.

Terms / rights attached to Preference Shares

(i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Quoted

During year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each (consolidated to face value of ₹ 10/- each in FY 2017) by way of bonus in the ratio of 21 Bonus Preference Shares of ₹ 1/- each fully paid up for every one Equity share of ₹ 1/- each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

During the year, the Company redeemed 20% (₹ 2/- each) of the Nominal Value of 2,016,942,312 Bonus preference shares of ₹ 10/- each consequent to which the face value of these Preference Shares stand revised to ₹ 8/- each.

During the year ended 31 March 2017, 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each has been converted to 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each.

(ii) 6% Series B Cumulative Redeemable Non-Convertible Preference Shares - unquoted

During the year the Company has issued and allotted 3,949,105, 6% cumulative redeemable non-convertible unlisted preference shares of ₹ 10/- each towards acquisition of the general entertainment television broadcasting undertakings (Refer note 39).
These Preference shares are redeemable at par at any time within three years from the date of allotment.

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19. PROVISIONS

(₹ Millions)

	Non-Current		Current	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Provision for employee benefits				
- Gratuity	499	408	15	22
- Compensated absences	392	360	68	68
- Super annuation	1	-	-	-
Total	**892**	**768**	**83**	**90**

20. OTHER FINANCIAL LIABILITIES - CURRENT

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Current maturities of long term borrowings - Redeemable preference shares (Refer note 18a)	**3,802**	**3,815**
Current maturities of long-term borrowings - vehicle loan from banks (Refer note 18c)	8	8
Consideration payable on business acquisition	-	39
Deposits received	164	153
Unclaimed preference shares redemption	4	-
Unclaimed dividends	19	17
Creditors for capital expenditure	179	181
Employee benefits payable	811	698
Dividend payable on redeemable preference shares and tax thereon	1,104	1,211
Other interest accrued but not due	-	0
Temporary overdrawn balances	13	268
Other payables	277	0
	2,579	**2,575**
Total	**6,381**	**6,390**

For transactions relating to related party payables, refer note 43

Dividend ₹ 2 Millions (₹ 1 Million) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2018.

21. OTHER CURRENT LIABILTIES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Advances received from customers	931	671
Statutory dues payable	507	508
Total	**1,438**	**1,179**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

22. REVENUE FROM OPERATIONS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Services - Broadcasting revenue		
Advertisement	42,048	36,735
Subscription	20,287	22,629
Commission	676	603
Sales - Media content	2,775	3,001
Transmission revenue	104	64
Other operating revenue	967	1,310
Total	**66,857**	**64,342**

23. OTHER INCOME

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Interest income from:		
- Bank deposits	493	172
- Other financial assets	807	801
- Income tax refunds	303	133
Dividend income from :		
- Investment classified as fair value through other comprehensive income	4	4
- Investment classified as fair value through profit and loss	191	95
Net gain on sale of investments classified as fair value through profit and loss	12	90
Foreign exchange gain (net)	357	48
Liabilities / excess provision written back	10	365
Rent income	435	244
Insurance claim received	-	157
Remeasurement income*	1,609	-
Miscellaneous income	182	131
Total	**4,403**	**2,240**

*Represents fair value gain of ₹ 1,609 Millions (net) arising due to re-measurement of previously held equity interests in India Webportal Private Limited and Fly By Wire International Private Limited to its acquisition-date fair value.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

24. OPERATIONAL COST

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a) Media content		
Opening - Inventory	16,308	12,992
- Under production - programs	644	178
Add: Amortisation of acquired inventory #	20,308	18,805
Add: Production expenses	12,580	11,204
Less: Closing - Inventory	24,228	16,308
- Under production - programs	2,041	644
	23,571	**26,227**
b) Telecast and technical cost	1,704	1,530
Total (a+b)	**25,275**	**27,757**

Media content of ₹ 1,225 Millions (₹ 1,855 Millions) are written down during the year as the estimated net realisable value was lower than cost.

25. EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Salaries and allowances	6,241	5,644
Share based payment expense	6	2
Contribution to provident and other funds	296	258
Staff welfare expenses	114	139
Total	**6,657**	**6,043**

26. FINANCE COSTS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Interest - vehicle loans	2	2
- others	99	71
Dividend on redeemable preference shares	1,328	1,211
Other financial charges	19	88
Total	**1,448**	**1,372**

27. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Depreciation on property, plant and equipment	1,192	939
Depreciation on investment properties	6	26
Amortisation of intangible assets	623	187
Total	**1,821**	**1,152**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

28. FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Fair value (gain) / loss on financial assets (net)	(96)	269
Fair value loss on financial liabilities (net)	164	1,936
Total	**68**	**2,205**

29. OTHER EXPENSES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Rent	959	813
Repairs and maintenance		
- Buildings	18	13
- Plant and machinery	117	109
- Others	177	120
Insurance	25	23
Rates and taxes	117	123
Electricity and water charges	181	158
Communication charges	172	163
Printing and stationery	36	39
Travelling and conveyance expenses	843	597
Legal and professional charges	803	617
Directors remuneration and sitting fees	22	18
Deferred consideration	49	-
Payment to auditors (Refer note 38)	39	50
Corporate Social Responsibility expenses	75	267
Donations	4	20
Hire and Service Charges	677	707
Advertisement and publicity expenses	5,773	4,472
Commission expenses	218	258
Marketing, distribution and promotion expenses	2,822	1,989
Conference expenses	297	146
Allowances for doubtful debts and advances	547	197
Loss on sale of investments classified as fair value through profit and loss	8	-
Bad debts and advances written off	16	126
Loss on sale / write off of property, plant and equipment (net)	105	166
Miscellaneous expenses	64	82
Total	**14,164**	**11,273**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

30. EXCEPTIONAL ITEMS

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Profit on sale of sports business	1,346	12,234
Total	**1,346**	**12,234**

31. TAX EXPENSE

The major components of income tax for the year are as under:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	8,792	4,280
- earlier years	(14)	53
Deferred tax charge / (benefit)	(369)	2,475
Total	**8,409**	**6,808**
Effective tax rate	**36%**	**23%**

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to income tax expense at the Company's effective income tax rate for the year ended 31 March 2018 and 31 March 2017 is as follows:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Profit before tax	**23,187**	**29,009**
Income tax		
Statutory income tax rate of 34.608% (34.608%) on profit	8,024	10,040
Effect of differential tax rates for components	(2,882)	(4,090)
Tax effect on non-deductible expenses	791	1,195
Prior Years tax loss carry forward utilised	2	(39)
Non creation of deferred tax asset on unused tax losses	134	194
Additional allowances for tax purposes	(120)	(136)
Effect of exempt income and income taxed at lower rates	2,788	(437)
Tax credit availed	(450)	-
Tax effect for earlier years	(14)	53
Others	136	28
Tax expense recognised in the income statement	**8,409**	**6,808**

Deferred tax recognized in consolidated statement of other comprehensive income

(₹ Millions)

For the year ended 31 March	Mar-18	Mar-17 (Restated)
Employee retirement benefits obligation	14	(15)
Foreign currency translation reserve	2	(6)
Total	**16**	**(21)**

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% (34.608%) for the year ended 31 March 2018. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax recognized as on 31 March 2018 (₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Defined benefits obligation	265	30	14	-	309
Allowances for doubtful debts and advances	313	105	-	-	418
Unutilized tax losses	318	(170)	-	-	148
Disallowances under section 40(a)	(17)	466	-	-	449
Other disallowances	79	53	-	-	132
Depreciation and amortisation	(55)	(115)	2*	-	(167)
Tax liability on redemption of preference shares	-	-	-	(3,284)	(3,284)
Total	**903**	**369**	**16**	**(3,284)**	**(1,996)**

* Represents foreign currency translation reserve

Deferred tax recognized as on 31 March 2017 (₹ Millions)

Deferred Tax (liabilities)/ Assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Derecognised on sale of subsidaries / sports business	Recognised directly in equity	Closing balance
Defined benefits obligation	166	84	(15)	30	-	265
Allowances for doubtful debts and advances	337	(24)	-	-	-	313
Unutilized tax losses	62	(2,622)	-	-	2,878	318
Disallowances under section 40(a)	-	(17)	-	-	-	(17)
Other disallowances	76	96	-	(93)	-	79
Depreciation and amortisation	7	8	(6)*	(64)	-	(55)
Total	**648**	**(2,475)**	**(21)**	**(127)**	**2,878**	**903**

* Represents foreign currency translation reserve

The group has unused tax losses of ₹ 635 Millions (₹ 256 Millions) with no expiry on carry forward whereas ₹ 1,113 Millions (₹ 1,300 Millions) are available for offsetting over a period of time till 2026-27. The losses are mainly in the nature of business losses.

32. EARNINGS PER SHARE (EPS)

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a. Profit after Tax (₹ /Millions)	14,791	22,213
b. Weighted average number of equity shares for basic EPS	960,450,559	960,448,720
c. Weighted average number of equity shares for diluted EPS	960,477,265	960,452,935
d. Nominal value of equity shares (₹)	1	1
e. Basic EPS (₹)	15.40	23.13
f. Diluted EPS (₹)	15.40	23.13

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33 . LEASES

A. Operating Leases:

The Group as a lessee:

(a) The Group has taken office, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally ranging from 6 months to 120 months.

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Lease rental charges for the year	2,078	1,852
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1,072	1,330
Later than one year but not later than five years	783	1,636
Later than five years	90	118

The Group as a lessor:

(b) The Group has given part of its buildings / investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 36 months.

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Lease rental income for the year	435	244
Future Lease rental obligation receivable (under non-cancellable lease)		
Not later than one year	150	141
Later than one year but not later than five years	826	798
Later than five years	342	517

(c) The Group has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Sub lease rent income (₹ 91 Millions (167) netted against rent expenses)	91	167
Future sub lease rental receivable (under non-cancellable lease)		
Not later than one year	87	91
Later than one year but not later than five years	-	87

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34 (A) CONTINGENT LIABILITIES

(₹ Millions)

	Mar-18	Mar-17 (Restated)
a. Corporate Guarantees		
-For subsidiaries	-	4,018
-For other related parties ^^	1,037	1,039
b. Disputed Indirect Taxes	536	495
c. Disputed Direct Taxes*	4,746	5,431
d. Claims against the Group not acknowledged as debts #	650	611
e. Legal cases against the Group @	Not ascertainable	Not ascertainable

^^ Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.
* Disputed Direct tax demands mainly include appeals filed by the Group before various appellate authorities (including Dispute Resolution panel) against disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases are likely to be decided in its favour and hence no provision is considered necessary.
# The amount represents the best possible estimate arrived at on the basis of available information. The Group has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.
@ The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

(B) The Group has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of Media Rights contract for telecast of cricket matches between India and other countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ 1,236 Millions (plus interest) in favour of the Group. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Company has also filed an execution petition in April 2018. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

35. CAPITAL AND OTHER COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 426 Millions (₹ 359 Millions).
(ii) Other Commitments towards media content ₹ 3,088 Millions (₹ 6,720 Millions).
(iii) Uncalled Liability / contractual obligation on investments committed is ₹ 65 Millions (₹ 880 Millions)

36 (A) Operational cost, Employee benefits expense and other expenses are net off recoveries ₹ 348 Millions (₹ 397 Millions).

(B) The Company has been deploying its surplus funds by way of inter-corporate deposits, debt instruments etc. and the parties are generally regular in the payment of interest and hence considered good.

37. **Segment Information**

a. Business Segment

The Group operates only in one Segment namely 'Content and Broadcasting' and hence business segment disclosure as per Ind AS-108 - Segment Reporting is not applicable.

b. Geographical Segment

The geographical segments considered for disclosure are India and Rest of the World.

(₹ Millions)

	Segment revenue*	
	Mar-18	Mar-17 (Restated)
India	57,241	48,437
Rest of the world	9,616	15,905
Total	**66,857**	**64,342**

There are no transactions with single external customers which amounts to 10% or more of the Group's revenue.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Carrying cost of segment non-current assets ** @	
	Mar-18	**Mar-17 (Restated)**
India	21,013	15,657
Rest of the world	2,033	2,005
Total	**23,046**	**17,662**

* The revenues are attributable to countries based on location of customers.
** Based on location of assets
@ Excluding financial assets and deferred tax assets
Considering the nature of business of the Group in which it operates, the Group deals with various customers including multiple geographies. Consequently, none of the customers contribute materially to the revenue of the Group.

38. PAYMENT TO AUDITORS

(₹ Millions)

For standalone	Mar-18	Mar-17 (Restated)
Audit fees	9	8
Tax audit fees	-	1
Certification and tax representation	3	14
Other services (₹ 500,000 (₹ Nil))	1	-
Reimbursement of expenses (₹ 148,479 (₹ 486,785))	0	0
Total	**13**	**23**

(₹ Millions)

For subsidiaries	Mar-18	Mar-17 (Restated)
Audit fees	25	21
Tax audit fees	1	1
Certification and tax representation (₹ 316,000)	0	5
Other services (₹ 414,320 (₹ Nil))	0	-
Reimbursement of expenses (₹ 136,001 (₹ 229,755))	0	0
Total	**26**	**27**

39. ACQUISITIONS

The figures for the year ended 31 March 2017 have been restated to give effect to the scheme of acquisition explained below:

a. The Board of Directors of the Company at their meeting held on 23 November 2016 had approved the acquisition of the general entertainment television broadcasting undertakings of Reliance Big Broadcasting Private Limited (RBBPL), Big Magic Limited (BML) and Azalia Broadcast Private Limited (ABPL), through demerger and vesting of said undertakings with the Company under a Composite Scheme of Arrangement.

The Scheme provided for the Demerger of Undertakings (as defined in the Scheme) of RBBPL, BML and ABPL which inter-alia includes 5 (five) General Entertainment Television channels owned by RBBPL and 1 (one) General Entertainment Television Channel owned by ABPL and the Media business of BML.

The said Scheme was approved by the Hon'ble National Company Law Tribunal on 13 July 2017 and the certified copy of the Order approving the said Scheme was been filed with the Registrar of Companies on 21 July 2017. The appointed date of the said scheme was 31 March 2017 and accordingly, the figures for the year ended 31 March 2017 are restated.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

i. **Purchase Consideration:**

(₹ Millions)

	Amount
3,949,105, 6% Series B cumulative redeemable non-convertible unlisted Preference Shares of ₹ 10/- each	39

ii. **The fair value of assets and liabilities recognised as a result of the acquisition is as follows:**

(₹ Millions)

	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	17
Other non current assets	82
Deferred tax assets (net)*	2,876
Current Assets	
Inventories	118
Financial assets	137
Other current assets	856
Total assets acquired (A)	**4,086**
LIABILITIES	
Non Current Liabilities	
Borrowing	2,934
Provisions	1
Other non-current liabilities	1
Current liabilities	
Financial liabilities	629
Other current liabilities	141
Provisions	1
Total Liabilities acquired (B)	**3,707**
Net Identifiable Assets Acquired (C=A-B)	**379**

iii. **Calculation of Capital Reserve**

(₹ Millions)

	Amount
Net Identifiable Assets Acquired	379
Less: Purchase Consideration	39
Capital Reserve @	**340**

@ The excess of net identifiable assets acquired over the consideration paid have been reassessed and reviewed and has been recognised directly in equity as Capital Reserve.

*The restated figures as at 31 March 2017 does not include the deferred tax assets as the same have been utilised during the year ended 31 March 2017. Correspondingly, the net income tax liability stands reduced as at 31 March 2017. The aforesaid utilisation of deferred tax asset, has resulted in restatement of statement of profit and loss for the year ended 31 March 2017 whereby deferred tax expense has increased by ₹ 2,877 Millions and current tax expense has reduced by ₹ 2,873 Millions.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. The Company had acquired 49% stake in Fly by Wire International Private Limited (FBW), on 13 July 2017 the Company acquired the balance 51% stake and FBW becoming a wholly owned subsidiary of the Company. The effect of acquisition on the financial position included in the consolidated financial statements as at 14 July 2017 is as follows:

Purchase Consideration:

(₹ Millions)

	Amount
Amount paid to acquire balance 51% stake	14
Fair value of existing stake in Fly By Wire International Private Limited (49%)	14
Total purchase consideration	**28**

(₹ Millions)

	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	549
Other non current assets	7
Deferred tax assets (net)	26
Income tax assets	2
Current assets	
Financial assets	78
Other current assets	5
Total assets	**667**
LIABILITIES	
Non current liabilities	
Borrowings	393
Other non current liabilities	175
Provisions	1
Current liabilities	
Borrowings	2
Financial liabilities	8
Other current liabilities	44
Provisions	3
Total liabilities	**626**
Total identifiable net assets at fair value	**41**

Computation of goodwill

(₹ Millions)

	Amount
Purchase Consideration	28
Equity Value of optionally convertible debentures	62
Less: Net identifiable assets acquired	41
Goodwill	**49**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c. During the the year, the Company acquired 80% stake of Margo Networks Private Limited for a consideration of ₹ 750 Millions, making it a subsidiary of the Company.

d. India Webportal Private Limited (IWPL) was a joint venture in which the Company had 51% stake, on 21 July 2017, the Company acquired the balance 49% stake and achieved control over IWPL resulting in Company forming wholly owned subsidiary of the Company. The effect of acquisition on the financial position included in the consolidated financial statements as at 22 July 2017 is as follows:

i. **Purchase Consideration:**

(₹ Millions)

	Amount
Amount paid to acquire balance 49% stake	1,996
Fair value of existing stake in IWPL (51%)	1,556
Total purchase consideration	**3,552**

(₹ Millions)

	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	4
Other intangible assets	1,081
Other non current assets	4
Current assets	
Financial assets	184
Other current assets	72
Total assets	**1,345**
LIABILITIES	
Non current liabilities	
Provisions	15
Current liabilities	
Financial liabilities	389
Other current liabilities	1
Provisions	3
Total liabilities	**408**
Total identifiable net assets at fair value	**937**

iii. **Computation of goodwill**

(₹ Millions)

	Amount
Net identifiable assets acquired	937
Purchase consideration	3,552
Goodwill	**2,615**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

40. DISCLOSURE IN RESPECT OF ASSOCIATES AND JOINT VENTURES

a. The summarized financial information of the Group's associates and joint ventures are set out below.

b. The principal place of business for all associates and joint ventures is in India, except for Asia Today Thailand Limited which operates in Thailand.

1. Aplab Limited - Associate Company

(₹ Millions)

Particulars	Mar-18	Mar-17 (Restated)
Current assets	367	375
Non-current assets	828	814
Current liabilities	(1,473)	(1,247)
Non-current liabilities	(104)	(122)
Equity	(382)	(180)
Proportion of Group ownership	26.42%	26.42%
Carrying amount of investment		
Unrecognized share of profit / (loss) for the year	(56)	(33)
Unrecognized share of cumulative losses	(130)	(74)
Fair value of the investment	27	35

Particulars	Mar-18	Mar-17 (Restated)
Total revenue	618	729
Profit / (loss) for the year	(212)	(124)
Other comprehensive Income	11	-
Total comprehensive income	(201)	(124)

2. Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited) - Associate Company

(₹ Millions)

Particulars	Mar-18	Mar-17 (Restated)
Current assets	29	13
Non-current assets	1	1
Current liabilities	(21)	(10)
Equity	9	4
Proportion of Group ownership	25%	25%
Carrying amount of the investment	2	1

Particulars	Mar-18	Mar-17 (Restated)
Total revenue	102	27
Profit / (loss) for the year	5	(12)
Total comprehensive income	5	(12)
Group's Share of profit / (loss)	1	(3)

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. Fly by Wire International Private Limited - Associate Company (till 13 July 2017)

(₹ Millions)

Particulars	Mar-18	Mar-17 (Restated)
Total revenue	88	345
Profit for the year	11	17
Total comprehensive income	11	17
Group's share of profit	6	8

4. Media Pro Enterprise India Private Limited - Joint Venture

(₹ Millions)

Particulars		Mar-18	Mar-17 (Restated)
Current assets		217	148
Non-current assets		297	522
Current liabilities		(9)	(247)
Equity		505	423
Proportion of Group ownership		37%	37%
Proportion of Group share	(A)	186	156
Adjustment for proportionate share of investment	(B)	7	7
Carrying amount of investment	(A+B)	**193**	**163**
Cash and cash equivalents		2	1
Current financial liabilities		-	16

(₹ Millions)

Particulars	Mar-18	Mar-17 (Restated)
Total revenue	92	289
Income tax expense	(2)	61
Profit for the year	81	206
Total comprehensive income	81	206
Group's Share of profit	30	76

5. India Webportal Private Limited -Joint Venture (till 21 July 2017)

(₹ Millions)

Particulars	Mar-18	Mar-17 (Restated)
Total revenue	170	647
Interest income	-	1
Depreciation and amortisation	1	5
Interest expense	0	0
Income tax expense	-	3
Loss for the year	(50)	(141)
Other comprehensive Income	1	2
Total comprehensive income	(49)	(139)
Group's Share of Loss	(25)	(71)

The Group's share of contingencies is ₹ Nil (₹ 9 Millions) and Group's share of commitments is ₹ Nil (₹ Nil).

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

41. FINANCIAL INSTRUMENTS

a. Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stake holders through optimisation of debt and equity balance. The Group is not subject to any externally imposed capital requirements. The Group's risk management committee reviews the capital structure of the Group.

b. Categories of financial instruments and fair value thereof

(₹ Millions)

	Mar-18		Mar-17 (Restated)	
	Carrying amount	Fair value	Carrying amount	Fair value
A Financial assets				
i) Measured at amortised cost				
Trade receivables	15,365	15,365	12,418	12,418
Cash and cash equivalents	9,345	9,345	25,116	25,116
Other bank balances	6,772	6,772	1,017	1,017
Loans	2,428	2,428	1,542	1,542
Other financial assets	2,556	2,556	3,389	3,389
Redeemable non-convertible debentures	169	169	164	164
Redeemable non-convertible subordinate debentures	1,725	1,725	1,543	1,543
Certificate of deposits	2,000	2,000	3,000	3,000
	40,360	**40,360**	**48,189**	**48,189**
ii) Measured at fair value through profit and loss account				
Investments				
Compulsorily convertible preference shares	184	184	-	-
Morpheus Media Fund	323	323	446	446
Exfinity Technology Fund-Series II	27	27	15	15
Mutual fund	9,971	9,971	7,325	7,325
iii) Measured at fair value through other comprehensive income				
Equity shares	694	694	767	767
B Financial liabilities				
i) Measured at amortised cost				
Trade payables	11,497	11,497	8,343	8,343
Other financial liabilities	2,571	2,571	2,567	2,567
Vehicle loans*	17	17	19	19
6% Series B Cumulative Redeemable Non-Convertible Preference Shares	39	39	-	-
Other loans	-	-	2,935	2,935
ii) Fair value through Profit and Loss				
6% Cumulative Redeemable Non-Convertible Preference Shares*	15,206	15,206	19,077	19,077

* Includes current maturities of long term borrowings.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

c. **Fair value measurement**

The following table provides the fair value measurment hierarchy of the Group's assets and liabilities.

Quantative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2018.

(₹ Millions)

	Mar-18	Mar-17 (Restated)	Fair Value Hierarchy	Valuation Technique(s) & key inputs used
Financial assets at fair value through other comprehensive income				
Investment in Equity shares	629	702	Level 1	Quoted in an active market
Investment in equity shares	65	65	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method.
Financial assets at fair value through profit and loss				
Investment in Mutual funds	4,578	3,075	Level 1	Quoted in an active market
Investment in Mutual funds	5,393	4,250	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.
Investment in compulsorily convertible preference shares	184	-	Level 3	
Morpheus Media Fund	323	446	Level 3	
Exfinity Technology Fund-Series II	27	15	Level 3	
Financial liabilities at fair value through profit and loss				
Quoted 6% Cumulative Redeemable Non-Convertible Preference Shares	15,206	19,077	Level 1	Quoted in an active market
Unquoted 6% Series B Cumulative Redeemable Non-Convertible Preference Shares	39	-	Level 2	Based on quoted share price of Company's listed non-convertible preference shares

The fair values of the financial assets and financial liabilities included in the level 3 category above have been determined in accordance with generally accepted pricing models which includes discounted cash flow analysis, with the most significant input being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 category of financial assets:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Opening balance	4,776	5,050
Funds invested	2,101	85
Redeemed	(967)	-
Gains / (loss) recognised	68	(267)
Effect of foreign currency translation	14	(92)
Closing balance	**5,992**	**4,776**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d. Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk.

- Foreign Currency risk

The Group undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The management has taken a position not to hedge this currency risk.

The carrying amounts of financial assets and financial liabilities the Group denominated in currencies other than its functional currency are as follows:

(₹ Millions)

Currency	Assets as at		Liabilities as at	
	Mar-18	Mar-17 (Restated)	Mar-18	Mar-17 (Restated)
Indian Rupees (INR)	282	186	38	45
United States Dollar (USD)	232	131	44	138
Euro (EUR)	0	3	39	11
Great Britain Pound (GBP)	0	0	4	6
Mauritian Rupee	2	2	0	-
UAE Dirhams (AED)	13	-	21	-
Singapore Dollar (SGD)	24	-	16	0
Pakistani Rupee (PKR)	327	372	3	12
Egypt Pound (EGP)	15	-	-	-

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

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- Foreign Currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupees strengthens 10% against the relevant currency. For a 10% weakening of the Rupees against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-18		Mar-17 (Restated)	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Indian Rupees (INR)	(24)	24	(14)	14
United States Dollar (USD)	(19)	19	1	(1)
Euro (EUR)	4	(4)	1	(1)
Great Britain Pound (GBP)	0	(0)	1	(1)
Mauritian Rupee	(0)	0	(0)	0
UAE Dirhams (AED)	1	(1)	-	-
Singapore Dollar (SGD)	(1)	1	0	(0)
Pakistani Rupee (PKR)	(32)	32	(36)	36
Egypt Pound (EGP)	(2)	2	-	-

'0' (zero) denotes amounts less than a million.
The Group is mainly exposed to USD currency fluctuation risk.
The Group's sensitivity to foreign currency assets has increased during the current year mainly due to increase in Foreign Currency Trade Receivables.
The Group's sensitivity to foreign currency liabilities has decreased during the current year is mainly on account of decrease in Trade Payables

- Interest rate risk

The borrowing of the Group includes redeemable preference shares and vehicle loan which carries fixed coupon rate and consequently the Group is not exposed to interest rate risk. The Group's investment in debt instruments and loans given by the Group are at fixed interest rates, consequently the Group not exposed to interest rate risk.

- Other price risk

The Group is exposed to equity price risks arising from equity investments. The Group's equity investments are held for strategic rather than trading purposes.

Equity price sensitivity analysis:
The sensitivity analyses below has been determined based on the exposure to equity price risks at the end of the reporting period. If the equity prices had been 10% lower / higher :

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-18		Mar-17 (Restated)	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Other comprehensive income for the year ended would decrease / increase by	(63)	63	(70)	70

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

ii. Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations and arises principally from the Group's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Group does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain.

Trade receivables are non-interest bearing and the average credit period is 45 days. The Group's exposure to customers is diversified and except for one customer, no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The carrying amount of following financial assets represents the maximum credit exposure:

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Trade Receivables (Unsecured)		
Over six months	2,359	2,182
Less than six months	14,765	11,555
Total	**17,124**	**13,737**

(₹ Millions)

	Mar-18	Mar-17 (Restated)
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	1,319	1,581
Add: Transferred on account of amalgamation	67	6
Add: Provided during the year	370	462
Less: Reversal during the year	(1)	(721)
Impact of Foreign Translation	4	(8)
Balance as at the end of the year	**1,759**	**1,319**
Net Trade receivable	**15,365**	**12,418**

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

Investments in Secured Non-convertible debenture of an entity aggregating ₹ 1,725 Millions (including interest) are outstanding and overdue as at 31 March 2018. The Company has initiated legal action in terms of enforcing the security attached to the said debenture etc. Accordingly, the outstanding amounts are considered good.

Loan given aggregating ₹ 1,706 Millions (including interest) is outstanding and overdue as at 31 March 2018. The Company does not consider any credit risk on such loan given as it has been indemnified against any financial loss.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The credit risk on mutual funds, commercial paper, non convertible debentures, certificates of deposit and other debt instruments is limited because the couterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii. Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2018

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	14,069	-	-	14,069	14,069
Borrowings	4,041	12,151	-	16,192	15,262
Total	**18,110**	**12,151**	**-**	**30,261**	**29,331**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017.

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial Liabilities					
Trade payables and other financial liabilities	10,911	-	-	10,911	10,911
Borrowings	4,042	19,082	-	23,124	22,031
Total	**14,953**	**19,082**	**-**	**34,035**	**32,942**

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

42. EMPLOYEE BENEFITS

Disclosures as per Ind AS 19 - Employee Benefits are as follows:

A. Defined Contribution Plans

'Contribution to provident and other funds' is recognized as an expense in Note 25 'Employee benefits expense' of the Consolidated Statement of Profit and Loss.

B. Defined Benefit Plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

(₹ Millions)

		Mar-18	Mar-17 (Restated)
		Gratuity (Non Funded)	
I.	**Expenses recognised during the year**		
1	Current service cost	69	73
2	Interest cost	27	25
3	Actuarial losses / (gains)	-	0
4	Past service cost	50	0
	Total Expenses	**146**	**98**

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

		Mar-18	Mar-17 (Restated)
		Gratuity (Non Funded)	
II.	**Amount recognized in other comprehensive income (OCI)**		
1	Opening amount recognized in OCI	22	7
2	Remeasurement during the period due to		
	Experience adjustments		
	- Changes in financial assumptions	(30)	5
	- Changes in experience charges	(18)	10
	Closing amount recognized in OCI	**(26)**	**22**
III.	**Net (Asset) / Liability recognised in the Balance Sheet as at 31 March**		
1	Present value of defined benefit obligation (DBO)	410	344
2	Net (Asset) / Liability	410	344
IV.	**Reconciliation of Net (Asset) / Liability recognised in the Balance Sheet as at 31 March**		
1	Net (Asset) / Liability at the beginning of year	344	240
2	Transferred during the year	8	-
3	Expense as per I above	146	98
4	Other comprehensive income as per II above	(47)	15
5	Liabilities transferred on divestiture	(3)	28
6	Benefits paid	(38)	(37)
	Net (Asset) / Liability at the end of the year	**410**	**344**
V.	**The following payments are expected to defined benefit plan in future years :**		
1	Expected benefits for year 1	16	14
2	Expected benefits for year 2 to year 5	91	73
3	Expected benefits beyond year 5	1,118	972

		Mar-18	Mar-17
VI.	**Actuarial Assumptions**		
1	Discount rate	7.85%	7.25%
2	Expected rate of salary increase	9.50%	9.50%
3	Mortality	IAL (2006-08)	IAL (2006-08)

VII. The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

VIII. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

(₹ Millions)

	Mar-18	Mar-17
Impact of increase in 50 bps on DBO - discount rate	381	421
Impact of decrease in 50 bps on DBO - discount rate	444	481
Impact of increase in 50 bps on DBO - salary escalation rate	435	466
Impact of decrease in 50 bps on DBO - salary escalation rate	388	433

Notes:

(a) The current service cost recognized as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

C. Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the projected unit credit method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 25 'Employee benefits expense'.

43. RELATED PARTY DISCLOSURES

(i) Associates

Name of the Associates	Extent of holding	Country of Incorporation
Aplab Limited	26.42% (26.42%)	India
Fly by Wire International Private Limited*	100% (49%)	India
Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand

* Became wholly owned subsidiary w.e.f. 14 July 2017

(ii) Joint Ventures

Name of the Jointly Controlled entities	Extent of holding	Country of Incorporation
India Webportal Private Limited**	100% (51%)	India
Media Pro Enterprise India Private Limited (held through Zee Turner Limited)	50% (50%)	India

** Became wholly owned subsidiary w.e.f. 22 July 2017

(iii) Other Related parties consists of companies controlled by key management personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Creantum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Essel Business Excellence Services Limited; Essel Finance VKC Forex Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Essel Finance Wealth Zone Private Limited; Essel Solar Energy Private Limited; Indian Cable Net Company Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Real Media FZ-LLC; Siti Networks Limited; Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Smart Wireless Private Limited; Subhash Chandra Foundation; Today Merchandise Private Limited; Veria International Limited; Zee Akaash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iv) Directors / Key Management Personnel

Dr. Subhash Chandra (Non-Executive Director); Punit Goenka (Managing Director & CEO); Ashok Kurien (Non-Executive Director); Subodh Kumar (Non-Executive Director); Professor Sunil Sharma (Independent Director); Professor Neharika Vohra (Independent Director); Manish Chokhani (Independent Director); Adesh Kumar Gupta (Independent Director)

(v) Relatives of Key Management Personnel

Amit Goenka, CEO international business

(vi) Disclosure in respect of related party transactions and balances as at and during the year

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
	Transaction during the year		
A)	**Fixed Assets**		
I)	**Assets purchased**		
	Other Related Parties	-	2
II)	**Assets sold**		
	Subsidiaries	-	4
B)	**Revenue from operations**		
I)	**Advertisement income**		
	Joint Venture	-	60
	Other Related Parties	108	111
II)	**Subscription income**		
	Other Related Parties	3,481	3,228
III)	**Share of subscription income payable**		
	Other Related Parties	713	603
IV)	**Commission - Space Selling**		
	Other Related Parties	392	358
V)	**Sales - Media Content**		
	Joint Venture	58	147
	Other Related Parties	21	-
VI)	**Other operating revenue**		
	Other Related Parties	76	58

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
C)	**Other Income**		
	Rent / Miscellaneous income		
	Joint Venture (2017: ₹ 71,808)	-	0
	Other Related Parties	277	99
D)	**Purchase - Media Content**		
	Other Related Parties	43	-
E)	**Purchase of Services**		
	Joint Venture	-	1
	Associate	165	267
	Other Related Parties	2,365	2,060
F)	**Advances and Deposits received**		
	Other Related Parties (2017: ₹ 92,877)	2	0
G)	**Recoveries / (Reimbursement) (net)**		
	Joint Venture	-	7
	Other Related Parties	348	390
H)	**Loans, Advances and Deposits given**		
	Associates	-	40
I)	**Loans, Advances and Deposits Repayment received**		
	Other Related Parties	44	-
J)	**Corporate Social Responsibility**		
	Other Related Parties	75	218
K)	**Remuneration to Managing Director & CEO and CEO international business**		
	Short term employee benefits*	139	118
L)	**Commission and sitting fees**		
	Non-executive directors	22	18
M)	**Dividend paid**		
	Director (2018: ₹ 870; 2017: ₹ 765)	0	0

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
	Balance as at 31 March		
A)	**Investment**		
	Associates	2	8
	Joint Venture	194	163
B)	**Trade Receivable**		
	Joint Venture	1	257
	Associates (2018: ₹ 42,547; 2017: ₹ 42,445)	0	0
	Other Related Parties	1,159	823
C)	**Loans, Advances And Deposits Given**		
	Joint Venture (2017: ₹ 307,984)	-	0
	Associates	-	175
	Other Related Parties	427	471
D)	**Other Receivables**		
	Joint Venture (2018: ₹ 213,400; 2017: ₹ 213,400)	0	0
	Other Related Parties	724	321
E)	**Trade Advances Received**		
	Other Related Parties	25	24
F)	**Trade / Other Payables**		
	Joint Venture	1	-
	Associates	2	-
	Other Related Parties	564	333
G)	**Corporate Gurantees given**		
	Subsidiaries	-	4,018
	Other Related Parties	1,037	1,039

* Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

vii) Disclosure in respect of material related party which account for 10% or more of the transactions and balances as at and during the year

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
	Transaction during the year		
A)	Fixed Assets		
I)	**Assets purchased**		
	Diligent Media Corporation Limited (2017: ₹ 305,667)	-	0
	Zee Media Corporation Limited	-	2
	Others (2017: ₹ 155,069)	-	0
II)	**Assets sold**		
	Zee Media Corporation Limited	-	4
B)	**Revenue from operations**		
I)	Advertisement income		
	India Webportal Private Limited	-	60
	Dish TV India Limited	94	91
	Living Entertainment Enterprises Private Limited	-	15
	Others	14	5
II)	**Subscription income**		
	Dish TV India Limited	2,442	2,313
	Siti Networks Limited	746	707
	Others	293	209
III)	**Share of subscription income payable**		
	Living Entertainment Enterprises Private Limited	238	223
	Zee Media Corporation Limited	475	380
IV)	**Commission - Space Selling**		
	Diligent Media Corporation Limited	70	55
	Zee Aakash News Private Limited	65	52
	Zee Media Corporation Limited	241	246
	Others	16	5
V)	**Sales - Media Content**		
	India Webportal Private Limited	58	147
	Living Entertainment Enterprises Private Limited	20	-
	Others	1	-

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
VI)	**Other operating revenue**		
	Living Entertainment Enterprises Private Limited	20	12
	Zee Media Corporation Limited	56	46
	Others (2018: ₹ 14,000; 2017: ₹ 144,100)	0	0
C)	**Other Income**		
I)	**Rent / Miscellaneous income**		
	Dish TV India Limited	19	16
	Siti Networks Limited	36	6
	Zee Media Corporation Limited	106	57
	Dish Infra Services Private Limited	18	15
	Essel Business Excellence Services Limited	30	-
	Essel Infra Projects Limited	27	-
	Others	41	5
D)	**Purchase - Media Content**		
	Zee Media Corporation Limited	6	-
	Living Entertainment Enterprises Private Limited	37	-
E)	**Purchase of Services**		
	Broadcast Audience Research Council	287	273
	Digital Subscriber Management and Consultancy Services Private Limited	563	528
	Essel Business Excellence Services Limited	302	197
	Siti Networks Limited	270	261
	Essel Corporate Resources Private Limited	366	200
	Fly by Wire International Private Limited	88	267
	Others	654	602
F)	**Advances and Deposits received**		
	Zee Learn Limited (2017: ₹ 92,877)	2	0
G)	**Recoveries / (Reimbursement) (net)**		
	Dish TV India Limited	41	32
	Essel Corporate Resources Private Limited	23	124
	Living Entertainment Enterprises Private Limited	43	-
	Zee Media Corporation Limited	154	212
	Others	87	29

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
H)	**Loans, Advances and Deposits given**		
	Fly by Wire International Private Limited	-	40
I)	**Loans, Advances and Deposits Repayment received**		
	Essel Corporate Resources Private Limited	35	-
	Broadcast Audience Research Council	9	-
J)	**Corporate Social Responsibility**		
	Subhash Chandra Foundation	75	218
K)	**Remuneration paid**		
	Punit Goenka, Managing Director and CEO	104	82
	Amit Goenka, CEO international business	35	36
L)	**Commission and sitting fees**		
	Non-executive directors	22	18
M)	**Dividend paid**		
	Director (2018: ₹ 870; 2017: ₹ 765)	0	0
	Balance as at 31 March		
A)	**Investment**		
	Equity Shares of Media Pro Enterprises India Private Limited	194	163
	Others	2	8
B)	**Trade Receivable**		
	India Webportal Private Limited	-	171
	Dish TV India Limited	268	2
	Siti Networks Limited	639	535
	Zee Media Corporation Limited	85	142
	Others	168	230
C)	**Loans, Advances And Deposits Given**		
	Fly by Wire International Private Limited	-	175
	Digital Subscriber Management and Consultancy Services Private Limited	340	340
	Others	87	131

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Particulars	Mar-18	Mar-17 (Restated)
D)	**Other Receivables**		
	Zee Media Corporation Limited	268	79
	Essel Infra Projects Limited	53	71
	Living Entertainment Enterprises Private Limited	139	118
	Essel Business Excellence Services Limited	70	-
	Others	194	53
E)	**Trade Advances Received**		
	Essel Corporate Resources Private Limited	10	10
	Essel Infra Projects Limited	12	12
	Others	3	2
F)	**Trade / Other Payables**		
	Dish TV India Limited	113	11
	Essel Business Excellence Services Limited	31	47
	Zee Media Corporation Limited	153	33
	Indian Cablenet Company Limited	229	178
	Others	41	64
G)	**Corporate Gurantees given**		
	Taj Tv Limited	-	4,018
	Broadcast Audience Research Council	170	170
	Siti Networks Limited	867	869

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

44. Additional information, as required to consolidated financial statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended 31 March 2018.

(₹ Millions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	Zee Entertainment Enterprises Limited	77%	58,197	129%	19,119	-10%	41	133%	19,160
	SUBSIDIARIES								
	Indian								
1	Zee Turner Limited	0%	53	0%	5	0%	-	0%	5
2	Essel Vision Productions Limited	0%	(132)	-4%	(527)	1%	(2)	-4%	(529)
3	Zee Digital Convergence Limited	0%	(6)	0%	(5)	0%	-	0%	(5)
4	Zee Unimedia Limited	0%	34	0%	8	0%	0	0%	8
5	Margo Networks Pvt. Ltd.	1%	677	0%	(71)	0%	-	0%	(71)
6	Fly by Wire International Private Limited (wef 14 July 2017)	0%	82	0%	47	0%	(0)	0%	47
7	India Webportal Private Limited (wef 22 July 2017)	0%	4	0%	(1)	0%	-	0%	(1)
8	Idea Shopweb and Media Private Limited (wef 22 July 2017)	0%	(5)	0%	(1)	0%	-	0%	(1)
	Foreign								
1	ATL Media Limited (Formerly Asia Today Limited)	18%	13,479	80%	11,859	0%	-	82%	11,859
2	Zee Multimedia Worldwide (Mauritius) Limited	7%	5,231	1%	109	0%	(0)	1%	108
3	Asia TV Limited (UK)	1%	1,053	1%	80	0%	-	1%	80
4	Expand Fast Holdings (Singapore) Pte Limited	0%	137	0%	4	0%	-	0%	4

NOTES

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
5	OOO Zee CIS Holding LLC	0%	-	0%	-	0%	-	0%	0
6	OOO Zee CIS LLC	0%	18	0%	(13)	0%	-	0%	(13)
7	Taj TV Limited	4%	2,881	12%	1,735	0%	-	12%	1,735
8	Zee Technologies (Guangzhou) Limited	0%	(75)	0%	(10)	0%	-	0%	(10)
9	Zee Entertainment Middle East FZ-LLC	2%	1,843	4%	587	0%	-	4%	587
10	ATL Media FZ-LLC	0%	(231)	-1%	(77)	0%	-	-1%	(77)
11	Zee TV South Africa (Proprietary) Limited	0%	(255)	0%	7	0%	-	0%	7
12	Zee TV USA Inc.	0%	-	0%	-	0%	-	0%	0
13	Asia Multimedia Distribution Inc.	0%	18	0%	8	0%	-	0%	8
14	Eevee Multimedia Inc.	0%	(62)	0%	(2)	0%	-	0%	(2)
15	Asia Today Singapore Pte Limited	0%	15	0%	22	0%	-	0%	22
16	Asia TV (USA) Limited, Wyoming	0%	131	1%	82	0%	-	1%	82
17	Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	1%	916	2%	338	20%	(80)	2%	258
18	Zee Radio Network Middle east FZ - LLC	0%	1	0%	0	0%	-	0%	0
19	Zee Studio International Limited	0%	(11)	0%	(11)	0%	-	0%	(11)
20	Z5X Global FZ - LLC	0%	(312)	-2%	(283)	0%	-	-2%	(283)
21	Asia TV Gmbh	0%	5	0%	3	0%	-	0%	3
22	Pantheon Productions Limited	0%	-	0%	-	0%	-	0%	0
	Non Controlling Interests in all subsidiaries	**0%**	**142**	**0%**	**(14)**	**0%**	**-**	**0%**	**(14)**

NOTES
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Millions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	ASSOCIATES (INVESTMENT AS PER THE EQUITY METHOD)								
	Indian								
1	Aplab Limited	0%	-	0%	-	0%	-	0%	0
2	Fly by Wire International Private Limited (upto 13 July 2017)	0%	-	0%	6	0%	-	0%	6
	Foreign								
1	Asia Today Thailand Limited	0%	2	0%	1	0%	-	0%	1
	JOINT VENTURES (INVESTMENT AS PER THE EQUITY METHOD)								
	Indian								
1	Media Pro Enterprise India Private Limited	0%	187	0%	30	0%	-	0%	30
2	India Webportal Private Limited (upto 21 July 2017)	0%	-	0%	(25)	0%	0	0%	(25)
	TOTAL	**111%**	**84,016**	**223%**	**33,009**	**10%**	**(41)**	**229%**	**32,967**
	Less: Effect of Elimination		(8,257)		(18,231)		(358)		(18,588)
	TOTAL	**100%**	**75,759**	**100%**	**14,778**	**100%**	**(399)**	**100%**	**14,379**

'0' (zero) denotes amounts less than a million.
Note : The figures have been computed based on the respective audited financial statements of the Companies vis-a-vis consolidated figures. Impact of consolidation adjustments have not been considered.

45. DIVIDEND

Dividend on equity shares is approved by the Board of Directors in their meeting held on 10 May 2018 and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including Dividend distribution tax thereon). Appropriation of dividend is done in the financial statements subsequent to approval by the shareholders.

Final dividend on equity shares for the current year is ₹ 2.9 per share (₹ 2.5 per share) which aggregates to ₹ 2,785 Millions (₹ 2,401 Millions).

46. The consolidated financial statements of the Group for the year ended 31 March 2018, were reviewed by the Audit Committee at their meeting held on 9 May 2018 and were approved for issue by the Board of Directors at their meeting held on 10 May 2018.

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

A. B. Jani
Partner

Place: Mumbai
Date: 10 May 2018

For and on behalf of the Board

Punit Goenka
Managing Director and CEO

Adesh Kumar Gupta
Director

Sundeep Mehta
Financial Controller

M Lakshminarayanan
Company Secretary

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Registered office: 18th floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013
Tel : 91 22 7106 1234 **Fax :** 91 22 2300 2107
CIN : L92132MH1982PLC028767 **Website :** www.zeeentertainment.com

ATTENDENCE SLIP

36TH ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 36th Annual General Meeting of the Company at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 on Tuesday the 17th day of July 2018 at 4.00 p.m.

____
Name of Shareholder/Proxy (IN BLOCK LETTERS)

____
Signature of Shareholder/Proxy

Folio No.____________________________________

Client ID No.# ____________________________________

DP ID No. ____________________________________

No of Shares ____________________________________

#(Applicable for shareholders holding shares in dematerialized form)

ROUTE MAP FOR VENUE OF AGM

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Registered office: 18th floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013
Tel : 91 22 7106 1234 **Fax :** 91 22 2300 2107
CIN : L92132MH1982PLC028767 **Website :** www.zeeentertainment.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

36TH ANNUAL GENERAL MEETING

Name of Member(s) ____________________

Registered address ____________________

E-mail Id ____________________

Folio No./ Client ID No. ____________________

1/We, being the member(s) holding ____________ Equity Shares of Zee Entertainment Enterprises Limited, hereby appoint

1. Name: ____________________ E-mail Id: ____________________

   Address: ____________________

   ____________________ Signature: ____________________

   or failing him

2. Name: ____________________ E-mail Id: ____________________

   Address: ____________________

   ____________________ Signature: ____________________

   or failing him

3. Name: ____________________ E-mail Id: ____________________

   Address: ____________________

   ____________________ Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Sixth Annual General Meeting of the Company to be held on Tuesday, July 17, 2018 at 4.00 p.m. at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 and at any adjournment thereof in respect of resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

	Resolutions	For	Against
1	Adoption of Audited Financial Statements of the Company on a standalone and consolidated basis for the financial year ended March 31, 2018 including the Balance Sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2	Confirmation of Dividend(s) paid on the Preference Shares by the Company during, and for the financial year ended March 31, 2018.		
3	Declaration of Dividend of ₹ 2.90 per Equity Share for the financial year ended March 31, 2018.		
4	Re-appointment of Mr Ashok Kurien as a Director of the Company.		
5	Ratification of remuneration payable to Cost Auditor for FY 2017-18.		
6	Re-appointment of Mr Adesh Kumar Gupta as Independent Director for second term.		
7	Re- appointment of Mr Amit Goenka, a Related Party to the Office of Place of Profit in an overseas subsidiary of the Company.		

Signed this ____________ day of ____________ 2018

Signature of Shareholder ____________ Signature of Proxyholder(s) ____________

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 18th floor, A Wing Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 not less than 48 hours before the commencement of the Meeting.

OUR
PRESENCE

REGISTERED AND CORPORATE OFFICE

18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg,
Lower Parel, Mumbai - 400013
Tel. +91 22 7106 1234

DOMESTIC

FC-09, 18, 19 & 20, Film City,
Sec-16A, Noida – 201301 (UP)

3rd Floor, United Mansions,
No. 39 MG Road, Bangalore-560001

Olympia Platina, No. 33 B, 2nd floor,
Sidco Industrial Estate, Guindy,
Chennai - 600 032

3rd floor, Crescens Tower,
Metro Pillar No. 327, NH 47,
Chengampuzha Nagar,
Kochi - 682033

96, Block B, Kavuri Hills,
Jubilee Hills, Hyderabad - 500033

Utkal Signature, Room No. 209-212
N.H -5, Pahal Bhubaneswar 752101

Mediasiti,
J-1/15, Block - EP, Plot No XI-4,
10th Floor, Sector - V,
PS Electronic Complex,
Kolkata - 700091

INTERNATIONAL

Office No. 202-204, Dubai Media City,
P.O. Box, 500484, Dubai, UAE

Building B, Ballyoaks Office Park,
35 Ballyclare Road, Bryanston, 2021,
Johannesburg, Republic of South Africa

200, Middlesex Essex Turnpike,
Suite 202, Iselin, NJ, 08830

Hygeia building, 3rd floor, 66/68
College Road, Harrow, HA1 1BE

1181, California Ave, Suite 260,
Corona, CA, 92881

3105, NW 107th Ave, Miami-Dade/Doral
County, Florida 33172

9, Temasek Boulevard, 33-03
Suntec Tower 2, Singapore 038989

Perkantoran Ruko Graha, Kencana Block
AH, Jl. Raya Perjuangan No. 88, Kebon
Jeruk, Jakarta Barat, Indonesia

3660 Hurontario Street Suite 303
Mississauga, Ontario, L5B 3C4

2nd Floor, Ebene House, 33 Cybercity,
Ebene, Mauritius

Nymphenburgerstr. 86, 80636
Munich, Germany

Office 330, 40/12 - Nizhnaya
Krasnoselskaya Street, Corpus 2,
Moscow – 105066, Russia

Suite 501, 744 West Hasting,
V6C 2X1, Vancouver, Canada

108-110 Publishing Pavilion IMPZ, Dubai

31st Floor, Saigon Trade Center, 27
Ton Duc Thang Street, District 1,
Ho Chi Minh City, Vietnam

Unit 503, 5th Floor, 132 Timo Street,
Diliman, Quezon City 1103,
Metro Manila, Philippines

75/47, Ocean Tower2, 23rd floor,
Soi Sukhumwit 19 (Wattana),
Sukhumwit Road, Klongtoey-Nua,
Wattana, Bangkok 10110, Thailand

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN: L92132MH1982PLC028767

REGISTERED & CORPORATE OFFICE

18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg,
Lower Parel, Mumbai - 400013
Tel. +91 22 7106 1234

www. zeeentertainment.com

in | | f /ZeeCorporate

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a secured creditor. This brings in the latest ... ny are very slim as an unsecured creditor.

Business Standard
MUMBAI |
TUESDAY, 26 JUNE 2018

ZEE

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ZEE ENTERTAINMENT ENTERPRISES LIMITED

Regd. Office: 18th Floor, 'A' Wing, Marathon Futurex,
N M Joshi Marg, Lower Parel, Mumbai - 400 013
Tel: 91-22-71061234 **Fax:** 91-22-23002107
CIN: L92132MH1982PLC028767 **Website:** www.zeeentertainment.com

NOTICE

NOTICE is hereby given that the 36th Annual General Meeting (AGM) of the Equity Shareholders of Zee Entertainment Enterprises Limited will be held at Ravindra Natya Mandir, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai 400 025 on **Tuesday, July 17, 2018 at 4.00 p.m.**

Notice of AGM along with the Annual Report comprising *inter alia* the Audited Financial Statements on a standalone and consolidated basis, Directors' Report & Auditor's Report for the financial year ended March 31, 2018 has been sent to the Equity Shareholders at their registered addresses in the permitted mode and electronically to those Equity Shareholders who have registered their email address.

In compliance with Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide all its Equity Shareholders, the facility to exercise their vote on all items of the business included in the Notice of the AGM, electronically (remote e-voting) through e-voting facilities provided by National Securities Depository Limited (NSDL). **The remote e-voting for all items of business contained in the Notice of AGM shall commence from Friday, the 13th day of July 2018 at 9.00 a.m. and will end on Monday, the 16th day of July 2018 at 5.00 p.m.** The remote e-voting module shall be disabled by NSDL for voting thereafter. During this period, Members holding Equity shares of the Company in physical or dematerialized mode as at the **cut-off date of Tuesday, July 10, 2018** may cast their vote electronically.

The Company shall also make available the facility for voting through ballot/poll paper at the venue of AGM which shall be available for voting by those Equity Shareholders who have not cast their vote by remote e-voting. Members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to vote again at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as at the cut-off date i.e. July 10, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.

Any person, who acquires Equity shares of the Company after dispatch of Notice of AGM and holding shares as at the cut-off date i.e. July 10, 2018, may obtain login ID and password for E-voting by sending a request at evoting@nsdl.co.in or mandarg@nsdl.co.in

Notice of AGM is available as part of Annual Report on the website of the Company at www.zeeentertainment.com and also on the website of NSDL at www.evoting.nsdl.com. In case of any query on remote e-voting, Members may refer to FAQs and/or e-voting user manual available on website of NSDL at www.evoting.nsdl.com or contact Mr. Mandar Gaikwad, Assistant Manager, NSDL at the designated e-mail IDs: evoting@nsdl.co.in or mandarg@nsdl.co.in or telephone nos. i.e. 022-24994559 or 1800-222-990 (toll-free).

NOTICE is further given that Tuesday, July 10, 2018 has been fixed as the Record Date for the purpose of AGM and for determining entitlement of Equity Dividend for the Financial Year 2017-18. Equity Dividend, if approved for the Financial Year 2017-18 will be paid to those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before the Record Date i.e. July 10, 2018 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business day on July 10, 2018.

For **Zee Entertainment Enterprises Limited**

Place: Mumbai
Date: June 25, 2018

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

(नियम ८(१))

व्हिलेज कोपरखैराणे, ठाणे-पिन-४०० ७०९.

दिनांक : १९/६/२०१८
स्थळ : ठाणे

सही/-
प्राधिकृत अधिकारी
स्टेट बँक ऑफ इंडिया

डीसीबी बँक

ZEE
Extraordinary Together

झी एंटरटेनमेंट एंटरप्रायझेस लिमिटेड

नोंद. कार्यालय : १८वा मजला, ''ए विंग'', मॅरेथॉन फ्युचरेक्स,
ना. म. जोशी मार्ग, लोअर परेल, मुंबई-४०० ०१३.
दूर.: ९१-२२७१०६१२३४ फॅक्स : ९१-२२-२३००२१०७
सीआयएन:एल९२१३२एमएच१९८२पीएलसी०२८७६७,
वेबसाईट : www.zeeentertainment.com

जाहीर सूचना

सूचना **याद्वारे** देण्यात येते की, झी एंटरनेटमेट एंटरप्रायझेस लिमिटेडच्या समभाग धारकांची ३६ वी वार्षिक सर्वसाधारण सभा (एजीएम) ही **मंगळवार, १७ जुलै, २०१८ रोजी दु. ४.०० वा.** रविंद्र नाट्य मंदिर, सिद्धिविनायक मंदिराजवळ, सयानी रोड, प्रभादेवी, मुंबई-४०० ०२५ येथे घेण्यात येणार आहे.

एजीएमच्या सूचनेसह ३१ मार्च, २०१८ रोजी संपलेल्या वित्तीय वर्षाकरिता इतर बाबी समाविष्ट वार्षिक अहवाल, अलिप्त आणि एकत्रित तत्वावरील लेखापरिक्षित वित्तीय विवरण, संचालकांचा अहवाल आणि लेखापरिक्षकांचा अहवाल हा त्यांचे ई-मेल आयडी नोंदविलेल्या समभाग धारकांना इलेक्ट्रॉनिकली आणि परवानगी असलेल्या पद्धतीने त्यांच्या नोंदणीकृत पत्त्यावर समभाग धारकांना पाठविण्यात आला आहे.

सिक्युरिटीज ॲण्ड एक्स्चेंज बोर्ड ऑफ इंडिया (लिस्टिंग ऑब्लिगेशन्स ॲण्ड डिस्क्लोजर रिक्वायरमेंटस्) रेग्युलेशन्स २०१५ च्या कलम ४४ आणि कंपनी अधिनियम, २०१३ च्या कलम १०८ सहवाचता कंपनीज् (मॅनेजमेंट ॲण्ड ॲडमिनिस्ट्रेशन रुल्स २०१४ च्या नियम २० च्या अनुपालनामध्ये कंपनीला नॅशनल सिक्युरिटीज डिपॉझिटरी लिमिटेडद्वारे (एनएसडीएल) पुरविलेल्या ई-मतदान सेवेमार्फत इलेक्ट्रॉनिकली (दूरस्थ ई-मतदान) एजीएमच्या सूचनेत समाविष्ट व्यवसायाच्या सर्व बाबींवर त्यांचे मतदान करण्याची सुविधा तिच्या सर्व समभाग धारकांना पुरविल्याचा आनंद होत आहे. एजीएमच्या सूचनेत समाविष्ट व्यवसायाच्या सर्व बाबींकरिता दूरस्थ ई-मतदानाला शुक्रवार, १३ जुलै, २०१८ रोजी स. ९.०० वा. सुरूवात होईल आणि सोमवार, १६ जुलै, २०१८ रोजी सायं. ५.०० वा. संपेल. दूरस्थ ई-मतदान मॉड्युल त्यानंतर मतदानाकरिता एनएसडीएल द्वारे बंद करण्यात येईल. सदर कालावधी दरम्यान मंगळवार, १० जुलै, २०१८ च्या कट ऑफ तारखेस प्रत्यक्ष किंवा डिमटेरिअलाईज्ड स्वरुपात कंपनीचे समभाग धारण केलेले सभासद इलेक्ट्रॉनिकली त्यांचे मतदान शकतात. कंपनी एजीएमच्या ठिकाणी बॅलट/मतपत्रिकेमार्फत मतदानाची सुविधा सुद्धा उपलब्ध करणार आहे जी दूरस्थ ई-मतदानाद्वारे त्याचे मतदान न केलेल्या समभाग धारकांना मतदानासाठी उपलब्ध होईल. ज्या सभासदांनी एजीएमपूर्वी दूरस्थ ई-मतदानाद्वारे त्याचे मतदान केलेले आहे ते सुद्धा एजीएमला हजर राहू शकतात, परंतु एजीएममध्ये पुन्हा त्यांचे मतदान करण्यासाठी हक्कदार नाहीत. ज्या व्यक्तींची नावे कट ऑफ तारीख म्हणजेच १० जुलै, २०१८ रोजीस डिपॉझिटरीजकडे असलेले लाभकारी मालकांचे रजिस्टर किंवा सभासद रजिस्टरमध्ये नोंदविलेली असतील तेच फक्त दूरस्थ ई-मतदानाची सुविधा घेण्यास तसेच एजीएममध्ये मतदान करण्यासाठी हक्कदार राहतील.

कोणीही व्यक्ती ज्यांनी एजीएमची सूचना पाठविल्यानंतर कंपनीचे समभाग संपादित केले आहेत आणि कट ऑफ तारीख म्हणजेच १० जुलै, २०१८ रोजीस शेअर्स धारण केलेले आहेत ते evoting@nsdl.co.in किंवा mandarg@nsdl.co.in येथे विनंती पाठवून लॉगईन आयडी आणि पासवर्ड प्राप्त करू शकतात.

एजीएमची सूचना ही कंपनीची वेबसाईट www.zeeentertainment.com आणि एनएसडीएलची वेबसाईट www.evoting.nsdl.com वर वार्षिक अहवालाचा भाग म्हणून उपलब्ध आहे. सभासद एफएक्युज आणि/किंवा एनएसडीएलची वेबसाईट www.evoting.nsdl.com वर उपलब्ध ई-मतदान युजर मॅन्युअलचा संदर्भ घेऊ शकतात किंवा पदसिद्ध ई-मेल evoting@nsdl.co.in किंवा mandarg@nsdl.co.in किंवा टेलिफोन क्र. म्हणजेच ०२२-२४९९४५५९ किंवा १८००-२२२-९९० (टोल फ्री)वर श्री. मंदार गायकवाड, सहाय्यक व्यवस्थापक, एनएसडीएल यांना संपर्क करावा.

सूचना पुढे देण्यात येते की, मंगळवार, १० जुलै, २०१८ ही वित्तीय वर्ष २०१७-१८ करिता इक्विटी लाभांशाचे हक्कदार ठरविण्यासाठी आणि एजीएमसाठी अभिलेख तारीख म्हणून निश्चित करण्यास आली आहे. वित्तीय वर्ष २०१७-१८ करिता इक्विटी लाभांश मंजूर झाल्यास तो १० जुलै, २०१८ करिता इक्विटी लाभांश मंजूर झाल्यास तो १० जुलै, २०१८ रोजीस व्यवसायाची वेळ संपताना इलेक्ट्रॉनिक स्वरुपात शेअर्स धारण केलेल्यांच्या संदर्भात नॅशनल सिक्युरिटीज् डिपॉझिटरी लिमिटेड आणि/किंवा सेन्ट्रल डिपॉझिटरी सर्व्हिसेस (इंडिया) लिमिटेडद्वारे सादर केलेली लाभकारी मालकांची सूची आणि अभिलेख तारीख म्हणजेच १० जुलै, २०१८ रोजी किंवा पूर्वी कंपनी किंवा तिच्या रजिस्ट्रारांकडे दाखल प्रत्यक्ष स्वरुपात सर्व वैध शेअर हस्तांतरणाला परिणाम दिल्यानंतर कंपनीच्या सभासद रजिस्टरमध्ये नावे असलेल्या समभाग धारकांना देण्यात येईल.

झी एंटरटेनमेंट एंटरप्रायझेस लिमिटेडकरिता
एम. लक्ष्मीनारायणन
मुख्य अनुपालन अधिकारी आणि कंपनी सचिव

ठिकाण : मुंबई
दिनांक : २५ जून, २०१८