Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2023

(₹ in Lakhs)

	Particulars	Quarter ended on			Nine months ended on		Year ended on
		31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	191,420	229,937	193,121	604,592	548,769	742,191
2	Other income	1,705	6,997	782	9,883	21,470	27,320
	Total income [1 + 2]	**193,125**	**236,934**	**193,903**	**614,475**	**570,239**	**769,511**
3	**Expenses**						
	(a) Operational cost	116,533	137,410	106,179	365,383	301,696	429,159
	(b) Employee benefits expense	20,404	22,311	16,224	64,960	49,643	67,528
	(c) Finance costs	1,805	2,190	1,250	6,300	2,847	6,757
	(d) Depreciation and amortisation expenses	5,621	5,579	5,190	16,642	13,761	19,173
	(e) Fair value (gain)/loss on financial instruments at fair value through profit and loss	(785)	(342)	(881)	(2,138)	3,470	2,362
	(f) Advertisement and publicity expenses	20,643	24,525	20,691	69,360	68,529	92,688
	(g) Other expenses	11,749	11,820	13,403	34,838	37,482	49,860
	Total expenses [3(a) to 3(g)]	**175,970**	**203,493**	**162,056**	**555,345**	**477,428**	**667,527**
4	**Profit before exceptional item and taxes [1+2-3]**	**17,155**	**33,441**	**31,847**	**59,130**	**92,811**	**101,984**
5	Exceptional items (Refer note 3, 6 and 7)	(6,034)	(11,975)	(16,897)	(28,524)	(24,551)	(66,686)
6	**Profit before tax [4+5]**	**11,121**	**21,466**	**14,950**	**30,606**	**68,260**	**35,298**
7	Tax expense :						
	(a) Current tax	6,404	10,901	5,589	17,305	18,183	24,279
	(b) Current tax - earlier years	-	-	-	-	-	4,647
	(c) Deferred tax	(2,914)	(4,959)	415	(8,439)	(1,412)	(10,016)
	Total tax expense [7(a) + 7(b) + 7(c)]	**3,490**	**5,942**	**6,004**	**8,866**	**16,771**	**18,910**
8	**Profit for the period/year [6 - 7]**	**7,631**	**15,524**	**8,946**	**21,740**	**51,489**	**16,388**
9	Other comprehensive income/(loss)						
	Items that will not be reclassified to profit or loss						
	(a) (i) Re-measurment of defined benefit obligation	359	151	(77)	(1,193)	(1,468)	(1,579)
	(ii) Fair value changes of equity instruments through other comprehensive income	-	-	-	-	(25)	(26)
	(b) Income-tax relating to items that will not be reclassified to profit or loss	(91)	(37)	19	300	369	397
	Total other comprehensive income/(loss) [9(a) to 9(b)]	**268**	**114**	**(58)**	**(893)**	**(1,124)**	**(1,208)**
10	**Total comprehensive income/(loss) [8 + 9]**	**7,899**	**15,638**	**8,888**	**20,847**	**50,365**	**15,180**
11	Paid-up Equity share capital (face value of ₹ 1/- each)	9,606	9,606	9,606	9,606	9,606	9,606
12	Other equity						961,518
13	Earnings per equity share (not annualised for the quarter and nine months) :						
	Basic (₹)	0.79	1.62	0.93	2.26	5.36	1.71
	Diluted (₹)	0.79	1.62	0.93	2.26	5.36	1.71

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Notes to standalone financial results

1. The above standalone financial results have been reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors in their meeting held on 13 February 2024 and subjected to limited review carried out by the Statutory Auditors who have expressed unmodified review conclusion.

2. The above standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the Act), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, including relevant circulars issued from time to time.

3. During an earlier year, SNL legally ceased to be a related party and the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by Siti Networks Limited (SNL). During, the quarter and year ended 31 March 2023, the Company had reached a settlement with certain lenders of SNL. Full payments have been made in accordance with the terms of settlement and the Company has stepped into the shoes of the lenders of SNL as per the applicable law to recover the amounts from SNL, as confirmed by the Insolvency Resolution Professional of SNL. The Company has adequate provisions to meet the Company's obligations to meet any remaining DSRA claim.

   Considering the financial condition of SNL, the Company without prejudice to its legal rights had fully provided for the balances recoverable from SNL.

4. ATL Media Limited (ATL), an overseas wholly owned subsidiary of the Company incorporated in Mauritius is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option agreement with LEL to acquire the issued share capital held by LEL to the extent of 64.38% in Veria International Limited (VIL) (another related party of the Company) at an exercise price of $ 105 million. The exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. Based on certain representations made by LEL, the Put Option agreement was renewed and amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, and the exercise price was set at $52.50 million (Rs 43,675 lakhs as at 31 December 2023, Rs 43,628 lakhs as at 30 September 2023, , Rs 43,134 lakhs as at 31 March 2023 and, Rs 43,444 lakhs as at 31 December 2022) for the same quantum of shares and LEL extended the assignment of the Put Option to the security trustee.

   During the financial year ended 31 March 2020, the Bank invoked the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequently, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the Put Option agreement and consequently, ATL has rescinded the Put Option from the renewal date of the Put Option agreement and also filed a suit against LEL

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and the security trustee of the said Bank (security trustee subsequently excluded in the amended plaint filed during the quarter ended 30 September 2021) in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice in Mauritius.

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

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay the Bank. On 26 June 2020, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC provided to the Bank is a financial guarantee.

The Hon'ble High Court of Bombay, vide Orders dated 30 June 2020 and 19 August 2020 has refused/dismissed the ad-interim relief sought by the Bank, including as part of the appeal proceedings filed by the Bank that were in favour of the Company. The primary suit filed by the Bank on 26 June 2020 is yet to be heard by the Hon'ble High Court of Bombay.

The Management has assessed the nature of the LOC and based on legal advice obtained, the LOC has not been considered as a financial guarantee by the Management, which would require recognition of a liability in the books of account of the Company. Further, based on an independent valuation of ATL obtained, the Management has determined that the LOC also does not result in any executory contract that is onerous on the Company which requires any recognition of liability in the books of account of the Company.

5. The Board of Directors of the Company, at its meeting on 21 December 2021, has considered and approved the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (Scheme), whereby the Company and Bangla Entertainment Private Limited (BEPL) (an affiliate of Culver Max Entertainment Private Limited (Culver Max) (formerly known as Sony Pictures Networks India Private Limited)) shall merge in Culver Max in accordance with terms of Merger Corporation Agreement (MCA). After receipt of requisite approvals / NOC's from shareholders and certain regulators including SEBI, CCI, ROC etc., the Scheme was sanctioned by Honorable NCLT on 10 August 2023. Both the parties had been engaged in the process of obtaining the balance regulatory approvals, completion of closing formalities for the merger to be effective as per MCA.

   Post expiry of the long stop date on 21 December 2023, as per the terms of the MCA, the Company initiated good faith discussions with Culver Max to agree on revised effective date. On 22 January 2024, Culver Max and BEPL issued a notice to the Company purporting to terminate the MCA entered into by the parties in relation to the Scheme and have sought termination fee of USD 90,000,000 (United States Dollars Ninety Million) on account of alleged breaches by the Company of the terms of the MCA and initiated arbitration for the same before the Singapore International Arbitration Centre (SIAC).

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Based on legal advice, the Company has issued a reply to Culver Max and BEPL specifically denying any breach of its obligations under the MCA and reiterated that the Company has complied and/ or has taken steps to comply with all its obligations in good faith. The Company has denied that Culver Max and BEPL are entitled to terminate the MCA and believes that the claim for termination fee is legally untenable. The Company reserves its right to make claims including counter claims against Culver Max / BEPL for breaches of the MCA at the appropriate stage.

Further Culver Max and BEPL sought interim relief before SIAC requesting to injunct the Company from approaching NCLT for implementation of the Scheme. The interim relief application was heard by SIAC and no relief was granted to Culver Max and BEPL vide the order dated 4 February 2024.

The Company has filed an application before the Hon'ble NCLT Mumbai seeking directions to implement the Scheme and the matter is scheduled for hearing before the Hon'ble NCLT on 12 March 2024.

The Board continues to monitor the progress of aforesaid matters. Based on legal opinion, the management believes the above claims against the Company including towards termination fees is not tenable and does not expect any material adverse impact on the Company with respect to the above and accordingly, no adjustments are required to the accompanying statement.

6. The management as part of its portfolio rationalisation initiative and conditions of impending merger is in the process of either liquidating / discontinuing / selling certain entities (primarily Margo Networks Private Limited). Basis the same, the management has classified the investment in relation to these entities as Non-current Assets held for sale/disposal under IND AS 105 ("Non-current Assets Held for Sale and Discontinued Operations"). Accordingly, during the year ended 31 March 2023, the Company had recorded impairment aggregating to Rs 33,138 lakhs, the impact on consolidated financial results was Rs 9,757 lakhs as the losses incurred by such entities in the earlier financial years was recorded in the consolidated financial statements of those respective years. During the nine months ended 31 December 2023, the management of the Company has estimated liability to fund the closure costs at Rs 3,240 lakhs, which has been approved by the board and impairment of Rs 211 lakhs which has been treated as exceptional item.

   The management continues to believe, based on legal opinion, there is no change in the underlying circumstances which necessitate a reassessment of the carrying value as assets and the outcome of litigation as at balance sheet date.

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7. Exceptional items includes:

(Rs in lakhs)

Particulars	Quarter ended on			Nine months ended on		Year ended on
	31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
Merger related cost (Refer note 5)	6,034	11,975	6,886	25,073	11,420	17,620
Dispute settlement with Indian Performing Rights Society Limited (IPRS)	-	-	-	-	-	2,700
Provision for impairment of NCD investment in Zee Learn Limited	-	-	2,551	-	2,551	2,551
Provision in relation to DSRA liability for SNL (Refer Note 3)	-	-	1,620	-	4,740	4,740
Provision for receivables related litigation for SNL (Refer Note 3)	-	-	5,840	-	5,840	5,927
Provision for Non-current Assets Held for Sale and Discontinued Operations (Refer Note 6)	-	-	-	3,451	-	33,138
Total	**6,034**	**11,975**	**16,897**	**28,524**	**24,551**	**66,686**

8. Securities and Exchange Board of India (SEBI) had passed an ex-parte interim order dated 12 June 2023 and Confirmatory Order dated 14 August 2023 ('SEBI Order') against one of the current KMP of the Company for alleged violation of Section 4(1) and 4(2)(f) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices (FUTP) relating to Securities Market) Regulations, 2003.

   On 30 October 2023, the Honorable Securities Appellate Tribunal (SAT) set aside the above order passed by SEBI granting relief to the current KMP. The SAT order also directed that the SEBI will continue with the investigation.

   Pursuant to the above, SEBI has issued summons and sought comments/ information/explanation from Company, its subsidiary, certain directors (including former directors) and KMPs who have provided or are in the process of providing the information requested. The Company had also received a follow-up communication from the Ministry of Corporate Affairs ('MCA') for the ongoing inspection under section 206(5) of the Companies Act, 2013 against which the Company had submitted its response.

   The management has informed the Board that based on its review of records of the Company / subsidiary, the transactions (including refunds) relating to the Company/ subsidiary were against consideration for valid goods and services received.

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The Board of Directors continues to monitor the progress of aforesaid matters. Based on the available information the management does not expect any material adverse impact on the Company / subsidiary with respect to the above and accordingly, believes that no adjustments are required to the accompanying statement.

9. On 26 August 2022, the Company had entered into an agreement with Star India Private Limited ("Star") for setting out the basis on which Star would be willing to grant sub-license rights in relation to television broadcasting rights of the International Cricket Council's (ICC) Men's and Under 19 (U-19) global events for a period of four years (ICC 2024-2027) on an exclusive basis (Alliance Agreement). The Company / Board had identified this acquisition of strategic importance ensuring the Company is present in all 3 segments of the media and entertainment business. The performance of the Alliance Agreement was subject to certain conditions precedent including submission of financial commitments, provision of bank guarantee and corporate guarantee and pending final ICC approval for sub-licensing to the Company.

   Till date, the Company has accrued Rs. 7,214 lakhs for Bank guarantee commission and interest expenses for its share of bank guarantee and deposit as per the Alliance Agreement.

   During the quarter ended 31 December 2023 and subsequently, Star has sent letters to the Company through its legal counsel alleging breach of the Alliance agreement on account of non-payment of dues for the rights in relation to first installment of the rights fee aggregating to USD 203.56 million (Rs. 169,342 lakhs) along-with the payment for bank guarantee commission and deposit interest aggregating Rs. 1,700 lakhs and financial commitments including furnishing of corporate guarantee/ confirmation as stated in the Alliance agreement. Based on the legal advice, the management believes that Star has not acted in accordance with the Alliance Agreement, and, has failed to obtain necessary approvals, execution of necessary documentation and agreements. The management also believes that Star by its conduct has breached the Alliance agreement and is in default of the terms thereof and consequently, the contract stands repudiated. The Company has already communicated to Star that the Alliance Agreement cannot be proceeded with for the reasons set out above and has also sought refund of Rs. 6,854 lakhs paid to Star.

   The Board continues to monitor the progress of aforesaid matter. Based on the available information and legal advice, the management believes that the Company has strong and valid grounds to defend any claims. Accordingly, the Company does not expect any material adverse impact with respect to the above as in its view the contract has been repudiated and no adjustments are required to the accompanying statement.

10. During the nine months ended 31 December 2023, the company received show cause cum demand notice (SCN) from Indirect Tax Authorities in relation to availment of inadmissible input tax credit under Goods and Service Tax (GST) aggregating to Rs 17,364 lakhs (inclusive of consequential interest & penalty) which forms part of contingent liability. The company has made payments / reversal of input credit of the SCN amount have been made under protest and to ensure the interest accrual on the same are limited. The management based on legal advice, believes that these balances are recoverable and is taking the necessary legal recourse to challenge the SCN under the available law which have been initiated.

11. In an earlier year, Zee Studio Limited (Formerly known as Essel Vision Productions Limited), a subsidiary had been allotted plot of land on lease for the purpose of construction of film studio by Rajasthan State Industrial

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Development & Investment Corporation Limited (RIICO), Jaipur. The subsidiary had constructed the studio on the aforesaid plot of land.

This lease was subsequently cancelled by RIICO primarily on account of construction related dispute. The cancellation order challenged by ZSL by way of review application before the concerned authorities which has been rejected vide order dated 16 October 2023.

Based on the legal opinion obtained, the subsidiary has initiated the process for further necessary action for obtaining appropriate relief (including filing of appeal at appropriate forums). The management considering the merits and facts of the case including legal opinion believes it has a strong legal position and there is no impairment of the investment in the subsidiary.

12. Other income includes dividend received from a subsidiary company aggregating to Rs Nil lakhs for quarter and nine months ended 31 December 2023 (Rs Nil for quarter ended 30 September 2023, Nil and Rs 18,667 lakhs for quarter and nine months ended 31 December 2022 respectively and Rs 23,684 lakhs for year ended 31 March 2023).

13. Other income for the nine months ended 31 December 2023 includes profit on sale of freehold premises aggregating to Rs 4,170 lakhs which was earlier classified as held for sale.

14. Figures for the previous year/period have been regrouped and/or reclassified wherever considered necessary.

For and on behalf of the Board

Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date: 13 February 2024

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(₹ in Lakhs)

	Particulars	Quarter ended on			Nine months ended on		Year ended on
		31-Dec-23 Unaudited	30-Sep-23 Unaudited	31-Dec-22 Unaudited	31-Dec-23 Unaudited	31-Dec-22 Unaudited	31-Mar-23 Audited
A	**Continuing operations:**						
1	Revenue from operations						
	(a) Advertisement revenue	102,738	97,917	106,336	294,746	305,212	405,789
	(b) Subscription revenue	92,125	88,783	89,440	271,657	248,805	333,547
	(c) Other sales and services	9,704	57,079	15,099	80,323	43,562	69,454
2	Other income	2,769	7,178	1,481	11,393	6,548	7,972
	Total income [1(a) to 1(c) + 2]	**207,336**	**250,957**	**212,356**	**658,119**	**604,127**	**816,762**
3	**Expenses**						
	(a) Operational cost	118,762	142,541	112,770	375,630	314,643	446,860
	(b) Employee benefits expense	24,417	25,986	19,944	76,365	60,835	82,379
	(c) Finance costs	1,834	2,340	1,298	6,517	3,060	7,024
	(d) Depreciation and amortisation expense	7,614	7,723	8,369	23,189	22,941	31,275
	(e) Fair value (gain) on financial instruments at fair value through profit and loss	-	-	(579)	(384)	(579)	(579)
	(f) Advertisement and publicity expenses	25,309	27,305	23,992	80,348	78,468	105,536
	(g) Other expenses	15,162	14,672	17,566	44,697	48,693	63,902
	Total expenses [3(a) to 3(g)]	**193,098**	**220,567**	**183,360**	**606,362**	**528,061**	**736,397**
4	**Profit before share of profit in associate and joint venture, exceptional item and taxes from continuing operations [1+2-3]**	**14,238**	**30,390**	**28,996**	**51,757**	**76,066**	**80,365**
5	Share of profit/(loss) of associate/joint venture	10	8	(22)	28	(19)	(10)
6	**Profit before exceptional items and tax from continuing operations [4 + 5]**	**14,248**	**30,398**	**28,974**	**51,785**	**76,047**	**80,355**
7	Exceptional items (Refer note 3,5, 6, and 7)	(6,034)	(11,975)	(16,897)	(25,073)	(24,551)	(33,548)
8	**Profit before tax from continuing operations [6 + 7]**	**8,214**	**18,423**	**12,077**	**26,712**	**51,496**	**46,807**
9	Tax expense :						
	(a) Current tax	6,525	11,092	6,600	17,887	20,696	27,265
	(b) Current tax - earlier years	-	-	-	-	-	4,878
	(c) Deferred tax	(3,645)	(5,657)	(226)	(9,884)	(1,627)	(10,474)
	Total tax expense [9(a) + 9(b) + 9(c)]	**2,880**	**5,435**	**6,374**	**8,003**	**19,069**	**21,669**
10	**Profit for the period/year from continuing operations [8 - 9]**	**5,334**	**12,988**	**5,703**	**18,709**	**32,427**	**25,138**
B	**Discontinuing operations (Refer note 6):**						
11	(Loss)/Profit before tax from discontinuing operations	(72)	21	(3,455)	(5,901)	(8,303)	(20,690)
12	Tax (reversal)/expense from discontinuing operations	(592)	713	(184)	-	(258)	(331)
13	**Profit/(Loss) for the period/year from discontinuing operations [11 - 12]**	**520**	**(692)**	**(3,271)**	**(5,901)**	**(8,045)**	**(20,359)**
14	**Profit for the period/year**	**5,854**	**12,296**	**2,432**	**12,808**	**24,382**	**4,779**
	Other comprehensive income/(loss)						
15	**In respect of continuing operations:**						
	(A) Items that will not be reclassified to profit or loss						
	(a) (i) Re-measurment of defined benefit obligation	253	156	(79)	(1,293)	(1,470)	(1,574)
	(ii) Fair value changes of equity instruments through othe comprehensive income	-	-	-	-	(25)	(25)
	(b) Income-tax relating to items that will not be reclassified to profit or loss	(88)	(39)	20	302	368	396
	(B) Items that will be reclassified to profit or loss						
	(a) Exchange differences on translation of financial statements of foreign operations	773	1,047	2,956	1,703	11,647	10,885
	Total other comprehensive income from continuing operations [15(A) + 15(B)]	**938**	**1,164**	**2,897**	**712**	**10,520**	**9,682**
16	**In respect of discontinuing operations:**						
	Items that will not be reclassified to profit or loss						
	(a) Re-measurment of defined benefit obligation	-	91	11	91	-	16
	Total other comprehensive income discontinuing operations	-	**91**	**11**	**91**	-	**16**
17	**Total other comprehensive income [15 + 16]**	**938**	**1,255**	**2,908**	**803**	**10,520**	**9,698**
18	**Total comprehensive income [14 + 17]**	**6,792**	**13,551**	**5,340**	**13,611**	**34,902**	**14,477**
19	Profit for the period/year attributable to :						
	Shareholders of the Company	5,854	12,296	2,432	12,808	24,382	4,779
	Non-controlling interests	-	-	-	-	-	-
20	Total comprehensive income attributable to						
	Shareholders of the Company	6,792	13,551	5,340	13,611	34,902	14,477
	Non-controlling interests	-	-	-	-	-	-
21	Paid-up Equity share capital (face value of ₹ 1/- each)	9,606	9,606	9,606	9,606	9,606	9,606
22	Other equity						1,062,581
23	Earnings per equity share from continuing operations(not annualised for the quarter and nine months):						
	Basic (₹)	0.56	1.35	0.59	1.95	3.38	2.62
	Diluted (₹)	0.56	1.35	0.59	1.95	3.38	2.62
24	Earnings per equity share from discontinuing operations (not annualised for the quarter and nine months) :						
	Basic (₹)	0.05	(0.07)	(0.34)	(0.61)	(0.84)	(2.12)
	Diluted (₹)	0.05	(0.07)	(0.34)	(0.61)	(0.84)	(2.12)
25	Earnings per equity share from total operation (not annualised for the quarter and nine months) :						
	Basic (₹)	0.61	1.28	0.25	1.33	2.54	0.50
	Diluted (₹)	0.61	1.28	0.25	1.33	2.54	0.50

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3. During an earlier year, SNL legally ceased to be a related party and the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by Siti Networks Limited (SNL). During the quarter and year ended 31 March 2023, the Company had reached a settlement with certain lenders of SNL. Full payments have been made in accordance with the terms of settlement and the Company has stepped into the shoes of the lenders of SNL as per the applicable law to recover the amounts from SNL, as confirmed by the Insolvency Resolution Professional of SNL The Company has adequate provisions to meet the Company's obligations to meet any remaining DSRA claims.

   Considering the financial condition of SNL, the Company without prejudice to its legal rights had fully provided for the all balances recoverable from SNL.

4. ATL Media Limited (ATL), an overseas wholly owned subsidiary of the Company incorporated in Mauritius, is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option agreement with LEL to acquire the issued share capital to the extent of 64.38% held by LEL in Veria International Limited (VIL) (another related party of the Group) at an exercise price of $ 105 million.

   The exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option agreement was amended and renewed by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain representations made by LEL and the exercise price was set at $52.50 million (Rs 43,675 lakhs as at 31 December 2023, Rs. 43,628 lakhs at at 30 September 2023, Rs 43,134 lakhs as at 31 March 2023 and Rs 43,444 lakhs as at 31 December 2022) for the same quantum of shares as per the earlier Put Option agreement and LEL extended the assignment of the Put Option to the security trustee.

   During the financial year ended 31 March 2020, the Bank invoked the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequently, upon inquiry, ATL became aware

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Zee Entertainment Enterprises Limited ★ Mumbai of certain misrepresentations by LEL at the time of renewal of the Put Option agreement and consequently, ATL has rescinded the Put Option from the renewal date of the Put Option agreement and also filed a suit against LEL and the security trustee of the said Bank (security trustee subsequently excluded in the amended plaint filed during the quarter ended 30 September 2021) in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice in Mauritius.

Subsequent to the quarter end, the subsidiary has received a pre-litigation notice from security trustee in relation to this matter demanding the Company to fulfill its obligation under the Put Option agreement. The management believes that the legal notice is not tenable as the underlying instrument i.e. Put Option agreement is a matter of litigation and hence sub-judice in Mauritius.

As per the legal advice sought by ATL, it has a arguable case to the effect that the Put Option Amendment Deed has been properly rescinded by the Company and is no longer binding and enforceable against the Company, the Company has a reasonable chance of success in this respect in the Amended plaint.
ATL does not consider that any liability will devolve on it and hence has not recognized any liability towards the fair value of the Put Option in its books of account.

The statutory auditors of the Group have put an Emphasis of Matter (EOM) paragraph on this matter in their review/audit report on the quarter ended 30 September 2023 and year ended 31 March 2023 based on a similar EOM by the auditors of ATL in Mauritius.

The predecessor statutory auditors of the Group had qualified this matter in their review/audit report on the financial results for the quarter ended 30 June 2022 based on a similar qualification by the auditors of ATL in Mauritius.

5. The Board of Directors of the Company, at its meeting on 21 December 2021, has considered and approved the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (Scheme), whereby the Company and Bangla Entertainment Private Limited (BEPL) (an affiliate of Culver Max Entertainment Private Limited (Culver Max) (formerly known as Sony Pictures Networks India Private Limited)) shall merge in Culver Max in accordance with terms of Merger Corporation Agreement (MCA). After receipt of requisite approvals / NOC's from shareholders and certain regulators including SEBI, CCI, ROC etc., the Scheme was sanctioned by Honorable NCLT on 10 August 2023. Both the parties had been engaged in the process of obtaining the balance regulatory approvals, completion of closing formalities for the merger to be effective as per MCA.

   Post expiry of the long stop date on 21 December 2023, as per the terms of the MCA, the Company initiated good faith discussions with Culver Max to agree on revised effective date. On 22 January 2024, Culver Max and BEPL issued a notice to the Company purporting to terminate the (MCA) entered into by the parties in relation to the Scheme and have sought termination fee of USD 90,000,000 (United States Dollars Ninety Million) on account of alleged breaches by the Company of the terms of the MCA and initiated arbitration for the same before the Singapore International Arbitration Centre (SIAC).

   Based on legal advice, the Company has issued a reply to Culver Max and BEPL specifically denying any breach of its obligations under the MCA and reiterated that the Company has complied and/ or has taken

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steps to comply with all its obligations in good faith. The Company has denied that Culver Max and BEPL are entitled to terminate the MCA and believes that the claim for termination fee is legally untenable. The Company reserves its right to make claims including counter claims against Culver Max / BEPL for breaches of the MCA at the appropriate stage.

Further Culver Max and BEPL sought interim relief before SIAC requesting to injunct the Company from approaching NCLT for implementation of the Scheme. The interim relief application was heard by SIAC and no relief was granted to Culver Max and BEPL vide the order dated 4 February 2024.

The Company has filed an application before the Hon'ble NCLT Mumbai seeking directions to implement the Scheme and the matter is scheduled for hearing before the Hon'ble NCLT on 12 March 2024.

The Board continues to monitor the progress of aforesaid matters. Based on legal opinion, the management believes the above claims against the Company including towards termination fees is not tenable and does not expect any material adverse impact on the Company with respect to the above and accordingly, no adjustments are required to the accompanying statement.

6. The management as part of its portfolio rationalisation initiative and conditions of impending merger is in the process of either liquidating / discontinuing / selling certain entities (primarily Margo Networks Private Limited). Basis the same, the management has classified the investment in relation to these entities as Non-current Assets held for sale/disposal under IND AS 105 ("Non-current Assets Held for Sale and Discontinued Operations"). The results of the operation of these entities have been presented separately in the profit and loss account as discontinuing operations. Considering these assets are held for sale, the assets have been recorded at their realisable value.

   a) Accordingly, during the year ended 31 March 2023 the Group had recorded impairment aggregating to Rs. 9,757 lakhs. During the nine months ended 31 December 2023, in line with the decision of the board to fund the closure cost, the Group had recorded an additional charge on account of committed closure costs as an exceptional item aggregating to Rs.3,240 lakhs.
   The management continues to believe, based on legal opinion, there is no change in the underlying circumstances which necessitate a reassessment of the carrying value as assets and the outcome of litigation as at balance sheet date.

   b) During the nine months ended 31 December 2023, the Group has sold 100% Equity shares of one of its subsidiary, Zee Unimedia Limited.

   c) During the nine months ended 31 December 2023, Zee UK Max Limited, was incorporated in United Kingdom on 28 September 2023, as a wholly owned subsidiary of Asia Today Limited.

(Rs in lakhs)

	Quarter ended on			Nine months ended on		Year ended on
Particulars	31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	**31-Mar-23**
Total Income	6	116	1,148	268	1,148	1,792
Total Expenses	(78)	(95)	(4,603)	(2,929)	(9,451)	(12,725)

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Profit / (loss) before Tax & exceptional items	(72)	21	(3,455)	(2,661)	(8,303)	(10,933)
Exceptional items	-	-	-	(3,240)	-	(9,757)
Profit / (loss) before Tax	(72)	21	(3,455)	(5,901)	(8,303)	(20,690)
Less: Total tax expenses/(reversal)	(592)	713	(184)	-	(258)	(331)
Net profit/ (loss) for period/year	520	(692)	(3,271)	(5,901)	(8,045)	(20,359)

7. Exceptional items includes :

(Rs in lakhs)

	Quarter ended on			Nine months ended on		Year ended on
Particulars	**31-Dec-23**	**30-Sep-23**	**31-Dec-22**	**31-Dec-23**	**31-Dec-22**	**31-Mar-23**
Merger related cost (Refer note 5)	6,034	11,975	6,886	25,073	11,420	17,620
Dispute settlement with Indian Performing Rights Society Limited (IPRS)	-	-	-	-	-	2,700
Provision for impairment of NCD investment in Zee Learn Limited	-	-	2,551	-	2,551	2,551
Provision in relation to DSRA liability for SNL (Refer Note 3)	-	-	1,620	-	4,740	4,740
Provision for receivables related litigation for SNL (Refer Note 3)	-	-	5,840	-	5,840	5,927
Total	**6,034**	**11,975**	**16,897**	**25,073**	**24,551**	**33,548**

8. Securities and Exchange Board of India (SEBI) had passed an ex-parte interim order dated 12 June 2023 and Confirmatory Order dated 14 August 2023 ('SEBI Order') against one of the current KMP of the Company for alleged violation of Section 4(1) and 4(2)(f) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices (FUTP) relating to Securities Market) Regulations, 2003.

   On 30 October 2023, the Honorable Securities Appellate Tribunal (SAT) set aside the above order passed by SEBI granting relief to the current KMP. The SAT order also directed that the SEBI will continue with the investigation.

   Pursuant to the above, SEBI has issued summons and sought comments/ information/explanation from Company, its subsidiary, certain directors (including former directors) and KMPs who have provided or are/ in the process of providing the information requested. The Company had also received a follow-up

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communication from the Ministry of Corporate Affairs ('MCA') for the ongoing inspection under section 206(5) of the Companies Act, 2013 against which the Company had submitted its response.

The management has informed the Board that based on its review of records of the Company / subsidiary, the transactions (including refunds) relating to the Company/ subsidiary were against consideration for valid goods and services received.

The Board of Directors continues to monitor the progress of aforesaid matters. Based on the available information the management does not expect any material adverse impact on the Company / Group with respect to the above and accordingly, believes that no adjustments are required to the accompanying statement.

9. On 26 August 2022, the Company had entered into an agreement with Star India Private Limited ("Star") for setting out the basis on which Star would be willing to grant sub-license rights in relation to television broadcasting rights of the International Cricket Council's (ICC) Men's and Under 19 (U-19) global events for a period of four years (ICC 2024-2027) on an exclusive basis (Alliance Agreement). The Company / Board had identified this acquisition of strategic importance ensuring the Company is present in all 3 segments of the media and entertainment business. The performance of the Alliance Agreement was subject to certain conditions precedent including submission of financial commitments, provision of bank guarantee and corporate guarantee and pending final ICC approval for sub-licensing to the Company.

   Till date, the Company has accrued Rs. 7,214 lakhs for bank guarantee commission and interest expenses for its share of bank guarantee and deposit as per the Alliance Agreement.

   During the quarter ended 31 December 2023 and subsequently, Star has sent letters to the Company through its legal counsel alleging breach of the Alliance agreement on account of non-payment of dues for the rights in relation to first installment of the rights fee aggregating to USD 203.56 million (Rs. 169,342 lakhs) along-with the payment for bank guarantee commission and deposit interest aggregating Rs. 1,700 lakhs and financial commitments including furnishing of corporate guarantee/ confirmation as stated in the Alliance agreement. Based on the legal advice, the management believes that Star has not acted in accordance with the Alliance Agreement, and has failed to obtain necessary approvals, execution of necessary documentation and agreements. The management also believes that Star by its conduct has breached the Alliance agreement and is in default of the terms thereof and consequently, the contract stands repudiated. The Company has already communicated to Star that the Alliance Agreement cannot be proceeded with for the reasons set out above and has also sought refund of Rs. 6,854 lakhs paid to Star.

   The Board continues to monitor the progress of aforesaid matter. Based on the available information and legal advice, the management believes that the Company has strong and valid grounds to defend any claims. Accordingly, the Company does not expect any material adverse impact with respect to the above as in its view the contract has been repudiated and no adjustments are required to the accompanying statement.

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10. During the nine months ended 31 December 2023, the company received show cause cum demand notice (SCN) from Indirect Tax Authorities in relation to availment of inadmissible input tax credit under Goods and Service Tax (GST) aggregating to Rs 17,364 lakhs (inclusive of consequential interest & penalty) which forms part of contingent liability. The company has made payments / reversal of input credit of the SCN amount have been made under protest and to ensure the interest accrual on the same are limited. The management based on legal advice, believes that these balances are recoverable and is taking the necessary legal recourse to challenge the SCN under the available law which have been initiated.

11. In an earlier year, Zee Studio Limited (Formerly known as Essel Vision Productions Limited), a subsidiary had been allotted plot of land on lease for the purpose of construction of film studio by Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), Jaipur. The subsidiary had constructed the studio on the aforesaid plot of land.

    This lease was subsequently cancelled by RIICO primarily on account of construction related dispute. The cancellation order challenged by ZSL by way of review application before the concerned authorities which has been rejected vide order dated 16 October 2023.

    Based on the legal opinion obtained, the subsidiary has initiated the process for further necessary action for obtaining appropriate relief (including filing of appeal at appropriate forums). The management considering the merits and facts of the case including legal opinion believes it has a strong legal position and there is no impairment required to be carried out to the aforesaid assets.

12. Other income for the nine months ended 31 December 2023 includes profit on sale of freehold premises aggregating to Rs 4,170 lakhs which was earlier classified as held for sale.

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

14. The unaudited standalone financial results for the quarter and nine months ended 31 December 2023 are available on the Company's website i.e. www.zee.com under Investor Information section and on the stock exchange websites i.e. www.bseindia.com and www.nseindia.com.

15. Figures for the previous year/period have been regrouped and/or reclassified wherever considered necessary.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date: 13 February 2024

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