



Extraordinary Together

May 20, 2021

The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai 400 001

**BSE Scrip Code Equity: 505537**  
**Preference: 717503**

The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

**NSE Symbol: ZEEL EQ**  
**: ZEEL P2**

Dear Sirs,

**Sub: Outcome of the Board Meeting held on May 20, 2021**

In compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we would like to inform that the Board of Directors of the Company at its Meeting held today i.e. May 20, 2021 has inter-alia approved:

- a) the Annual Audited Financial Results of the Company for the 4<sup>th</sup> Quarter and Financial Year ended March 31, 2021, both on Standalone and Consolidated basis, along with the Auditors' Report(s) issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants ("Statutory Auditors"), thereon, Statement of asset and liabilities as on March 31, 2021 and statement of cash flow for the year ended March 31, 2021 as recommended by the Audit Committee of the Board (Financial Results"); and
- b) recommended for approval of the Equity Shareholders, Equity Dividend of Rs. 2.50/- per equity share of Re 1/- each (equivalent to 250% of the Paid-up Equity Share Capital) for the Financial year 2020-21;

We hereby state that Statutory Auditors have issued Audit Reports with unmodified opinion on the Standalone and modified opinion on Consolidated Audited Financial Results for the 4<sup>th</sup> Quarter and Financial Year ended March 31, 2021.

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

- Annual Audited Financial Results for the 4<sup>th</sup> Quarter and Financial Year ended March 31, 2021, as per Regulation 33 of the Listing Regulations along with the Auditors' Report(s) thereon issued by the Statutory Auditors on the standalone and consolidated financials;



**Zee Entertainment Enterprises Limited**

Regd. Office : 18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400 013, India

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- Statement pursuant to Regulation 33(3)(d) of the Listing Regulations, on impact of Audit Qualifications (in respect of modified opinion on Consolidated Audited Financial Results) as per the format prescribed by SEBI vide its Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016; and
- Earnings Release in connection with the Audited financials for the 4<sup>th</sup> Quarter and Financial Year ended March 31, 2021.

The Board meeting commenced at 11.00 a.m. and concluded at 3.25 p.m.

Kindly acknowledge receipt.

Thanking You,

Yours faithfully,

**Zee Entertainment Enterprises Limited**

  
Ashish Agarwal  
Compliance Officer & Company Secretary  
FCS6669



Encl: As above

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## ZEE ENTERTAINMENT ENTERPRISES LIMITED

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## Standalone Balance Sheet

('₹ in Lakhs)

Particulars	As at 31-Mar-2021 Audited	As at 31-Mar-2020 Audited (Restated) Refer note 4
<b>A) Assets</b>		
<b>I) Non-current assets</b>		
(a) Property, plant and equipment	31,560	38,298
(b) Capital work-in-progress	1,201	2,155
(c) Investment property	5,202	7,968
(d) Goodwill	16,156	18,810
(e) Other intangible assets	2,402	4,603
(f) Intangible assets under development	1,983	-
<b>(f) Financial Assets</b>		
(i) Investments		
a) Investments in subsidiaries	61,791	61,914
b) Other investments	6,572	13,296
(ii) Other financial assets	1,145	1,988
(g) Income tax assets (net)	13,804	11,146
(h) Deferred tax assets (net)	24,094	22,187
(i) Other non-current assets	386	794
<b>Total non-current assets</b>	<b>166,296</b>	<b>183,159</b>
<b>II) Current assets</b>		
(a) Inventories	494,396	468,705
<b>(b) Financial assets</b>		
(i) Investments	76,670	10,220
(ii) Trade receivables	177,206	212,240
(iii) Cash and cash equivalents	58,111	38,264
(iv) Bank balances other than (iii) above	4,221	10,052
(v) Loans (Refer note 8)	-	-
(vi) Other financial assets	42,121	43,895
(c) Other current assets	103,385	95,284
<b>Total current assets</b>	<b>956,110</b>	<b>878,660</b>
<b>III) Non-current asset classified as held for sale</b>	<b>5,872</b>	<b>7,687</b>
<b>Total Assets (I + II + III)</b>	<b>1,128,278</b>	<b>1,069,506</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A) Equity</b>		
(a) Equity Share capital	9,606	9,605
(b) Other equity	865,157	753,198
<b>Total equity</b>	<b>874,763</b>	<b>762,803</b>
<b>B) Liabilities</b>		
<b>I) Non-current liabilities</b>		
<b>(a) Financial Liabilities - borrowings</b>		
Redeemable preference shares	-	29,750
Others	1,293	3,585
<b>(b) Provisions</b>	<b>14,125</b>	<b>12,749</b>
<b>Total non-current liabilities</b>	<b>15,418</b>	<b>46,084</b>
<b>II) Current liabilities</b>		
<b>(a) Financial liabilities</b>		
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	46	3
total outstanding dues of creditors other than micro enterprises and small enterprises	129,218	151,324
(ii) Other financial liabilities		
Redeemable preference shares	38,322	29,750
Others	32,295	51,301
<b>(b) Other current liabilities</b>	<b>26,629</b>	<b>18,199</b>
<b>(c) Provisions</b>	<b>949</b>	<b>808</b>
<b>(d) Income tax liabilities (net)</b>	<b>10,638</b>	<b>9,234</b>
<b>Total current liabilities</b>	<b>238,097</b>	<b>260,619</b>
<b>Total liabilities (I + II)</b>	<b>253,515</b>	<b>306,703</b>
<b>Total equity and liabilities (A + B)</b>	<b>1,128,278</b>	<b>1,069,506</b>





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Standalone financial results for the quarter and year ended 31 March 2021

(₹ in Lakhs)

Particulars	Quarter ended on			Year ended on	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Unaudited (Refer Note 3)	Unaudited Restated (Refer Note 4)	Unaudited Restated (Refer Note 4)	Audited	Audited Restated (Refer Note 4)
1 Revenue from operations	182,063	209,896	173,554	666,535	729,351
2 Other income	18,164	3,149	4,119	26,235	23,085
<b>Total income [1 + 2]</b>	<b>200,227</b>	<b>213,045</b>	<b>177,673</b>	<b>692,770</b>	<b>752,436</b>
3 Expenses					
(a) Operational cost	77,767	87,667	106,863	296,133	334,135
(b) Employee benefits expense	18,470	17,676	12,709	68,555	62,585
(c) Finance costs	4,777	117	8,376	5,255	13,900
(d) Depreciation and amortisation expenses	3,099	3,293	5,173	14,575	17,756
(e) Fair value Loss on financial instruments at fair value through profit and loss	3,417	8,386	8,463	21,612	33,143
(f) Advertisement and publicity expenses	11,286	17,414	16,822	53,001	60,342
(g) Other expenses	16,931	13,645	33,787	60,753	80,839
<b>Total expenses [3(a) to 3(g)]</b>	<b>135,747</b>	<b>148,198</b>	<b>192,193</b>	<b>519,884</b>	<b>602,700</b>
<b>4 Profit/(Loss) before exceptional item and taxes [1+2-3]</b>	<b>64,480</b>	<b>64,847</b>	<b>(14,520)</b>	<b>172,886</b>	<b>149,736</b>
5 Exceptional items [Refer note 7, 8 and 10]	(2,954)	-	(11,370)	(12,664)	(28,432)
<b>6 Profit/(Loss) before tax [4-5]</b>	<b>61,526</b>	<b>64,847</b>	<b>(25,890)</b>	<b>160,222</b>	<b>121,304</b>
7 Tax expense :					
(a) Current tax	17,991	22,298	6,270	51,041	57,128
(b) Current tax - earlier years	(1,151)	153	431	(998)	293
(c) Deferred tax	944	(1,966)	(2,526)	(1,895)	(11,277)
<b>Total tax expense [7(a) + 7(b) + 7(c)]</b>	<b>17,784</b>	<b>20,485</b>	<b>4,175</b>	<b>48,148</b>	<b>46,144</b>
<b>8 Profit/(Loss) for the period / year [6 - 7]</b>	<b>43,742</b>	<b>44,362</b>	<b>(30,065)</b>	<b>112,074</b>	<b>75,160</b>
9 Other comprehensive Income/(loss)					
Items that will not be reclassified to profit or loss					
(a) (i) Re-measurement of defined benefit obligation	(209)	136	2,230	6	1,125
(ii) Fair value changes of equity instruments through other comprehensive income	(14)	13	(5)	59	640
(b) Income tax relating to items that will not be reclassified to profit or loss	53	(34)	(560)	(1)	(289)
<b>Total other comprehensive (loss)/Income [9(a) to 9(b)]</b>	<b>(170)</b>	<b>115</b>	<b>1,665</b>	<b>64</b>	<b>1,476</b>
<b>10 Total comprehensive income/(loss) [8 + 9]</b>	<b>43,572</b>	<b>44,477</b>	<b>(28,400)</b>	<b>112,138</b>	<b>76,636</b>
11 Paid-up Equity share capital of ₹ 1/- each	9,606	9,605	9,605	9,606	9,605
11 Other equity				865,157	753,198
12 Earnings per share (not annualised) :					
Basic (₹)	4.55	4.62	(3.13)	11.67	7.83
Diluted (₹)	4.55	4.62	(3.13)	11.67	7.82





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[www.zeeentertainment.com](http://www.zeeentertainment.com)**Standalone Statement of Cash Flow year ended 31 March 2021**

(₹ in Lakhs)

Particulars	31-Mar-21	31-Mar-20
	Audited	Audited Restated (Refer Note 4)
<b>A. Cash flow from operating activities</b>		
Profit before tax	160,222	121,304
Adjustments for:		
Depreciation and amortisation expense	14,575	17,756
Allowances for doubtful debts and advances	9,576	31,102
Exceptional item	12,664	28,432
Adjustment on account of restatement due to common control acquisition (refer note 4)	1,483	(612)
Share based payment expense	28	112
Liabilities and excess provision written back	(638)	(160)
Unrealised loss/(gain) on exchange adjustments (net)	32	(1,060)
Loss/(Profit) on sale or impairment of property, plant and equipment (net)	1,842	(20)
Interest expenses	586	765
Fair value loss on financial instruments classified as fair value through profit and loss	21,612	33,143
Dividend on redeemable preference shares	4,668	8,550
Dividend income	(2,619)	(950)
Net gain on sale of investments classified as fair value through profit and loss	(18,901)	(1,040)
Interest income	(1,717)	(14,533)
Operating profit before working capital changes	203,413	222,789
Adjustments for:		
(Increase) in inventories	(25,685)	(146,885)
Decrease/(Increase) in trade and other receivables	10,139	(30,342)
(Decrease)/Increase in trade and other payables	(26,428)	10,872
Cash generated from operations	161,439	56,434
Direct taxes paid (net)	(51,280)	(25,727)
<b>Net cash flow from operating activities (A)</b>	<b>110,159</b>	<b>30,707</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment / capital work-in-progress	(5,354)	(8,200)
Purchase of intangible assets	(3,175)	(2,080)
Sale of property, plant and equipment / intangible assets	3,614	170
Fixed deposit invested	(4,090)	(19,640)
Fixed deposit matured	9,960	10,750
Purchase of non-current investments	(2,131)	(150)
Sale of non-current investments	29,641	7,690
Purchase of current investments	(140,088)	(318,500)
Proceeds from sale / redemption of current investments	70,745	340,520
Dividend received from subsidiary company	2,610	900
Dividend received from others	9	50
Interest received	1,671	14,093
<b>Net cash flow (used in)/from investing activities (B)</b>	<b>(36,588)</b>	<b>25,603</b>
<b>C. Cash flow from financing activities</b>		
Redemption of redeemable Non-Convertible preference shares	(40,273)	(48,420)
Payment of lease liability	(2,192)	(3,140)
Proceeds from long-term borrowings	141	20
Repayment of long-term borrowings	(99)	(120)
Dividend paid on equity shares	(2,904)	(40,490)
Dividend paid on Redeemable Non-Convertible Preference Shares	(8,271)	(11,460)
Interest paid	(126)	(286)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(53,724)</b>	<b>(103,896)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>19,847</b>	<b>(47,586)</b>
Cash and cash equivalents at the beginning of the year	38,264	85,850
<b>Net cash and cash equivalents at the end of the year</b>	<b>58,111</b>	<b>38,264</b>





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**Notes to standalone financial results**

1. The standalone financial results have been reviewed by the Audit Committee in their meeting held on 19 May 2021 and approved by the Board of Directors in their meeting held on 20 May 2021. These results have been subjected to audit/limited review carried out by the Statutory Auditors.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
3. The figures for the last quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures for the full financial year ended 31 March 2021 and 31 March 2020 and the unaudited published year-to-date figures up to 31 December 2020 and 31 December 2019 respectively, being the date of the end of the third quarter of the respective financial year. The figures for the last quarter ended 31 March 2021 were subjected to limited review.
4. During the quarter ended 31 December 2020, the Board of Directors of the Company had approved acquisition of film production and distribution business from Zee Studios Limited (ZSL) (a wholly owned subsidiary of the Company) (formerly known as Essel Vision Productions Limited) on a slump sale basis. During the current quarter, the business transfer agreement was executed and is effective from closing of business hours as at 28 February 2021.

As per the business transfer agreement the Film business undertaking of ZSL comprising of film production and distribution business and related assets and liabilities was acquired, on a going concern basis, for a consideration of Rs 26,949 lakhs (after working capital adjustments).

Consequently, the effect of the aforesaid acquisition has been given in the financial results in accordance with Appendix C of the Indian Accounting Standard (Ind AS) 103 on 'Business Combinations' relating to accounting for common control business combinations. The Ind AS requires the comparative accounting period(s) presented in the financial results be restated for the accounting impact of acquisition of the film production and distribution business, as if the transfer had occurred from the beginning of the comparative period(s) presented in the financial results. Accordingly, figures of the previous year and corresponding previous quarters' have been restated.

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5. In relation to the listed 6% Cumulative Redeemable Non-convertible Preference Shares (ISIN : INE256A04022) of the Company, the following information is disclosed as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in lakhs)

Particulars	31 March 2021	31 March 2020 Restated (Refer note 4)
Outstanding listed redeemable preference shares 2,016,942,312 of Rs. 2 each (Paid-up value) (31 March 2020 : 2,016,942,312 of Rs. 4 each)#	40,339	80,678
Net worth** as at	913,085	822,303
Cumulative profit for the year ended*	112,074	75,160
Free reserves as at	690,432	620,061
Securities premium account balance as at	-	-
Dividend payment on Preference Shares for the financial year 2020-21 and 2019-20 paid before the due date	4,668	7,089
Breach of any covenants under the terms of non-convertible preference shares for the year ended	Nil	Nil
Credit rating by Brickworks rating for the year ended***	Refer note below	
Next due date for the payment of dividend	15 April 2021	
Previous due date for the payment of dividend	15 April 2020	
Amount of dividend and principal payable	As per terms of issue dividend @6% p.a. is payable on preference shares and the 20% of the principal value i.e. Rs. 2 per preference share is due for redemption in March 2022	

\*Excludes other comprehensive income

\*\* Includes 6% Cumulative Redeemable Non-convertible preference share capital of Rs. 38,322 Lakhs as at 31 March 2021 and Rs. 59,500 Lakhs as at 31 March 2020.

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

# Total Borrowing of the Company as at 31 March 2021 was Rs 40,557 lakhs including Redeemable Bonus preference shares of Rs 40,339 lakhs as Redeemable preference shares forms part of the borrowings as per Ind AS. Accordingly, actual outstanding borrowing of the Company as at 31 March 2021 was Rs 218 lakhs i.e less than Rs 10,000 lakhs. Hence, Mandatory borrowing to be done through issuance of debt securities was not required.

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6. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
7. (a) During the year ended 31 March 2021, the Board of Directors of the Company has approved the sale of digital publishing business to Rapidcube Technologies Private Limited, a related party, subject to regulatory and other approvals. Based on the binding quote received for this sale, the Company has assessed the carrying value of Goodwill relating to the aforesaid business and accordingly, accounted for an impairment charge of Rs 2,650 lakhs in the quarter and year ended 31 March 2021 and disclosed the same as 'Exceptional item'.  
  
(b) As at 31 March 2020, the Company assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and disclosed as 'Exceptional item'. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.
8. The Company, in an earlier year, had given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Further since, there are delays in receiving payment from these related parties, the aforesaid amount has been provided during the previous year and disclosed as an 'Exceptional item'. The Company has initiated arbitration proceedings against the said parties for recovering the amounts.
9. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities. The impact on the results for the quarter and year ended 31 March 2021 is primarily due to restrictions caused by the COVID-19 on the business activities. Hence, the results for the quarter and year ended 31 March 2021 are not strictly comparable with the results of the earlier periods presented.

Since early March 2021, India has witnessed a second wave of COVID-19 with sudden rise in COVID-19 cases across India. This has again lead to imposing lockdown like restrictions across the country, which is likely to impact the economic activity.

The Company has assessed the impact of this pandemic and the same has been incorporated in the plans going forward. In addition to the aforesaid assessment and review of the current indicators of future economic conditions, the Company has also taken various steps aimed at augmenting liquidity, conserving cash including various cost saving initiatives, and sale of non-core and other assets.

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Based on the assessment and steps being taken, the Company expects no further adjustments to the carrying amounts of the property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets, as at 31 March 2021. As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic condition.

10. During earlier years, the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by Siti Networks Limited (SNL), a related party, including certain facilities availed when the cable business undertaking was part of the Company before its demerger into SNL. The loan outstanding of SNL as at 31 March 2021 which is backed by DSRA guarantee is Rs 20,180 lakhs. On account of defaults made in repayments by SNL, during the year ended 31 March 2021, the Company has received demand notices/communications from the banks/representatives calling upon the Company to honor the obligations under the DSRA guarantee.

The Company has also been informed that SNL is in active discussions with the banks for renegotiating the repayment terms and also restructuring/rescheduling of its' facilities. The Company has also obtained legal advice about its obligations under the terms of the DSRA guarantee and for the demand raised by IndusInd Bank in respect of the DSRA guarantee which is sub-judice before the Hon'ble Delhi High Court. Additionally, the Company has undertaken credit risk evaluation of SNL, including future cash flow assessments.

Based on the aforesaid, as a matter of abundant caution, the Company has estimated and accounted the liability aggregating Rs. 10,010 lakhs as on 31 March 2021 (Rs. 304 lakhs for the quarter ended 31 March 2021). Further, the Company has provided for the receivable from SNL of the aforesaid amount and disclosed the same as 'Exceptional item'.

The Company has collected the receivables relating to the revenue accounted for the year ended 31 March 2021 and as a matter of abundant caution has, in the quarter ended 30 September 2020, also provided for the overdue trade receivables from SNL aggregating Rs. 8,120 lakhs.

11. ATL Media Limited (ATL), an overseas wholly owned subsidiary of the Company is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option agreement with LEL to purchase 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

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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. 38,483 lakhs as at 31 March 2021; Rs.39,270 lakhs as at 31 March 2020) for the same quantum of shares and LEL extended the assignment of the Put Option to the security trustee.

During the previous year, 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 date the Put Option was renewed and also filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice in 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.

12. During the year ended 31 March 2021, 100% Equity Shares held in four wholly-owned subsidiaries of the Company i.e. Zee Unimedia Limited (ZUL), Zee Digital Convergence Limited (ZDCL), Zee Network Distribution Limited (ZNDL) and India Webportal Private Limited (IWPL) were sold to another wholly-owned subsidiary company i.e. Zee Studios Limited (formerly known as Essel Vision Productions Limited).

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

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13. During the year ended 31 March 2021, the Company has issued and allotted 21,240 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,504,475 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
14. The Board of Directors in their meeting held on 20 May 2021 have recommended dividend of Rs. 2.50 per equity share subject to approval of shareholders.

For and on behalf of the Board

Zee Entertainment Enterprises Limited

Punit Goenka  
Managing Director & CEO

Place: Mumbai

Date: 20 May 2021



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

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

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended 31 March 2021 and (b) reviewed the Standalone Financial Results for the quarter ended 31 March 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying Statement of 'Standalone Financial Results for the Quarter and Year Ended 31 March 2021' (the Statement) of Zee Entertainment Enterprises Limited (the Company), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended 31 March 2021:

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

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended 31 March 2021**

With respect to the Standalone Financial Results for the quarter ended 31 March 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended 31 March 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Basis for Opinion on the Audited Standalone Financial Results for the year ended 31 March 2021**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31 March 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Emphasis of Matter**

We draw attention to Note 11 of the Statement which details the Letter of Comfort (LOC) issued by the Company to Yes Bank Limited (Bank) in connection with a Put Option agreement entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Company, with Living Entertainment Limited (LEL), another related party of the Company which was assigned by LEL in favour of the Bank towards certain borrowings by LEL from the Bank (exercise price of the Put Option of \$52.50 million (equivalent to Rs. 38,483 lakhs as at 31 March 2021; Rs. 39,270 lakhs as at 31 March 2020) which ATL has rescinded from the date of renewal of the Put Option, the claim by the Bank that the LOC is a financial guarantee provided by the Company to the Bank, the subsequent developments in the Hon'ble High Court of Bombay that were in favour of the Company and the current status of the matter which is sub-judice. As explained in the said Note, the Management has evaluated that the LOC is not in the nature of a financial guarantee and has also been legally advised so. Consequently, no liability has been accrued towards the LOC as at 31 March 2021.

Our report is not modified in respect of this matter.

**Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended 31 March 2021 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities**

#### **(a) Audit of the Standalone Financial Results for the year ended 31 March 2021**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended 31 March 2021 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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

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

#### **(b) Review of the Standalone Financial Results for the quarter ended 31 March 2021**

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2021 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Other Matters**

- The Statement includes the results for the quarter ended 31 March 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- The Company acquired the film production and distribution business from Zee Studios Limited (a wholly owned subsidiary of the Company) with effect from 1 March 2021, as explained in note 4 to the financial results. The financial information of the said film production and distribution business for the year ended 31 March 2020 and for the eleven months ended 28 February 2021 prepared in accordance with Ind AS and generally accepted accounting principles in India have been audited by the statutory auditors of Zee Studios Limited. The adjustments made to the previously issued financial results of the Company for the quarter ended 31 December 2020,





**Deloitte  
Haskins & Sells LLP**

quarter and year ended 31 March 2020 and adjustments made to the financial results of the Company for the year ended 31 March 2021, giving effect to the above mentioned acquisition, in accordance with Appendix C of Ind AS 103 which deals with Business Combinations of entities under common control, have been audited by us.

Our report on the Statement is not modified in respect of these matters.

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

*ABani.*

A. B. Jani  
Partner  
Membership No. 46488  
UDIN: 21046488AAAABJ6193

*MB* Mumbai, 20 May 2021





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Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	As at 31-Mar-2021 Audited	As at 31-Mar-2020 Audited
<b>ASSETS</b>		
<b>I) Non-current assets</b>		
(a) Property, plant and equipment	58,090	67,968
(b) Capital work-in-progress	1,294	3,344
(c) Investment property	5,199	7,969
(d) Goodwill	38,038	40,696
(e) Other Intangible assets	17,794	14,837
(f) Intangible assets under development	6,252	4,974
<b>(g) Financial Assets</b>		
<b>(i) Investments</b>		
(a) Investments in associate	38	35
(b) Investments in joint venture	157	1,927
(c) Other investments	2,962	2,813
<b>(ii) Other financial assets</b>	3,473	4,292
(h) Income tax assets (net)	42,293	41,022
(i) Deferred tax assets (net)	31,509	27,422
(j) Other non-current assets	2,272	895
<b>Total non-current assets</b>	<b>209,371</b>	<b>218,194</b>
<b>II) Current assets</b>		
(a) Inventories	540,304	534,748
<b>(b) Financial assets</b>		
(i) Other Investments	76,672	27,697
(ii) Trade receivables	194,515	212,859
(iii) Cash and cash equivalents	104,846	55,290
(iv) Bank balances other than (iii) above	4,221	18,162
(v) Loans (refer note 5)	-	-
(vi) Other financial assets	34,178	37,324
<b>(c) Other current assets</b>	110,346	128,044
<b>Total current assets</b>	<b>1,065,082</b>	<b>1,014,124</b>
<b>III) Non-current assets classified as held for sale (net)</b>	<b>7,419</b>	<b>9,446</b>
<b>Total Assets (I + II + III)</b>	<b>1,281,872</b>	<b>1,241,764</b>
<b>EQUITY AND LIABILITIES</b>		
<b>A) Equity</b>		
(a) Equity Share capital	9,606	9,605
(b) Other equity	999,845	924,787
Equity attributable to shareholders (a) + (b)	1,009,451	934,392
Non controlling interests	1,292	1,100
<b>Total equity</b>	<b>1,010,743</b>	<b>935,492</b>
<b>B) Liabilities</b>		
<b>I) Non current liabilities</b>		
<b>(a) Financial Liabilities</b>		
<b>(i) Borrowings</b>		
Redeemable preference shares	-	29,750
Others	1,953	5,260
<b>(b) Provisions</b>	15,459	14,050
<b>Total non-current liabilities</b>	<b>17,412</b>	<b>49,060</b>
<b>II) Current liabilities</b>		
<b>(a) Financial liabilities</b>		
<b>(i) Trade payables</b>	139,818	168,034
<b>(ii) Other financial liabilities</b>		
Redeemable preference shares	38,322	29,750
Others	34,985	28,079
<b>(b) Other current liabilities</b>	28,113	21,073
<b>(c) Provisions</b>	1,629	1,213
<b>(d) Income tax liabilities (net)</b>	10,850	9,063
<b>Total current liabilities</b>	<b>253,717</b>	<b>257,212</b>
<b>Total liabilities (I + II)</b>	<b>271,129</b>	<b>306,272</b>
<b>Total equity and liabilities (A + B)</b>	<b>1,281,872</b>	<b>1,241,764</b>

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Consolidated financial results for the quarter and year ended 31 March 2021

(₹ in Lakhs)

Particulars	Quarter ended on			Year ended ended on	
	31-Mar-21 Unaudited (Refer Note 3)	31-Dec-20 Unaudited	31-Mar-20 Unaudited (Refer Note 3)	31-Mar-21 Audited	31-Mar-20 Audited
1 Revenue from operations					
(a) Advertisement revenue	112,296	130,203	103,894	374,884	468,113
(b) Subscription revenue	80,335	84,191	74,136	324,298	288,729
(c) Other sales and services	3,951	58,542	17,078	73,810	56,144
2 Other income	1,857	2,757	4,066	11,043	28,364
Total income [1(a) to 1(c) + 2]	198,439	275,693	199,174	784,035	841,350
3 Expenses					
(a) Operational cost	84,427	141,422	130,462	375,047	382,851
(b) Employee benefits expense	21,418	20,734	16,039	81,831	78,051
(c) Finance costs	4,913	212	8,637	5,708	14,489
(d) Depreciation and amortisation expense	6,272	6,520	7,776	26,492	27,064
(e) Fair value (gain)/loss on financial instruments at fair value through profit and loss	(2,073)	8,389	27,870	19,622	25,967
(f) Advertisement and publicity expenses	14,976	17,977	18,412	61,665	69,560
(g) Other expenses	21,677	21,237	58,581	75,439	119,067
Total expenses [3(a) to 3(g)]	151,610	216,491	267,777	645,804	717,049
4 Profit/(Loss) before share of profit/(loss) of associate and joint venture, exceptional item and taxes [ 1+2-3 ]	46,829	59,202	(68,603)	138,231	124,301
5 Share of profit/(loss) of associate/joint venture	5	(27)	(330)	(10)	(240)
6 Profit/(Loss) before exceptional items and tax [ 4 + 5 ]	46,834	59,175	(68,933)	138,221	124,061
7 Exceptional items (Refer note 4, 5 and 7)	(2,954)	-	(11,370)	(12,664)	(28,432)
8 Profit/(Loss) before tax [ 6 + 7 ]	43,880	59,175	(80,303)	125,557	95,629
9 Tax expense :					
(a) Current tax	17,607	22,883	6,634	51,621	58,148
(b) Current tax - earlier years	(1,158)	153	431	(1,005)	293
(c) Deferred tax	195	(3,662)	(10,786)	(4,363)	(15,271)
Total tax expense [9(a) + 9(b) + 9(c)]	16,644	19,374	(3,721)	46,253	43,170
10 Profit/(Loss) for the period/year [ 8 - 9 ]	27,236	39,801	(76,582)	79,304	52,459
11 Other comprehensive income/(loss)					
(A) Items that will not be reclassified to profit or loss					
(a) (i) Re-measurement of defined benefit obligation	(237)	131	2,189	(24)	1,087
(ii) Fair value changes of equity instruments through other comprehensive income	(10)	13	(635)	62	13
(b) Income tax relating to items that will not be reclassified to profit or loss	59	(33)	(551)	5	(280)
(B) Items that will be reclassified to profit or loss					
(a) Exchange differences on translation of financial statements of foreign operations	432	(741)	6,660	(2,142)	12,544
Total other comprehensive income / (loss) [ 11(A) + 11(B)]	244	(630)	7,663	(2,099)	13,364
12 Total comprehensive income/(loss) [ 10 + 11 ]	27,480	39,171	(68,919)	77,205	65,823
13 Profit/(Loss) for the period/year attributable to :					
Shareholders of the Company	27,573	39,991	(76,668)	80,005	52,650
Non-controlling interests	(337)	(190)	86	(701)	(191)
14 Total comprehensive income/(loss) attributable to					
Shareholders of the Company	27,817	39,361	(69,005)	77,906	66,014
Non-controlling interests	(337)	(190)	86	(701)	(191)
15 Paid-up Equity share capital of ₹ 1/- each	9,606	9,605	9,605	9,606	9,605
16 Other equity				999,845	924,787
17 Earnings per Share (not annualised) :					
Basic (₹)	2.87	4.16	(7.98)	8.33	5.48
Diluted (₹)	2.87	4.16	(7.98)	8.33	5.48

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## Consolidated Statement of Cash Flow for year ended 31 March 2021

(₹ in Lakhs)

Particulars	31-Mar-21 Audited	31-Mar-20 Audited
<b>A. Cash flow from operating activities</b>		
Profit before tax	125,557	95,629
Adjustments for:		
Depreciation and amortisation expense	26,492	27,064
Allowances for doubtful debts and advances	9,559	56,561
Exceptional items	12,664	28,432
Share based payment expense	28	112
Liabilities and excess provision written back	(1,368)	(414)
Unrealised loss/(gain) on exchange adjustments (net)	32	(1,060)
Loss/(Profit) on sale or impairment of Property, plant and equipment (net)	1,882	(2,500)
Interest expenses	1,040	1,351
Profit on sale of investments	(1,023)	(1,046)
Dividend on redeemable non-convertible preference shares	4,668	8,546
Fair value loss on financial instruments at fair value through profit and loss	19,622	25,967
Share of loss in associate and joint venture	10	240
Dividend income	(9)	(50)
Interest income	(2,365)	(15,120)
<b>Operating profit before working capital changes</b>	<b>196,789</b>	<b>223,712</b>
Adjustments for:		
(Increase) in inventories	(5,340)	(148,302)
Decrease/(Increase) in trade and other receivables	29,340	(7,282)
(Decrease) in trade and other payables	(15,909)	(11,999)
<b>Cash generated from operations</b>	<b>204,880</b>	<b>56,129</b>
Direct taxes paid (net)	(50,111)	(31,137)
<b>Net cash flow from operating activities (A)</b>	<b>154,769</b>	<b>24,992</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment / capital work-in-progress	(6,101)	(8,096)
Purchase of intangible assets	(14,498)	(10,084)
Sale of property, plant and equipment / intangible assets	3,199	3,669
Fixed deposit invested	(4,092)	(19,630)
Fixed deposit matured	18,072	26,946
Purchase of non-current investments	(2,130)	(150)
Proceeds from sale of non-current investments	100	6,093
Purchase of current investments	(141,058)	(318,500)
Proceeds from sale / redemption of current investments	91,459	344,182
Loans repaid by others	-	780
Dividend received	1,768	50
Interest received	2,659	13,616
<b>Net cash flow (used in)/from investing activities (B)</b>	<b>(50,622)</b>	<b>38,876</b>
<b>C. Cash flow from financing activities</b>		
Redemption of redeemable non-convertible preference shares	(40,271)	(48,670)
Proceeds from long-term borrowings	141	20
Repayment of lease liabilities	(2,245)	(4,473)
Repayment of long-term borrowings	(104)	(140)
Dividend paid on equity shares and tax thereon	(2,904)	(40,806)
Dividend paid on redeemable non-convertible preference shares	(8,271)	(11,464)
Interest paid	(430)	(668)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(54,084)</b>	<b>(106,201)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>50,063</b>	<b>(42,333)</b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(507)	854
Cash and cash equivalents at the beginning of the year	55,290	96,769
<b>Net cash and cash equivalents at the end of the year</b>	<b>104,846</b>	<b>55,290</b>

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**Notes to consolidated financial results**

1. The consolidated financial results of Zee Entertainment Enterprises Limited (Parent/Company) and its subsidiaries (collectively referred as the Group) and its share of the profit/(loss) of its joint venture and associate have been reviewed by the Audit Committee in their meeting held on 19 May 2021 and approved by the Board of Directors in their meeting held on 20 May 2021. These results have been subjected to audit/limited review carried out by the Statutory Auditors.
2. The consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.
3. The figures for the last quarters ended 31 March 2021 and 31 March 2020 are the balancing figures between audited figures for the full financial year ended 31 March 2021 and 31 March 2020 and the unaudited published year-to-date figures up to 31 December 2020 and 31 December 2019 respectively, being the date of the end of the third quarter of the respective financial year. The figures for the last quarter ended 31 March 2021 were subjected to limited review.
4. (a) During the year ended 31 March 2021, the Board of Directors of the Company has approved the sale of digital publishing business to Rapidcube Technologies Private Limited, a related party, subject to regulatory and other approvals. Based on the binding quote received for this sale, the Company has assessed the carrying value of Goodwill relating to the aforesaid business and accordingly, accounted for an impairment charge of Rs 2,650 lakhs in the quarter and year ended 31 March 2021 and disclosed the same as 'Exceptional item'.  
  
(b) As at 31 March 2020, the Group assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and disclosed as 'Exceptional item'. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.

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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

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

5. The Company, in an earlier year, had given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Further since, there are delays in receiving payment from these related parties, the aforesaid amount has been provided during the previous year and disclosed as an 'Exceptional item'. The Company has initiated arbitration proceedings against the said parties for recovering the amounts.
6. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities. The impact on the results for the quarter and year ended 31 March 2021 is primarily due to restrictions caused by the COVID-19 on the business activities. Hence, the results for the year ended 31 March 2021 are not strictly comparable with the results of the earlier periods presented.

Since early March 2021, India has witnessed a second wave of COVID-19 with sudden rise in COVID-19 cases across the country. This has again lead to imposing lockdown like restrictions across the country, which is likely to impact the economic activity.

The Group has assessed the impact of this pandemic and the same has been incorporated in the plans going forward.

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

Based on the assessment and steps being taken, the Group expects no further adjustments to the carrying amounts of the property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets, as at 31 March 2021. As a result of the growing uncertainties with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic condition.

7. During earlier years, the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by Siti Networks Limited (SNL), a related party, including certain facilities availed when the cable business undertaking was part of the Company before its demerger into SNL. The loan outstanding of SNL as at 31 March 2021 which is backed by DSRA guarantee is Rs 20,180 lakhs. On account of defaults made in repayments by SNL, during the year ended 31 March 2021, the Company has received demand notices/communications from the banks/representatives calling upon the Company to honor the obligations under the DSRA guarantee.

The Company has also been informed that SNL is in active discussions with the banks for renegotiating the repayment terms and also restructuring/rescheduling of its' facilities. The Company has also obtained

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legal advice about its obligations under the terms of the DSRA guarantee and for the demand raised by IndusInd Bank in respect of the DSRA guarantee which is sub-judice before the Hon'ble Delhi High Court.

Additionally, the Company has undertaken credit risk evaluation of SNL, including future cash flow assessments.

Based on the aforesaid, as a matter of abundant caution, the Company has estimated and accounted the liability aggregating Rs. 10,010 lakhs as on 31 March 2021 (Rs. 304 lakhs for the quarter ended 31 March 2021). Further, the Company has provided for the receivable from SNL of the aforesaid amount and disclosed the same as 'Exceptional item'.

The Company has collected the receivables relating to the revenue accounted for the year ended 31 March 2021 and as a matter of abundant caution has, in the quarter ended 30 September 2020, also provided for the overdue trade receivables from SNL aggregating Rs. 8,120 lakhs.

8. 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. 38,483 lakhs as at 31 March 2021; Rs. 39,270 lakhs as at 31 March 2020) 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 previous year, 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 and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice in Mauritius.

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Extraordinary Together

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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. Further, the Management of ATL has determined that based on valuation reports of VIL provided by LEL annually for subsequent periods up till 31 March 2019, the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as liability towards the fair value of the Put Option in respect of those financial year ends.

The statutory auditors of the Group have qualified this matter in their report on the financial results for the quarter and year ended 31 March 2020, for the quarter ended 30 June 2020, for the quarter and half year ended 30 September 2020, for the quarter and nine months ended 31 December 2020 and for the quarter and year ended 31 March 2021 based on a similar qualification by the auditors of ATL in Mauritius.

9. Revenue from monetization of music right / content which was in the previous year presented within "Other sales and services" is now included in "Subscription revenue", to better reflect the nature of the revenue. The amounts regrouped in "Subscription revenue" are Rs 2,679 lakhs and Rs 20,641 lakhs for the quarter and year ended 31 March 2021 respectively.
10. During the year ended 31 March 2021, the Company has issued and allotted 21,240 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,504,475 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
11. The Group operates in a single reporting segment namely 'Content and Broadcasting'.

For and on behalf of the Board  
Zee Entertainment Enterprises Limited

Punit Goenka  
Managing Director & CEO

Place: Mumbai

Date :20 May 2021

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

We have (a) audited the Consolidated Financial Results for the year ended 31 March 2021 and (b) reviewed the Consolidated Financial Results for the quarter ended 31 March 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying Statement of 'Consolidated Financial Results for the Quarter and Year Ended 31 March 2021' of Zee Entertainment Enterprises Limited (the Parent) and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group'), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its joint venture and associate for the quarter and year ended 31 March 2021, (the Statement) being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiaries, associate and joint venture referred to in Other Matters section below, except for the possible effect of the matter described in Basis for Qualified Opinion/Conclusion section below the Consolidated Financial Results for the year ended 31 March 2021:

(i) includes the results of the following entities:

Sr. No.	Particulars
	<b>Parent</b>
	Zee Entertainment Enterprises Limited
	<b>Subsidiaries</b>
1	Zee Studios Limited (formerly known as Essel Vision Productions Limited)
2	Zee Digital Convergence Limited
3	Pantheon Productions Limited
4	Zee Unimedia Limited
5	Zee Turner Limited
6	Margo Networks Private Limited
7	Asia Multimedia Distribution Inc.
8	Asia Today Limited
9	Asia Today Singapore Pte Limited
10	Asia TV GmbH



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

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended 31 March 2021.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended 31 March 2021**

With respect to the Consolidated Financial Results for the quarter ended 31 March 2021, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the audit reports for the year ended 31 March 2021 of the other auditors referred to in Other Matters section below, except for the possible effect of the matter described in Basis for Qualified Opinion/Conclusion section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended 31 March 2021, has not been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

We draw attention to Note 8 to the Statement, where the Management has explained reasons for not accounting for the Put Option. As explained in the said Note, the Put Option agreement was initially entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent on 20 January 2016 and renewed on 29 July 2019 to be valid until 30 December 2026. The Put Option agreement requires ATL to purchase the issued share capital of Veria International Limited (VIL), a related party of the Parent to the extent of 64.38% held by Living Entertainment Limited (LEL), another related party of the Parent (total exercise price of the Put Option \$52.50 million (Rs. 38,483 lakhs as at 31 March 2021 (Rs. 39,270 lakhs as at 31 March 2020))). In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option agreement in favour of the Bank. As explained in the note, ATL has rescinded the renewal of the Put Option from the date of its renewal and the validity of the Put Option agreement is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the fair value of the Put Option (including any impact in the prior periods) in the financial statements of ATL that have been audited and provided for inclusion in the Statement and have modified their audit report on the said financial statements of ATL on the said matter. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results under Ind AS 109 'Financial Instruments' in respect of the said Put Option (including any impact in the prior periods).

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

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, its associate and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended 31 March 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended 31 March 2021, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended 31 March 2021 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group including its associate and joint venture in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

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

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

### **Auditor's Responsibilities**

#### **(a) Audit of the Consolidated Financial Results for the year ended 31 March 2021**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended 31 March 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

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- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group and its associate and joint venture to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

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

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

**(b) Review of the Consolidated Financial Results for the quarter ended 31 March 2021**

We conducted our review of the Consolidated Financial Results for the quarter ended 31 March 2021 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of





the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

### **Other Matters**

- The Statement includes the results for the quarter ended 31 March 2021 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements of 26 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 531,729 lakhs as at 31 March 2021 and total revenues of Rs. 25,390 lakhs and Rs. 209,151 lakhs for the quarter and year ended 31 March 2021 respectively, total net loss after tax of Rs. 12,293 lakhs and Rs. 15,562 lakhs for the quarter and year ended 31 March 2021 respectively and total comprehensive loss of Rs. 12,299 lakhs and Rs. 15,577 lakhs for the quarter and year ended 31 March 2021 respectively and net cash inflows of Rs. 29,703 lakhs for the year ended 31 March 2021, as considered in the Statement. The consolidated financial results also include the Group's share of profit / (loss) after tax of Rs. 5 lakhs and Rs. (10) lakhs for the quarter and year ended 31 March 2021 respectively and total comprehensive profit / (loss) of Rs. 5 lakhs and Rs. (10) lakhs for the quarter and year ended 31 March 2021 respectively, as considered in the Statement, in respect of an associate, and a joint venture whose financial have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- The consolidated financial results include the unaudited financial information of a subsidiary, whose financial information reflect total assets of Rs. 29 lakhs as at 31 March 2021 and total revenues of Rs. 35 lakh and Rs. 39 lakhs for the quarter and year ended 31 March 2021 respectively, total net profit after tax of Rs. 37 lakhs and Rs. 35 lakhs for the quarter and year ended 31 March 2021 respectively and total comprehensive profit of Rs. 37 lakhs and Rs. 35 lakhs for the quarter and year ended 31 March 2021 respectively and net cash inflows (net) of Rs. 6 lakhs for the year ended 31 March 2021, as considered in the Statement. These financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion

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and according to the information and explanations given to us by the Board of Directors, this financial information is not material to the Group.


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

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



A. B. Jani  
Partner

Membership No. 46488  
UDIN: 21046488AAAABK1743

 Mumbai, 20 May 2021



**Annexure I**

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sr No	Particulars	Audited Figures (Rs in lakhs) (as reported before adjusting for qualifications)	Audited Figures (Rs in lakhs) (as reported after adjusting for qualification)*
	1	Turnover / Total income	784,035	784,035
	2	Total Expenditure (Includes Exceptional Items)	658,468	658,468
	3	Net Profit/(Loss) after tax	79,304	79,304
	4	Earnings Per Share	8.33	8.33
	5	Total Assets	1,281,872	1,281,872
	6	Total Liabilities	232,807	232,807
	7	Net Worth (Includes 6% Cumulative Redeemable Non-convertible preference share capital)	1,047,773	1,047,773
	8	Any other financial item(s) (as felt appropriate by the management (Non Controlling Interest)	1,292	1,292
	* Since the modification pertains to a matter where the auditors have been unable to quantify the impact, if any, no adjustment has been made in the table above for such modification.			
II	<b>Audit Qualifications</b> <b>(a) Details of Audit Qualification</b>  We draw attention to Note 8 to the Statement, where the Management has explained reasons for not accounting for the Put Option. As explained in the said Note, the Put Option agreement was initially entered into by ATL Media Limited (ATL), a wholly owned subsidiary of the Parent on 20 January 2016 and renewed on 29 July 2019 to be valid until 30 December 2026. The Put Option agreement requires ATL to purchase the issued share capital of Veria International Limited (VIL), a related party of the Parent to the extent of 64.38% held by Living Entertainment Limited (LEL), another related party of the Parent (total exercise price of the put option \$52.50 million (Rs. 38,483 lakhs) as at 31 March 2021 (Rs. 39,270 lakhs as at 31 March 2020)). In order to secure a borrowing from Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option agreement in favour of the Bank. As explained in the note, ATL has rescinded the renewal of the Put Option from the date of its renewal and the validity of the Put Option agreement is sub-judice in the Hon'ble Supreme Court of Mauritius. In view of the above, the auditors of ATL have been unable to determine whether any adjustments are required to be made in respect of the fair value of the Put Option (including any impact in the prior			

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<p>periods) in the financial statements of ATL that have been audited and provided for inclusion in the Statement and have modified their audit report on the said financial statements of ATL on the said matter. Consequently, we are unable to comment if any adjustments are required to these consolidated financial results under Ind AS 109 'Financial Instruments' in respect of the said Put Option (including any impact in the prior periods).</p> <p>This matter was also qualified in our report on the consolidated financial results for the quarter and nine months ended December 31, 2020, quarter and half year ended 30 September 2020, quarter ended 30 June 2020 and for the quarter and year ended 31 March 2020.</p>	
(b) Type of Audit Qualification (Qualified Opinion/ Disclaimer of Opinion / Adverse Opinion)	Qualified
(c) Frequency of qualification	Continuing
<p>(d) For Audit qualification(s) where impact is quantified by the auditor, Management Views :</p> <p>Not Applicable</p>	
<p>(e) For Audit qualifications(s) where impact is not quantified by the auditor, Management Views :</p> <p>The impact is not quantifiable since the matter is sub-judice. Refer (c) (ii) below.</p>	
<p>(i) Management's estimation on the impact of audit qualification :</p> <p>The impact is not quantifiable since the matter is sub-judice. Refer (c) (ii) below.</p>	
<p>(ii) If Management is unable to estimate the impact, reasons for the same</p> <p>ATL Media Limited (ATL), an overseas wholly owned subsidiary of the Company 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. 38,483 lakhs as at 31 March 2021; Rs. 39,270 lakhs as at 31 March 2020) 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.</p> <p>During the previous year, the Bank invoked the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequently, upon inquiry, ATL became aware</p>	

2020



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 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.

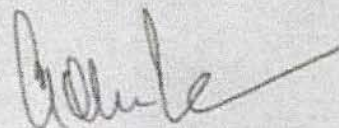
ATL does not consider that any liability will devolve on it and hence has not recognized any liability towards the fair value of the Put Option in its books of account. Further, the Management of ATL has determined that based on valuation reports of VII provided by LEL annually for subsequent periods up till 31 March 2019, the value of the underlying shares in VII was higher than the exercise price and hence no amount was required to be recognized as liability towards the fair value of the Put Option in respect of those financial year ends.

(iii) Auditors Comments on (i) or (ii) above:

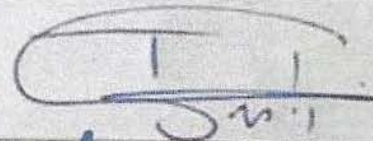
Refer our qualification in point II (a) above.

### III Signatories

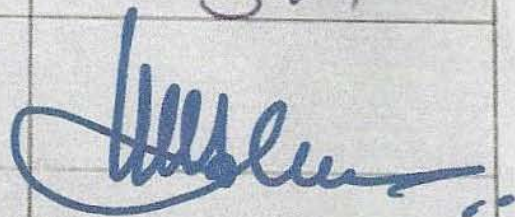
Punit Goenka  
Managing Director & CEO  
Mumbai, May 20, 2021



Rohit Kumar Gupta  
Chief Financial Officer  
New Delhi, May 20, 2021



Vivek Mehra  
Chairman of Audit Committee  
Mukteshwar, May 20, 2021



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

**ABani.**  
A. B. Jani

Partner

Membership Number 46488

UDIN: 21046488 AAAABN7220

Mumbai May 20, 2021





## Earnings Update for Q4'FY21 and FY21

Zee Entertainment Enterprises Limited – 20<sup>th</sup> May, 2021





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

# Strong advertising growth during the quarter



**+8.9%**

**Q4 domestic advertising  
revenue growth**

**+5.6%**

**Q4 domestic subscription  
revenue growth (LTL)**

**27.5%**

**EBITDA margin for the quarter  
with EBITDA of Rs. 5,408mn**



**18.9%**

**All India TV network share**

**75+**

**Original shows and movies  
released on ZEE5 in FY21**

**250%**

**Dividend announced  
by the BoD**



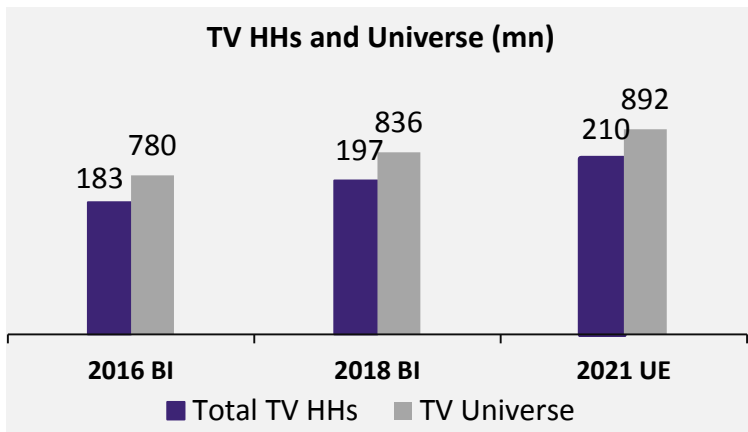


# Business Performance

# ZEE network share improves to 18.9%, continues to be India's #2 TV entertainment network

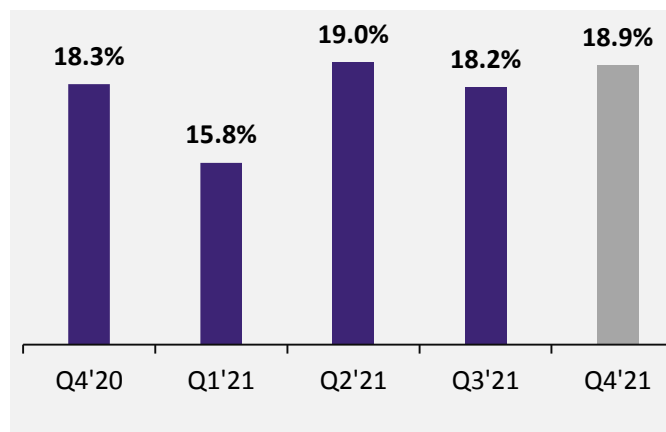


## TV reaches ~900mn people now



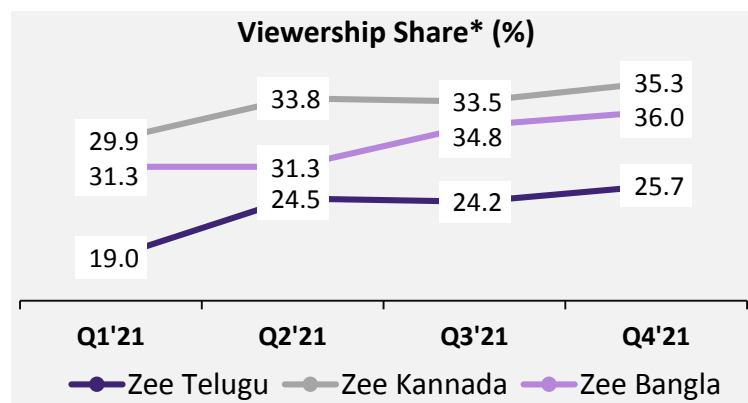
7% increase in TV universe reaffirms its status as the biggest reach media in the country

## ZEE network share improves 70bps QoQ



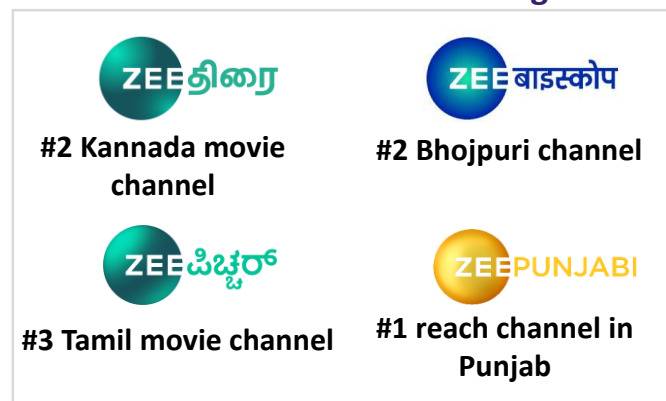
Network share grew by 70bps QoQ led by FTA and two channels in South markets

## Performance of regional channels shows improvement



Bengali, Telugu and Kannada channels improved shares during the year. Performance in Tamil and Marathi lagging expectations

## ZEE's new channels off to a strong start



In first full year of operations, ZEE's new regional channels have established strong positions in their respective markets

5 \*Relative share in respective markets; TG: U+R 2+

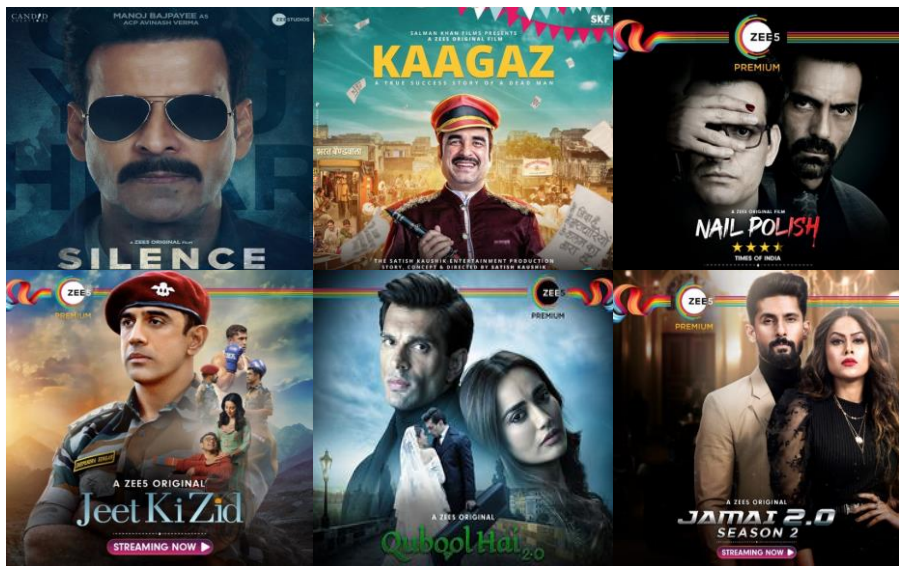


# ZEE5 released 75+ originals during FY21

ZEE

- 72.6mn global MAUs\*, 6.1mn global DAUs\* in Mar'21
- 156 minutes average watch time per viewer per month in Q4FY21
- Q4 Revenue and EBITDA# stood at Rs. 1,075mn and Rs. (1,625)mn
- Annual pricing revised to Rs. 499 to enable increased adoption of yearly subscription packs

## 14 original shows and movies released during the quarter



\*Operating KPIs based on internal data analytics

#EBITDA loss excludes costs incurred by the business on ZEEL network

## Radhey received an unprecedented response across multiple platforms

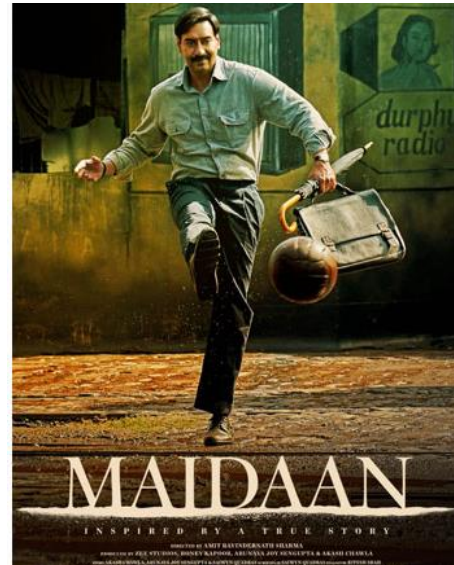
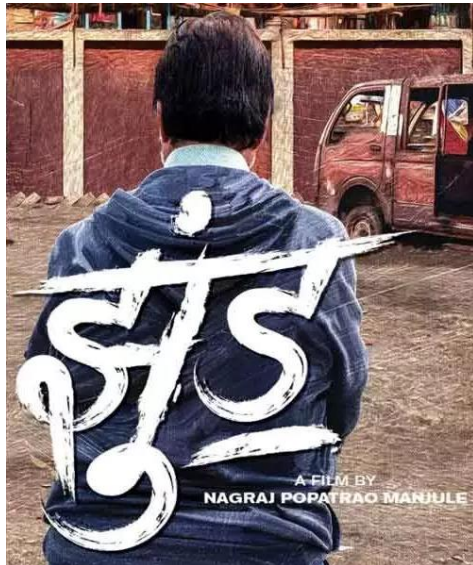


Extraordinary Together

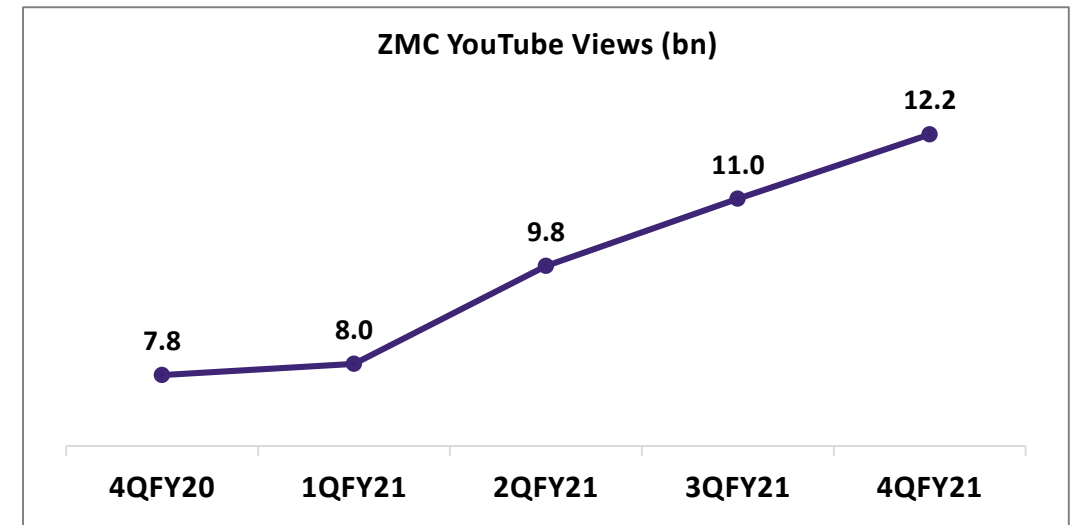
# Resurgence in COVID cases impacted the near-term plan of Movies business



- A strong slate of movies across languages in FY22
- COVID cases and lockdown guidelines will have a bearing on Zee Studios' release plans



- 50%+ YoY growth in YouTube video views, showing strong consumer affinity for ZMC music library
- ZMC added ~4mn subscribers on YouTube; with 72.8mn subscribers it is the second most subscribed Indian music channel on YouTube



Extraordinary Together



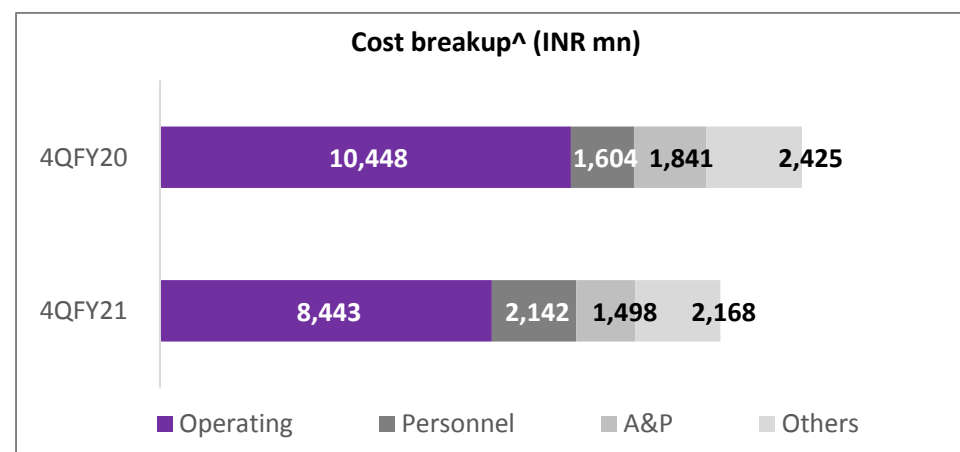
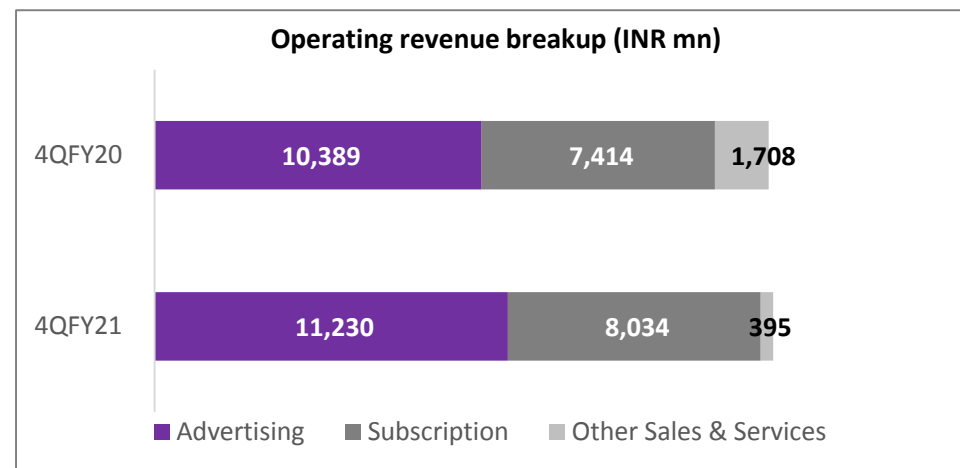


# Financial Performance

# EBITDA margin for the quarter at 27.5%

ZEE

(INR million)	4QFY21	4QFY20	Growth
Operating revenue	19,658	19,511	0.8%
Expenditure	(14,250)	(22,349)	-36.2%
<b>EBITDA</b>	<b>5,408</b>	<b>(2,839)</b>	
<b>EBITDA excluding one-offs^</b>	<b>5,408</b>	<b>3,193</b>	69.4%
Other income	186	407	-54.3%
Depreciation	(627)	(778)	-19.3%
Finance cost	(491)	(864)	-43.1%
Fair value through P&L	207	(2,787)	
Exceptional items	(295)	(1,137)	
<b>Profit Before Tax (PBT)</b>	<b>4,388</b>	<b>(7,997)</b>	
<b>PBT excl. exceptional and one-offs^^</b>	<b>4,683</b>	<b>3,006</b>	<b>55.8%</b>
Provision for Tax	(1,664)	372	
Share of Profit of Associates	1	(33)	
Minority interest	34	(9)	
<b>Profit after Tax (PAT)</b>	<b>2,758</b>	<b>(7,667)</b>	



<sup>^</sup> Excludes one offs in Operating cost (Rs. 2,598 mn) and Other costs (Rs. 3,433 mn) in 4QFY20

<sup>^^</sup> Excludes above-mentioned one offs, exceptional items and loss on sale of Investments (Rs. 3,835 mn in FVTPL) in Q4FY20

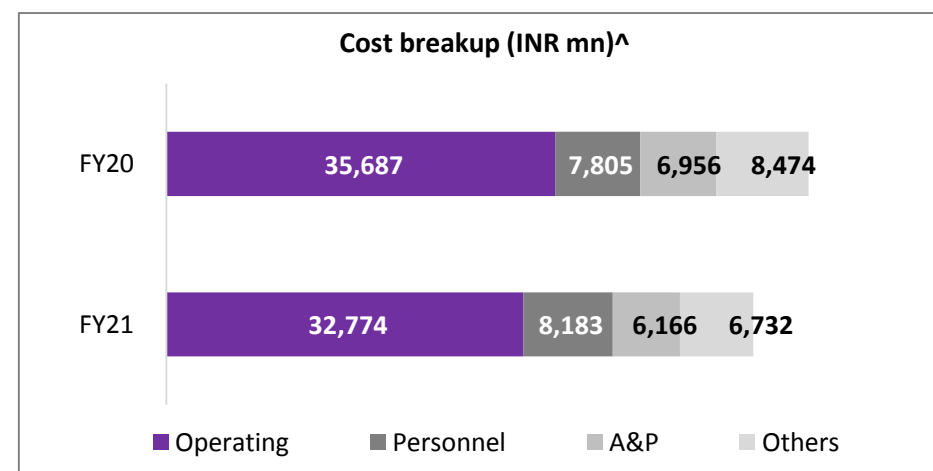
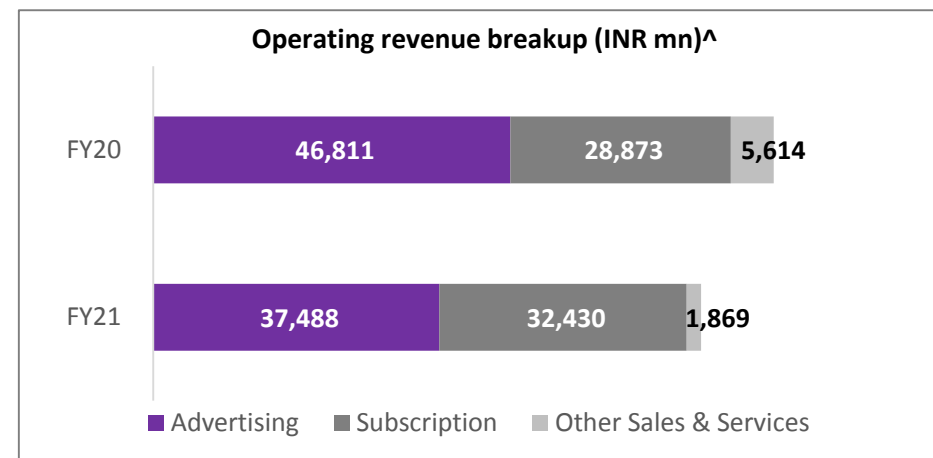
Extraordinary Together



# FY21 revenues remained suppressed due to impact of COVID in H1FY21

ZEE

(INR million)	FY21	FY20	Growth
Operating revenue	77,299	81,299	-4.9%
Expenditure	(59,398)	(64,953)	-8.6%
<b>EBITDA</b>	17,901	16,346	9.5%
<b>EBITDA excluding one-offs<sup>^</sup></b>	17,932	22,377	-19.9%
Other income	1,104	2,836	-61.1%
Depreciation	(2,649)	(2,706)	-2.1%
Finance cost	(571)	(1,449)	-60.6%
Fair value through P&L	(1,962)	(2,597)	
Exceptional items	(1,266)	(2,843)	
<b>Profit Before Tax (PBT)</b>	<b>12,556</b>	<b>9,587</b>	<b>31.0%</b>
<b>PBT excl. exceptional and one-offs<sup>^^</sup></b>	<b>13,852</b>	<b>22,297</b>	<b>-37.9%</b>
Provision for Tax	(4,625)	(4,317)	7.1%
Share of Profit of Associates	(1)	(24)	
Minority interest	70	19	
<b>Profit after Tax (PAT)</b>	<b>8,001</b>	<b>5,265</b>	<b>51.9%</b>



<sup>^</sup> FY20 excludes one offs in Operating cost (Rs. 2,598 mn) and Other costs (Rs. 3,433 mn)

<sup>10</sup> <sup>^</sup> FY21 excludes one offs for content syndication deal (Revenue of Rs. 5,512mn and operating cost of Rs. 4,730 mn), and Other costs (Rs. 812 mn)

<sup>^^</sup> Excludes above-mentioned one offs, exceptional items and loss on sale of Investments (Rs. 3,835 mn in FVTPL) in FY20

Extraordinary Together

# Strong recovery in domestic advertising continues



<b>Advertising revenues</b>	Domestic advertising revenue for the quarter grew by 8.9% YoY driven by the continued recovery in macro advertising environment; FY21 domestic advertising revenue declined by 19.7% due to impact of pandemic in H1
<b>Subscription revenues</b>	Like to like growth (excluding reclassification of music subscription revenue) of 5.6% and 5.8% for the quarter and year respectively, was primarily driven by ZEE5
<b>Other Sales &amp; Services</b>	Decreased YoY due to continued impact of pandemic on theatrical revenues and reclassification of music revenue to subscription
<b>Operating cost</b>	Programming cost (excluding one-time inventory write-off of Rs. 2,598mn in Q4FY20) declined by 19.2% during the quarter, primarily due to lower accelerated inventory amortisation this quarter; Adjusted programming cost for the year declined by 8.2% due to lower original programming during first quarter
<b>A&amp;P and Other expenses</b>	A&P and other expenses (excluding one time provision of Rs. 3,433mn in Q4FY20) declined by 14.1% YoY during the quarter; there was a decline of 16.4% in FY21 due to lower marketing spends in the first quarter
<b>International revenue break-up</b>	Advertising revenue - Rs. 526mn, Subscription revenue - Rs. 553mn, Other Sales & Services – Rs. 154mn



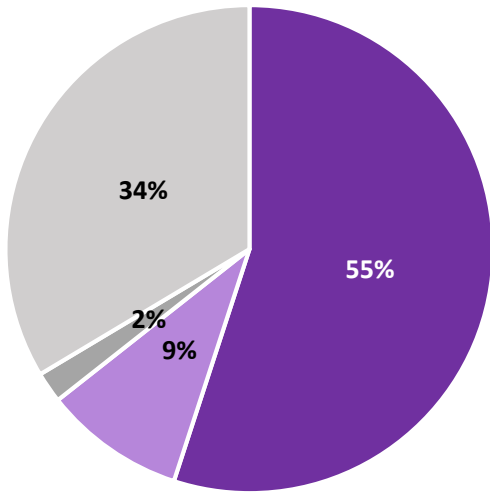
# Condensed Balance Sheet



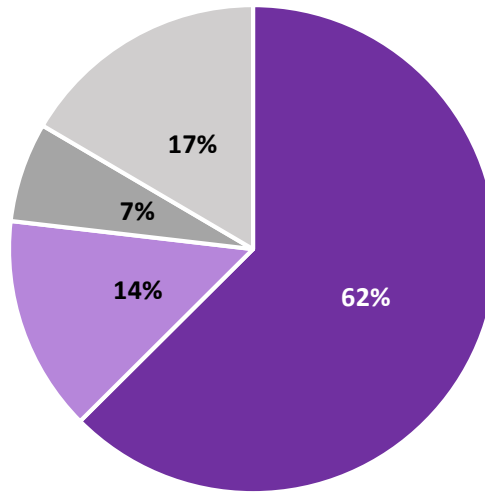
Assets (Rs. mn)	Mar'21	Sep'20	Mar' 20
<b>Non-Current Assets</b>			
Fixed assets	12,667	12,919	13,979
Investments	316	477	478
Other financial assets	347	443	429
Income tax & Deferred tax assets (net)	7,380	7,295	6,844
Others Non-Current Assets	227	102	90
<b>Current Assets</b>			
Inventories	54,030	52,086	53,475
Cash, Loans and other investments	18,574	14,177	10,115
Trade receivables	19,452	20,087	21,286
Others financial assets	3,418	3,825	3,732
Other current assets	11,035	9,691	12,804
Non-current assets - Held for Sale	742	933	945
<b>Total Assets</b>	<b>1,28,187</b>	<b>1,22,035</b>	<b>124,176</b>

Liabilities (Rs. mn)	Mar'21	Sep'20	Mar' 20
Equity Capital	1,01,074	94,409	93,549
<b>Non-Current Liabilities</b>			
Preference shares	-	3,631	2,975
Other borrowings	195	276	526
Provisions	1,546	1,432	1,405
<b>Current Liabilities</b>			
Trade Payables	13,982	13,969	16,803
Redeemable preference shares	3,832	3,631	2,975
Other financial liabilities	3,498	3,083	2,808
Other current liabilities	2,811	1,420	2,107
Provisions	163	149	121
Income tax liabilities	1,085	39	906
Deferred tax liabilities (net)	-	-	-
<b>Total Equity &amp; Liabilities</b>	<b>1,28,187</b>	<b>1,22,035</b>	<b>124,176</b>

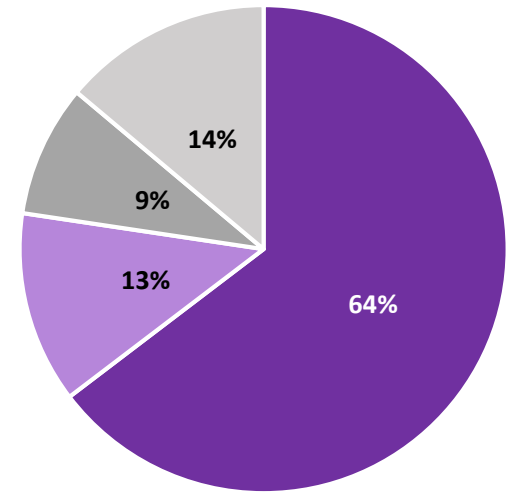
# Break-up of content inventory, advances and deposits



FY19: Rs. 58.0bn



FY20: Rs. 64.1bn



FY21: Rs. 62.7bn

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





THANK YOU