



Extraordinary Together

October 17, 2019

BSE Limited
National Stock Exchange of India Limited

Kind Attn: Manager Corporate Relationship

Dear Sirs,

Sub: Proceedings of the Board Meeting held on October 17, 2019
Re: Scrip Code – Equity Shares – BSE 505537 & NSE – ZEEL EQ
Preference Shares – BSE 717503 & NSE – ZEEL P2

The Board of Directors of the Company at the meeting held today i.e. on October 17, 2019 (which commenced at 2.10 p.m. and concluded at 5.46 p.m.) have approved the Unaudited Limited Reviewed Financial Results of the Company both on standalone and consolidated operations for the 2nd quarter of the financial year 2019-20 and half-year ended on September 30, 2019.



Copy of the Financial Results along with Earnings Release and Limited Review Certificate(s) both on standalone and consolidated Financial Statements issued by the Statutory Auditors of the Company are enclosed herewith.

Please note that the conference call to discuss performance of the Company, which was rescheduled to 5.30 p.m. today, as per communication sent some time back, has now been scheduled at 6.15 pm.

Kindly acknowledge receipt.

Yours truly,

ZEE ENTERTAINMENT ENTERPRISES LIMITED

M Lakshminarayanan
Chief Compliance Officer & Company Secretary



Encl: As above

Zee Entertainment Enterprises Limited

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

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

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

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ZEE ENTERTAINMENT ENTERPRISES LIMITED** (the Company), for the quarter and 6 months ended 30 September 2019 (the Statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 8 of the Statement which states that the statement of cash flows for the corresponding six months ended 30 September 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. We draw attention to Note 7 of the Statement regarding a fixed deposit placed by the Company with a bank of Rs 20,000 lakhs. As informed by the Company, the bank has prematurely, unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain related parties.

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These related parties have reimbursed the amount to the Company (which are included under other financial liabilities – current to the extent reimbursed until 30 September 2019), as explained in the said note. On account of non-availability of relevant information/documentation i.e. bank confirmation/communication from the bank, etc. for our review and pending outcome of the Company's investigation, including in respect of statutory and legal requirements/compliance, we are unable to comment on status/recoverability of the said fixed deposit (included under other financial assets - current), the accounting of the same including for the amounts received from the related parties and any other consequential impact on these standalone financial results.

5. Based on our review conducted as stated in paragraph 3 above, except for the effects / possible effects of the matters described in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 19046588AAAABX8793

Place: MUMBAI
Date: 17 October 2019

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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Standalone Balance Sheet

(₹ in Lakhs)

Particulars	As at 30-Sep-2019 Unaudited	As at 31-Mar-2019 Audited
A) Assets		
I) Non-current assets		
(a) Property, plant and equipment	37,816	34,774
(b) Capital work-in-progress	2,540	1,749
(c) Investment property	14,397	14,477
(d) Goodwill	30,180	30,180
(e) Other Intangible assets	6,390	8,453
(f) Financial Assets		
(i) Investments		
a) Investments in subsidiaries	62,187	62,187
b) Other investments	45,257	69,835
(ii) Other financial assets	3,192	2,890
(g) Income tax assets (net)	18,136	54,094
(h) Other non-current assets	1,762	1,676
Total non-current assets	221,857	280,315
II) Current assets		
(a) Inventories	364,323	325,642
(b) Financial assets		
(i) Other investments	26,005	25,190
(ii) Trade receivables	232,245	165,949
(iii) Cash and cash equivalents	32,081	85,850
(iv) Bank balances other than (iii) above	9,157	1,094
(v) Loans	-	17,841
(vi) Other financial assets	136,415	98,442
(c) Other current assets	77,010	86,586
Total current assets	877,236	806,594
Total Assets (I + II)	1,099,093	1,086,909
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	9,605	9,605
(b) Other equity	733,653	703,539
Total equity	743,258	713,144
B) Liabilities		
I) Non-current liabilities		
(a) Financial Liabilities - borrowings		
Redeemable preference shares	70,593	74,089
Others	2,149	172
(b) Provisions	15,605	12,488
Total non-current liabilities	88,347	86,749
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	2	1
total outstanding dues of creditors other than micro enterprises and small enterprises	127,963	130,275
(ii) Other financial liabilities		
Redeemable preference shares	35,296	37,043
Others	62,641	76,975
(b) Other current liabilities	10,532	6,674
(c) Provisions	769	564
(d) Income tax liabilities (net)	22,125	20,717
(e) Deferred tax liabilities (net)	8,160	14,767
Total current liabilities	267,488	287,016
Total liabilities (I + II)	355,835	373,765
Total equity and liabilities (A + B)	1,099,093	1,086,909



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Standalone financial results for the quarter and half year ended 30 September 2019

(` in Lakhs)

Particulars	Quarter ended on			Half year ended on		Year ended on
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations	185,165	178,989	167,712	364,154	324,038	685,786
2 Other income	5,352	9,181	5,691	14,533	10,208	18,936
Total income [1 + 2]	190,517	188,170	173,403	378,687	334,246	704,722
3 Expenses						
(a) Operational cost	81,482	69,205	54,063	150,687	111,535	240,064
(b) Employee benefits expense	16,816	15,898	12,277	32,714	24,257	54,186
(c) Finance costs	1,723	1,964	500	3,687	1,003	12,842
(d) Depreciation and amortisation expenses	3,495	4,861	4,109	8,356	8,123	15,894
(e) Fair value loss/(gain) on financial instruments at fair value through profit and loss	21,372	(6,220)	6,569	15,152	9,120	(677)
(f) Advertisement and publicity expenses	9,109	17,080	13,593	26,189	23,961	58,222
(g) Other expenses	15,178	12,297	19,241	27,475	35,292	62,472
Total expenses [3(a) to 3(g)]	149,175	115,085	110,352	264,260	213,291	443,003
4 Profit before tax and exceptional item [2 - 3]	41,342	73,085	63,051	114,427	120,955	261,719
5 Exceptional item (Refer note 5 and 6)	(17,062)	-	-	(17,062)		(2,180)
6 Profit before Tax [4 + 5]	24,280	73,085	63,051	97,365	120,955	259,539
7 Tax expense :						
(a) Current tax	9,924	24,193	24,944	34,117	45,056	94,819
(b) Current tax - earlier years	123	(1,560)	-	(1,437)	-	(2,095)
(c) Deferred tax	(5,526)	(767)	407	(6,293)	1,550	1,334
Total tax expense [7(a) + 7(b) + 7(c)]	4,521	21,866	25,351	26,387	46,606	94,058
8 Profit for the period / year [6 - 7]	19,759	51,219	37,700	70,978	74,349	165,481
9 Other comprehensive (loss)/income						
Items that will not be reclassified to profit or loss						
(a) (i) Re-measurment of defined benefit obligation	(201)	(1,046)	77	(1,247)	(186)	(1,038)
(ii) Fair value changes of equity instruments through other comprehensive income	67	508	(460)	575	(571)	(190)
(b) Income tax relating to items that will not be reclassified to profit or loss	(51)	365	(27)	314	65	363
Total other comprehensive (loss) [9(a) to 9(b)]	(185)	(173)	(410)	(358)	(692)	(865)
10 Total comprehensive income [8 + 9]	19,574	51,046	37,290	70,620	73,657	164,616
11 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605	9,605
12 Other equity						703,539
13 Earnings per share (not annualised) :						
Basic (₹)	2.06	5.33	3.93	7.39	7.74	17.23
Diluted (₹)	2.06	5.33	3.93	7.39	7.74	17.23

Standalone Statement of Cash Flow half year ended 30 September 2019

(₹ in Lakhs)

Particulars	30-Sep-19 Unaudited	31-Mar-19 Audited	30-Sep-18 Unaudited (Refer note 8)
A. Cash flow from operating activities			
Profit before tax	97,365	259,539	120,955
Adjustments for:			
Depreciation and amortisation expense	8,356	15,894	8,123
Allowances for doubtful debts and advances	3,159	1,304	1,093
Exceptional item	17,062	2,180	-
Bad debts and advances written off	-	41	15
Share based payment expense	22	121	29
Liabilities and excess provision written back	(3)	(1,102)	(109)
Unrealised loss on exchange adjustments (net)	75	134	-
Profit/Loss on sale or impairment of property, plant and equipment (net)	(28)	136	(13)
Interest expenses	208	1,332	8
Fair value (gain) / loss on financial instruments at fair value through profit and loss	15,152	(677)	9,120
Loss on sale of investments	-	2,310	2,158
Dividend on redeemable preference shares	748	11,491	991
Dividend income	(46)	(59)	(49)
Net gain on sale of investments classified as fair value through profit and loss	(343)	(2,682)	(1,856)
Interest income	(11,550)	(8,815)	(4,135)
Operating profit before working capital changes	130,177	281,147	136,330
Adjustments for:			
(Increase) in inventories	(38,678)	(107,641)	(3,740)
(Increase) in trade and other receivables	(98,213)	(154,776)	(66,012)
(Decrease)/Increase in trade and other payables	(3,720)	90,570	7,314
Cash generated from operations	(10,434)	109,300	73,892
Direct taxes refund / (paid) (net)	4,683	(82,973)	(32,855)
Net cash flow (used in) / from operating activities (A)	(5,751)	26,327	41,037
B. Cash flow from investing activities			
Purchase of property, plant and equipment / capital work-in-progress	(5,624)	(7,477)	(2,492)
Purchase of intangible assets	(820)	(3,240)	(2,680)
Sale of property, plant and equipment / intangible assets	100	129	25
Fixed deposit invested	(8,800)	(860)	(15,971)
Fixed deposit matured	730	67,492	57,465
Receipt towards sale of shares of associate company	-	19	-
Purchase of non current investments	(150)	(12,486)	(12,486)
Sale of non current investments	4,911	1,200	600
Purchase of current investments	(165,000)	(278,500)	(204,500)
Sale / redemption of current investments	165,343	331,589	208,075
Dividend received from others	44	44	-
Interest received	11,483	8,163	3,079
Net cash flow from investing activities (B)	2,217	106,073	31,115
C. Cash flow from financing activities			
Redemption of redeemable preference shares	-	(48,910)	(11)
Proceeds from long-term borrowings	10	206	7
Repayment of long-term borrowings	(764)	(99)	(15)
Dividend paid on equity shares	(40,520)	(33,569)	(33,568)
Dividend paid on Redeemable Non-Convertible Preference Shares	(8,753)	(13,769)	(11,021)
Interest paid	(208)	(477)	(8)
Net cash flow (used in) financing activities (C)	(50,235)	(96,618)	(44,616)
Net cash flow during the period/year (A+B+C)	(53,769)	35,782	27,536
Cash and cash equivalents at the beginning of the period/year	85,850	50,068	50,068
Net cash and cash equivalents at the end of the period/year	32,081	85,850	77,604



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Notes to standalone financial results

1. The unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 17 October 2019. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. In relation to the listed 6% Cumulative Redeemable Non-convertible Preference Shares (ISIN : INE256A04022) of the Company, the following information is disclosed as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in lakhs)

Particulars	30 September 2019	31 March 2019
Outstanding listed redeemable preference shares 2,016,942,312 of Rs. 6 each (Paid-up value) (31 March 2019 : 2,016,942,312 of Rs. 6 each)	121,017	121,017
Net worth** as at	849,147	824,276
Cumulative profit for the period/year ended*	70,978	165,479
Free reserves as at	636,138	606,599
Securities premium account balance as at	-	-
Dividend payment on Preference Shares for the financial year 2018-19 and 2017-18 paid before the due date	7,261	9,509
Breach of any covenants under the terms of non-convertible preference shares for the year ended	Nil	Nil
Credit rating by Brickworks rating for the year ended***	Refer note below	
Next due date for the payment of dividend	15 April 2020	
Previous due date the payment of dividend	15 April 2019	
Amount of dividend and principal payable	As per terms of issue dividend @6% p.a. is payable on preference shares and the 20% of the principal value i.e. Rs. 2 per preference share is due for redemption in March 2020	

*Excludes other comprehensive income

** Includes 6% Cumulative Redeemable Non-convertible preference share capital of Rs. 105,889 Lakhs as at 30 September 2019 and Rs. 111,132 Lakhs as at 31 March 2019.

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*** During the period under review, Brickwork Ratings India Private Ltd had re-affirmed the rating assigned to the Company as the issuer and Bonus Preference Shares of the Company, listed at the Stock Exchanges, at 'BWR AAA' which denotes that the instruments with this rating are considered as having highest degree of safety regarding timely servicing of financial obligations. In June 2019, on account of the announcement stake sale in the Company by the Promoter entities to strategic partner, the outlook of such rating was revised from 'Credit watch with developing implication' to 'Credit watch with Negative implications'.

4. The Company operates in a single reporting segment namely 'Content and Broadcasting'
5. As at 31 March 2019, the Company had 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 based on the fair value less cost of disposal. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 2,180 lakhs in the quarter and year ended 31 March 2019 and disclosed as 'Exceptional item'.
6. The Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, during the quarter ended 30 September 2019, the aforesaid amount has been provided for and disclosed as 'Exceptional item'. Interest on the aforesaid ICD has been received till 31 March 2019.
7. The Company had a fixed deposit with a bank of Rs. 20,000 lakhs. During the quarter ended 30 September 2019, the bank has prematurely, unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain related parties. Subsequently, these related parties have reimbursed the amounts to the Company, aggregating Rs 13,330 lakhs before 30 September 2019 (recorded as other financial liabilities) and Rs 6,670 lakhs after the quarter end. The Company is in the process of investigating, seeking legal advice on the appropriate action to be taken as well as compliance with statutory and legal requirements.
8. The standalone statement of cash flow for the half year ended 30 September 2018 as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected review / audit by the auditors.
9. Effective 1 April 2019, the Company adopted Ind AS 116 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the unaudited standalone financial results for the quarter and half year ended 30 September 2019.

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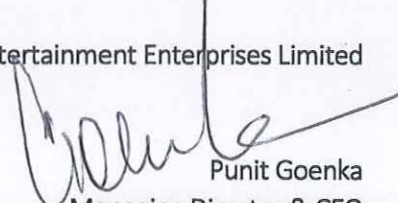
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10. During the half year ended 30 September 2019, the Company has issued and allotted 15,265 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,481,765 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.

For and on behalf of the Board

Zee Entertainment Enterprises Limited



Punit Goenka
Managing Director & CEO

Place: Mumbai

Date : 17 October 2019

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

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ZEE ENTERTAINMENT ENTERPRISES LIMITED** (the Parent) and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its associate and joint venture for the quarter and half year ended 30 September 2019 (the Statement) being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 6 to the Statement which states that the statement of consolidated cash flows for the corresponding half year ended 30 September 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.

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

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

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5. We draw attention to Note 5 of the Statement regarding a fixed deposit placed by the Parent with a bank of Rs 20,000 lakhs. As informed by the Parent, the bank has prematurely, unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain related parties. These related parties have reimbursed the amount to the Parent (which are included under other financial liabilities – current to the extent reimbursed until 30 September 2019), as explained in the said note. On account of non-availability of relevant information/documentation i.e. bank confirmation/communication from the bank, etc. for our review and pending outcome of the Parent's investigation, including in respect of statutory and legal requirements/compliance, we are unable to comment on status/recoverability of the said fixed deposit (included under other financial assets - current), the accounting of the same including for the amounts received from the related parties and any other consequential impact on these consolidated financial results.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the effects / possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial results of 8 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets Rs. 566,635 as at 30 September 2019, total revenues of Rs. 43,409 lakhs and Rs 85,577 lakhs for the quarter and half year ended 30 September 2019 respectively, total net profit after tax of Rs. 12,136 lakhs and Rs 17,230 lakhs for the quarter and half year ended 30 September 2019 respectively and total comprehensive income of Rs. 121,136 Lakhs and Rs. 17,239 lakhs for the quarter and half year ended 30 September 2019 respectively and net cash flows of Rs. (1,303) for the half year ended 30 September 2019, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

8. The consolidated unaudited financial results includes the interim financial results of 21 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect, total assets of Rs. 45,246 as at 30 September 2019, total

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revenue of Rs. 13,872 lakhs and Rs 24,049 lakhs for the quarter and half year ended 30 September 2019 respectively and total profit after tax of Rs. 1,415 lakhs and Rs 2,252 lakhs for the quarter and half year ended 30 September 2019 respectively, and total comprehensive income of Rs. 1,415 Lakhs and Rs. 2,247 lakhs for the quarter and half year ended 30 September 2019 respectively and net cash flows of Rs. 6,789 for the half year ended 30 September 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of (loss)/profit after tax of Rs. (123) lakhs and Rs 107 lakhs for the quarter and half year ended 30 September 2019 respectively and total comprehensive (loss)/income of Rs. (123) lakhs and Rs 107 lakhs for the quarter and half year ended 30 September 2019 respectively, as considered in the Statement, in respect of an associate and a joint venture, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A. B. Jani
Partner

Membership No. 46488
UDIN: 19046488AAAABY6972

Place: MUMBAI

Wb Date: 17 October 2019



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

www.zeeentertainment.com

Consolidated financial results for the quarter and half year ended 30 September 2019

(` in Lakhs)

Particulars	Quarter ended on			Half year ended on		Year ended on
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations						
(a) Advertisement revenue	122,466	118,671	121,060	241,137	235,661	503,666
(b) Subscription revenue	72,350	70,877	60,816	143,227	112,680	231,054
(c) Other sales and services	17,385	11,264	15,710	28,649	26,448	58,670
2 Other income	6,812	10,391	5,893	17,203	10,868	25,145
Total income [1(a) to 1(c) + 2]	219,013	211,203	203,479	430,216	385,658	818,535
3 Expenses						
(a) Operational cost	89,625	78,002	72,634	167,627	139,466	307,579
(b) Employee benefits expense	21,226	20,033	16,872	41,259	34,010	72,494
(c) Finance costs	1,797	2,051	545	3,848	1,074	13,043
(d) Depreciation and amortisation expense	5,833	6,899	5,884	12,732	11,648	23,473
(e) Fair value loss/(gain) on financial instruments at fair value through profit and loss	875	(6,788)	2,202	(5,913)	4,331	(364)
(f) Advertisement and publicity expenses	12,526	19,546	16,505	32,072	30,521	69,927
(g) Other expenses	19,531	17,256	24,003	36,787	46,655	86,996
Total expenses [3(a) to 3(g)]	151,413	136,999	138,645	288,412	267,705	573,148
4 Profit before share of profit/(loss) of associates and joint ventures, exceptional item and taxes [1+2-3]	67,600	74,204	64,834	141,804	117,953	245,387
5 Share of (loss) /profit of associates/joint ventures	(120)	230	18	110	194	243
6 Profit before exceptional items and tax [4 + 5]	67,480	74,434	64,852	141,914	118,147	245,630
7 Exceptional items (Refer note 3 and 4)	(17,062)	-	-	(17,062)	-	(2,180)
8 Profit before tax [6 + 7]	50,418	74,434	64,852	124,852	118,147	243,450
9 Tax expense :						
(a) Current tax - current year	10,410	24,346	25,653	34,756	46,136	96,855
(b) Current tax - earlier years	123	(1,560)	-	(1,437)	-	(11,473)
(c) Deferred tax	(1,324)	(1,328)	589	(2,652)	812	1,344
Total tax expense [9(a) + 9(b) + 9(c)]	9,209	21,458	26,242	30,667	46,948	86,726
10 Profit for the period/year [8 - 9]	41,209	52,976	38,610	94,185	71,199	156,724
11 Other comprehensive income/(loss)						
(A) Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	(201)	(1,039)	74	(1,240)	(198)	(990)
(ii) Fair value changes of equity instruments through other comprehensive income	74	508	(901)	582	(1,588)	(880)
(b) Income tax relating to items that will not be reclassified to profit or loss	(50)	362	(26)	312	68	346
(B) Items that will be reclassified to profit or loss						
(a) Exchange differences on translation of financial statements of foreign operations	6,145	(2,702)	14,386	3,443	23,426	14,488
Total other comprehensive income/(loss) [11(A) + 11(B)]	5,968	(2,871)	13,533	3,097	21,708	12,964
12 Total comprehensive income [10 + 11]	47,177	50,105	52,143	97,282	92,906	169,688
13 Profit for the year attributable to :						
Shareholders of the Company	41,323	53,057	38,667	94,380	71,306	156,709
Non-controlling interests	(114)	(81)	(57)	(195)	(107)	15
14 Total comprehensive income attributable to						
Shareholders of the Company	47,291	50,186	52,200	97,477	93,013	169,673
Non-controlling interests	(114)	(81)	(57)	(195)	(107)	15
15 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605	9,605
16 Other equity						882,785
17 Earnings per Share (not annualised) :						
Basic (₹)	4.30	5.52	4.03	9.83	7.42	16.32
Diluted (₹)	4.30	5.52	4.03	9.83	7.42	16.32



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Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	As at 30-Sep-2019 Unaudited	As at 31-Mar-2019 Audited
ASSETS		
I) Non-current assets		
(a) Property, plant and equipment	72,556	59,587
(b) Capital work-in-progress	3,838	10,826
(c) Investment property	15,377	15,510
(d) Goodwill	52,516	52,520
(e) Other intangible assets	12,316	13,834
(f) Intangible assets under development	4,923	4,780
(g) Financial Assets		
(i) Investments		
(a) Investments in associates	82	30
(b) Investments in joint ventures	2,230	2,174
(c) Other investments	6,015	9,690
(ii) Other financial assets	5,569	5,232
(h) Income tax assets (net)	44,766	79,822
(i) Other non-current assets	3,455	5,906
Total non-current assets	223,643	259,911
II) Current assets		
(a) Inventories	430,591	385,053
(b) Financial assets		
(i) Other Investments	84,775	85,759
(ii) Trade receivables	241,846	182,739
(iii) Cash and cash equivalents	48,602	96,769
(iv) Bank balances other than (iii) above	9,860	25,414
(v) Loans	2,851	21,347
(vi) Other financial assets	137,602	100,547
(c) Other current assets	146,544	135,760
Total current assets	1,102,671	1,033,388
Total Assets (I + II)	1,326,314	1,293,299
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	9,605	9,605
(b) Other equity	939,906	882,785
Equity attributable to shareholders (a) + (b)	949,511	892,390
Non controlling interests	1,098	1,431
Total equity	950,609	893,821
B) Liabilities		
I) Non current liabilities		
(a) Financial Liabilities		
(i) Borrowings		
Redeemable preference shares	70,593	74,089
Others	3,056	204
(b) Provisions	16,709	13,500
Total non-current liabilities	90,358	87,793
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	140,750	148,968
(ii) Other financial liabilities		
Redeemable preference shares	35,296	37,044
Others	65,822	80,292
(b) Other current liabilities	11,562	10,956
(c) Provisions	1,340	1,007
(d) Income tax liabilities (net)	22,337	20,795
(e) Deferred tax liabilities (net)	8,240	12,623
Total current liabilities	285,347	311,685
Total liabilities (I + II)	375,705	399,478
Total equity and liabilities (A + B)	1,326,314	1,293,299



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Consolidated Statement of Cash Flow for half year ended 30 September 2019

(₹ in Lakhs)

Particulars	30-Sep-19	31-Mar-19	30-Sep-18
	Unaudited	Audited	Unaudited (Refer note 6)
A. Cash flow from operating activities			
Profit before tax	124,852	243,450	118,147
Adjustments for:			
Depreciation and amortisation expense	12,732	23,473	11,648
Allowances for doubtful debts and advances	6,334	8,339	3,632
Exceptional item	17,062	2,180	-
Bad debts and advances written off	-	43	17
Share based payment expense	22	121	29
Liabilities and excess provision written back	(3)	(1,110)	(111)
Unrealised loss / (gain) on exchange adjustments (net)	75	134	-
(Profit)/Loss on sale or impairment of Property, plant and equipment (net)	(28)	242	36
Interest expenses	370	1,391	20
Loss on sale of investments	-	2,189	2,158
Net gain on investments classified at fair value through profit loss	(348)	(2,918)	(1,875)
Dividend on redeemable non convertible preference shares	748	11,491	991
Fair value (gain) / loss on financial instruments at fair value through profit and loss	(5,913)	(364)	4,331
Share of profit in associates and joint ventures	(110)	(243)	(194)
Dividend income	(46)	(59)	(50)
Interest income	(12,264)	(10,328)	(4,590)
Operating profit before working capital changes	143,483	278,031	134,189
Adjustments for:			
(Increase) in inventories	(45,895)	(115,420)	(7,192)
(Increase) in trade and other receivables	(113,131)	(142,553)	(72,099)
(Decrease)/Increase in trade and other payables	(12,337)	86,455	10,993
Cash generated from operations	(27,880)	106,513	65,891
Direct taxes refund / (paid) (net)	3,279	(92,995)	(35,546)
Net cash flow (used in) / from operating activities (A)	(24,601)	13,518	30,345
B. Cash flow from investing activities			
Purchase of property, plant and equipment / capital work-in-progress	(6,282)	(19,675)	(10,016)
Purchase of intangible assets	(3,273)	(8,563)	(4,765)
Sale of property, plant and equipment / intangible assets	98	92	14
Fixed deposit invested	(9,505)	(25,053)	(15,982)
Fixed deposit matured	25,053	67,492	57,465
Purchase of non current investments	(150)	(100)	-
Proceeds from sale of non current investments	4,372	1,310	-
Purchase of current investments (net)	(166,500)	(278,500)	(204,500)
Sale / redemption of current investments	169,990	336,592	209,493
Loans repaid by others	1,472	2,933	-
Dividend received	46	59	-
Interest received	11,535	10,041	4,650
Net cash flow from investing activities (B)	26,856	86,628	36,359
C. Cash flow from financing activities			
Redemption of redeemable preference shares and tax thereon	-	(48,910)	(11)
Proceeds from long-term borrowings	10	256	7
Repayment of long-term borrowings	(905)	(109)	(15)
Dividend paid on equity shares and tax thereon	(40,520)	(33,569)	(33,568)
Dividend paid on Redeemable Non-Convertible Preference Shares	(8,753)	(13,769)	(11,021)
Interest paid	(370)	(536)	(20)
Net cash flow (used in) financing activities (C)	(50,538)	(96,637)	(44,628)
Net cash flow during the period/year (A+B+C)	(48,283)	3,509	22,076
Effect of exchange differences on translation of foreign currency cash and cash equivalents	116	(186)	2,147
Cash and cash equivalents at the beginning of the year	96,769	93,446	93,446
Net cash and cash equivalents at the end of the period/year	48,602	96,769	117,669



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Notes to consolidated financial results

1. The unaudited consolidated financial results of Zee Entertainment Enterprises Limited (the Company) and its subsidiaries (collectively referred as the Group) and its share of the profit/(loss) of its joint venture and associates have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their meetings held on 17 October 2019. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. As at 31 March 2019, the Company had 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 based on the fair value less cost of disposal. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 2,180 lakhs in the quarter and year ended 31 March 2019 and disclosed as 'Exceptional item'.
4. The Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, during the quarter ended 30 September 2019, the aforesaid amount has been provided for and disclosed as 'Exceptional item'. Interest on the aforesaid ICD has been received till 31 March 2019.
5. The Company had a fixed deposit with a bank of Rs. 20,000 lakhs. During the quarter ended 30 September 2019, the bank has prematurely, unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain related parties. Subsequently, these related parties have reimbursed the amounts to the Company, aggregating Rs 13,330 lakhs before 30 September 2019 (recorded as other financial liabilities) and Rs 6,670 lakhs after the quarter end. The Company is in the process of investigating, seeking legal advice on the appropriate action to be taken as well as compliance with statutory and legal requirements.
6. The consolidated statement of cash flow for the half year ended 30 September 2018 as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected review / audit by the auditors.

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7. Effective 1 April 2019, the Group adopted Ind AS 116 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the unaudited consolidated financial results for the quarter and half year ended 30 September 2019.
8. During the half year ended 30 September 2019, the Company has issued and allotted 15,265 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 960,481,765 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
9. 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 : 17 October 2019



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Strong performance in a challenging environment

26.8% YoY growth in Q2FY20 domestic subscription revenue

1.4% YoY growth in Q2FY20 domestic advertising revenue

7.4% YoY growth in Q2FY20 consolidated revenue

EBITDA at Rs. 6,929 mn, EBITDA Margin of 32.7%

Profit after tax grew by 6.9% YoY to Rs. 4,132 mn

ZEE5 recorded peak DAU base of 8.9 mn in September

Q2FY20 HIGHLIGHTS

- ❖ Total revenue for the quarter was Rs. 21,220 million, growth of 7.4% YoY. The growth was driven by the strong performance of domestic broadcast and digital businesses.
- ❖ Advertising revenue for the quarter was Rs. 12,247 million, growth of 1.2% YoY. Domestic advertising revenue grew by 1.4% YoY to Rs. 11,690 million. International advertising revenue for the quarter was Rs. 557 million.
- ❖ Subscription revenue for the quarter was Rs. 7,235 million, growth of 19.0% YoY. Domestic subscription revenue grew by 26.8% YoY to Rs. 6,459 million. International subscription revenue was Rs. 776 million.
- ❖ EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter grew by 2.5% to Rs. 6,929 million and EBITDA margin stood at 32.7%.
- ❖ ZEE5 recorded a peak DAU (Daily Active User) base of 8.9mn in the month of September.
- ❖ ZEEL's television network had an all-India viewership share of 18.4% during the quarter.



Extraordinary Together

Mumbai, October 17, 2019: The Board of Directors in its meeting held today has approved and taken on record the unaudited consolidated financial results of Zee Entertainment Enterprises Limited (ZEEL) (BSE: 505537, NSE: ZEEL.EQ) and its subsidiaries for the quarter ended September 30, 2019.

For the second quarter of FY20, ZEEL reported consolidated revenue of Rs. 21,220 million. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.6,929 million with an EBITDA margin of 32.7%. PAT for the quarter was Rs. 4,132 million.

Mr. Punit Goenka, Managing Director and CEO, ZEEL, commented, "I am pleased with the performance we have exhibited during the quarter. Our entertainment portfolio continues to grow from strength to strength across all formats and maintained its leading position. Our television network has emerged stronger post the implementation of tariff order on the back of a strong customer connect and brand pull of its channels. ZEE5 continued to gain traction across audience segments and markets, driven by its compelling content library and expanding list of partnerships across the digital eco-system.

This strong operating performance allowed us to deliver industry leading growth in both advertising and subscription despite the tough macro-economic environment. Domestic subscription growth of 27% has reaffirmed the value proposition our television network has built over the years. The impact of tariff order has now largely settled down and has brought increased transparency along with improved monetization. Our domestic advertising revenue growth, though significantly lower than historical trend, is higher than the industry growth. We have witnessed an improvement in ad spends through the quarter and we believe that the onset of festive season along with measures taken by the government will help revive the consumption growth."

BUSINESS PERFORMANCE

Domestic Broadcast Business

During 2QFY20, our television network had an all-India viewership share of 18.4%. While we have maintained our viewership share in the Hindi GEC segment, the network continues to strengthen its position the Hindi movie cluster and Regional portfolio.

Our channels have seen strong acceptance across markets under the new tariff regime, especially in the regional markets. Reach of all the pay channels had been impacted during the implementation of new tariff order. In the regional markets, there has been a strong revival of reach post the disruption in early days of the NTO, and in almost all these markets, recovery in reach has been better than competition.



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Zee TV was the #2 channel in the pay Hindi GEC segment, led by leadership in the core weekday primetime viewership band. Our strong movie library helped further consolidate our #1 position in the pay **Hindi movie genre**, recording its highest ever viewership share.

Our regional portfolio continued to gain traction across markets during the quarter. We maintained leadership position in the **Marathi, Bangla** and **Kannada** markets. While **Zee Tamil** and **Zee Telugu** witnessed a marginal decline in overall viewership due to high impact non-fiction shows launched by competition, the channels have maintained their share in the fiction genre. **Zee Keralam**, continued to gain share in the Malayalam market led by performance of fiction shows, reaching 8% viewership share in less than a year of launch. Our portfolio of regional movie channels – **Zee Talkies, Zee Bangla Cinema** and **Zee Cinemalu** continued to perform strongly. We continue to be on track for the launch of new regional channels, in line with our plans.

Digital Business

ZEE5, one of India's leading digital entertainment platform, continued to delight its audience with exciting and innovative content.

- ZEE5 recorded a peak DAU (Daily Active User) base of 8.9mn in September'19
- ZEE5 users watched an average of 120 minutes of content on the platform in September'19
- 23 original shows and movies in 5 languages launched during the quarter
- Launched ad-suite products Ampli5, Ad Vault, Infonomics, Play5 and Wish Box to offer holistic advertising solutions

ZEE5 continues to be the biggest producer of digital original content in India. Further strengthening its position during the quarter, ZEE5 launched 23 original shows and movies, of which 13 were in regional languages. While shows like *Rejctx* were targeted at millennials and early adopters of OTT, TV spin-off shows like *Ishq Aaj Kal* and *Jamai 2.0* were created to leverage the huge AVOD user base and drive them towards becoming paid subscribers. During the quarter, we entered into a content co-production deal with one of India's leading production houses, putting us in the pole position for original content line up. As part of this deal, 3 Hindi shows were released in the month of September, increasing the pace of expansion of original content library. ZEE5 also premiered 52 movies across languages, making it the default destination for audience seeking premium content.

To strengthen its proposition to advertisers, ZEE5 launched 5 ad-suite products – Ampli5, Ad Vault, Infonomics, Play5 and Wish Box. These products will allow ZEE5 to offer wide-ranging and customized advertising solutions to brands. It will help ZEE5 cater to a wider advertiser base and create deeper partnerships.



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ZEE5 is one of the most widely available entertainment platforms across telcos, OEMs, ISPs, and e-commerce platforms. During the quarter, ZEE5 entered into partnerships with TataSky Binge, IRCTC, OYO, Flipkart Coins and several other players in the digital eco-system. It is also available as a pre-installed app on select Samsung smartphones. Tapping one of the fastest growing Smart TV ecosystems with presence across 45 brands and comprehensive delivery across all Operating Systems gives ZEE5 an added advantage in distribution. Along with increasing reach, ZEE5 is gearing up to launch a renewed platform with a new UI/UX and additional functionalities on both app and web this quarter.

ZEE5's international expansion initiatives witnessed a strong traction in APAC and MENA markets of Sri Lanka, Bangladesh, Dubai and UAE. A mix of high-decibel launch campaigns and ground connect events has helped ZEE5 attract audience looking for quality Indian content. To maximize reach and revenue, ZEE5 is partnering with local telcos and content distributors in these countries. ZEE5 won the 'Digital Content Service of The Year' at the Telecoms World Middle East Awards 2019, Dubai, one of the most prestigious awards in the region.

International Business

During the quarter, ZEEL's International business revenue was Rs. 2,082 million. The advertising and subscription revenues declined by 4.0% YoY and 21.5% YoY, respectively. Break-down of international business revenues for the first quarter is as below:

- Advertisement Revenue of Rs. 557 mn
- Subscription Revenue of Rs. 776 mn
- Other Sales and Services Revenue of Rs. 749 mn

Movies & Music Business

Zee Studios, our movie production and distribution business, produced *Pal Pal Dil Ke Paas (Hindi)* and *Surkhi Bindi (Punjabi)* and distributed 2 movies in India. In addition, 6 films across 3 languages were distributed in the international territories during the quarter.

Zee Music Company, our music label, continued with the library expansion of both Bollywood and regional music. The music label registered ~7.1 billion views on YouTube in Q2. Zee Music Company is the second most subscribed Indian music channel on YouTube with over 44 million subscribers.

Live Events

Zee Live hosted Russel Peters for second season of *Supermoon Comic* with shows across Pune, Hyderabad and Ahmedabad. The upcoming events under Zee Live will see new IPs targeted at kids and an extension of *Supermoon* format to music events.



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CONDENSED STATEMENT OF OPERATIONS

Consolidated operating revenue for the second quarter of FY20 stood at Rs. 21,120 million, recording a growth of 7.4% on YoY basis. EBITDA for the quarter ended September 30, 2019 was Rs. 6,929 million, translating into EBITDA margin of 32.7%. Profit After Tax (PAT) for the quarter was Rs. 4,132 million.

The following table presents the consolidated financial statement of ZEEL and its subsidiaries for the second quarter of FY20:

(Rs. million)	Q2FY20	Q2FY19	Growth
Operating Revenue	21,220	19,759	7.4%
Expenditure	14,291	13,001	9.9%
EBITDA	6,929	6,757	2.5%
Add: Other Income	681	589	15.6%
Less: Depreciation	583	588	-0.9%
Less: Finance Cost	180	55	
Less: Fair Value Through P&L	87	220	
PBT before exceptional items	6,760	6,483	4.3%
Exceptional Items	-1,706	-	
PBT after exceptional items	5,054	6,483	-22.1%
Less: Tax Expense	921	2,624	-64.9%
Add: Share of Profit of Associates	(12)	2	
Less: Minority Interest	(11)	(6)	
Profit After Tax (PAT)	4,132	3,867	6.9%

NOTES

A: Previous period figures have been regrouped wherever necessary.

B: Numbers may not add up due to rounding

REVENUE STREAMS

ZEEL has three sources of revenue - advertising, subscription and other sales and services. Other sales and services include revenues from our movie production business, music label, content syndication, and commission on sales amongst others. The following table contains break-down of consolidated revenues.

(Rs. million)	Q2FY20	Q2FY19	Growth
Advertising revenue	12,247	12,106	1.2%
Subscription revenue	7,235	6,082	19.0%
Other sales and services	1,738	1,571	10.7%
Total Revenue	21,220	19,759	7.4%

Refer Notes A and B above



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Advertising revenues

During the second quarter, ZEEL's consolidated advertising revenue grew by 1.2% YoY to Rs. 12,247 million. Domestic advertising revenues grew by 1.4% YoY to Rs. 11,690 million. The domestic advertising revenue growth was impacted by the tough macro-economic environment which had a negative effect on demand across categories. The impact on growth due to conversion of two channels from FTA to pay in March continued during the quarter. As the quarter progressed, advertising spends witnessed a gradual improvement helped by the onset of festive season. The full year advertising growth will depend on the sustenance of this trend post the festive season.

Subscription revenues

ZEEL's consolidated subscription revenue grew by 19.0% to Rs. 7,235 million during the quarter. Domestic subscription revenue grew by 26.8% YoY while the International subscription revenue declined by 21.5% YoY. The acceleration in domestic subscription revenue growth is driven by sustained growth in viewership of our network. ZEEL's viewership share has almost doubled over the past decade due to success of the regional portfolio and genre expansion. However, this growth in viewership was not adequately monetized. The implementation of the new tariff order has led to alignment of channel prices with their popularity, allowing us to effectively monetise the viewership built over the years.

EXPENDITURE

ZEEL's total expenditure in Q2FY20 stood at Rs. 14,291 million, higher by 9.9% YoY compared to Q2FY19. The following table gives the break-down of costs.

(Rs. million)	Q2FY20	Q2FY19	Growth
Operating cost	8,962	7,263	23.4%
Employee cost	2,123	1,687	25.8%
A&P Expense	1,253	1,650	-24.1%
Other Expenses	1,953	2,400	-18.6%
Total Expense	14,291	13,001	9.9%

Refer Notes A and B above

Programming cost for the quarter increased by 23.4% YoY to Rs. 8,962 million. This increase was primarily driven by content cost for ZEE5 and higher movie amortization costs for our Hindi and regional channel portfolio. Advertising, Publicity and Other expenses at Rs. 3,206 million declined by 20.9% YoY. This fall is explained by a higher base in the corresponding quarter due to one-off provision pertaining to certain investments and higher CSR spends. The decline in ad spends is due to lower marketing spends by ZEE5 during the quarter.



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BALANCE SHEET

Particulars (INR mn)	Sep-20	Mar-19
ASSETS		
I) Non-current assets		
(a) Property, plant and equipment	7,256	5,959
(b) Capital work-in-progress	384	1,083
(c) Investment property	1,538	1,551
(d) Goodwill	5,252	5,252
(e) Other Intangible assets	1,232	1,383
(f) Intangible assets under development	492	478
(g) Financial Assets		
(i) Investments		
(a) Investments in associates	8	3
(b) Investments in joint ventures	223	217
(c) Other investments	602	969
(ii) Other financial assets	557	523
(h) Income tax assets (Net)	4,477	7,982
(j) Other non-current assets	346	591
Total non-current assets	22,364	25,991
II) Current assets		
(a) Inventories	43,059	38,505
(b) Financial assets		
(i) Other Investments	8,478	8,576
(ii) Trade receivables	24,185	18,274
(iii) Cash and cash equivalents	4,860	9,677
(iv) Bank balances other than (iii) above	986	2,541
(v) Loans	285	2,135
(vi) Other financial assets	13,760	10,055
(c) Other current assets	14,654	13,576
Total current assets	110,267	103,339
Total Assets (I + II)	132,631	129,330



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BALANCE SHEET

Particulars (INR mn)	Mar-19	Mar-19
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	961	961
(b) Other equity	93,991	88,279
Equity attributable to shareholders (a) + (b)	94,951	89,239
Non-controlling interests	110	143
Total equity	95,061	89,382
B) Liabilities		
I) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings		
Redeemable preference shares	7,059	7,409
Others	306	20
(b) Provisions	1,671	1,350
Total non-current liabilities	9,036	8,779
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	14,075	14,897
(ii) Other financial liabilities		
Redeemable preference shares	3,530	3,704
Others	6,582	8,029
(b) Other current liabilities	1,156	1,096
(c) Provisions	134	101
(d) Current Tax liabilities (net)	2,234	2,080
(e) Deferred tax liabilities (net)	824	1,262
Total current liabilities	28,535	31,169
Total liabilities (I + II)	37,571	39,948
Total equity and liabilities (A + B)	132,631	129,330



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Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Zee Entertainment Enterprises Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

About Zee Entertainment Enterprises Limited ("ZEEL")

Zee Entertainment Enterprises Limited is one of India's leading media and entertainment companies. It is amongst the largest producers and aggregators of entertainment content in the world, with an extensive library housing over 250,000 hours of television content. With rights to more than 4,200 movie titles from foremost studios and of iconic film stars, ZEEL houses the world's largest Hindi film library. Through its strong presence worldwide, ZEEL entertains over 1.3 billion viewers across more than 170 countries.

Pioneer of television entertainment industry in India, ZEEL's well-known brands include Zee TV, &tv, Zee Anmol, Big Magic, Zee Cinema, &pictures, Zee Action, Zee Bollywood, Zee Classic, Zee Anmol Cinema, Zee Cafe, &flix, Zing, ETC Bollywood. The company also has a strong offering in the regional language domain with channels such as Zee Marathi, Zee Talkies, Zee Yuva, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Cinemalu, Zee Kannada, Zee Tamil, Zee Keralam, Zee Sarthak and Big Ganga. The company's HD offerings include Zee TV HD, &tv HD, Zee Cinema HD, &pictures HD, Zee Marathi HD, Zee Talkies HD, Zee Bangla HD, Zee Tamil HD, Zee Telugu HD, Zee Kannada HD, Zee Keralam HD, Zee Cinemalu HD, &flix HD, Zee Café HD and &privé HD. ZEE5, ZEEL's OTT platform, ZEE5, has 100,000+ hours of catch-up content and 80+ live TV channels. The company has a strong presence in the movies and music space through Zee Studios and Zee Music Company respectively.

ZEE and its affiliate companies have leading presence across the media value chain including television broadcasting, cable distribution, direct-to-home satellite services, digital media and print media amongst others. More information about ZEEL and its businesses is available on www.zeeentertainment.com.