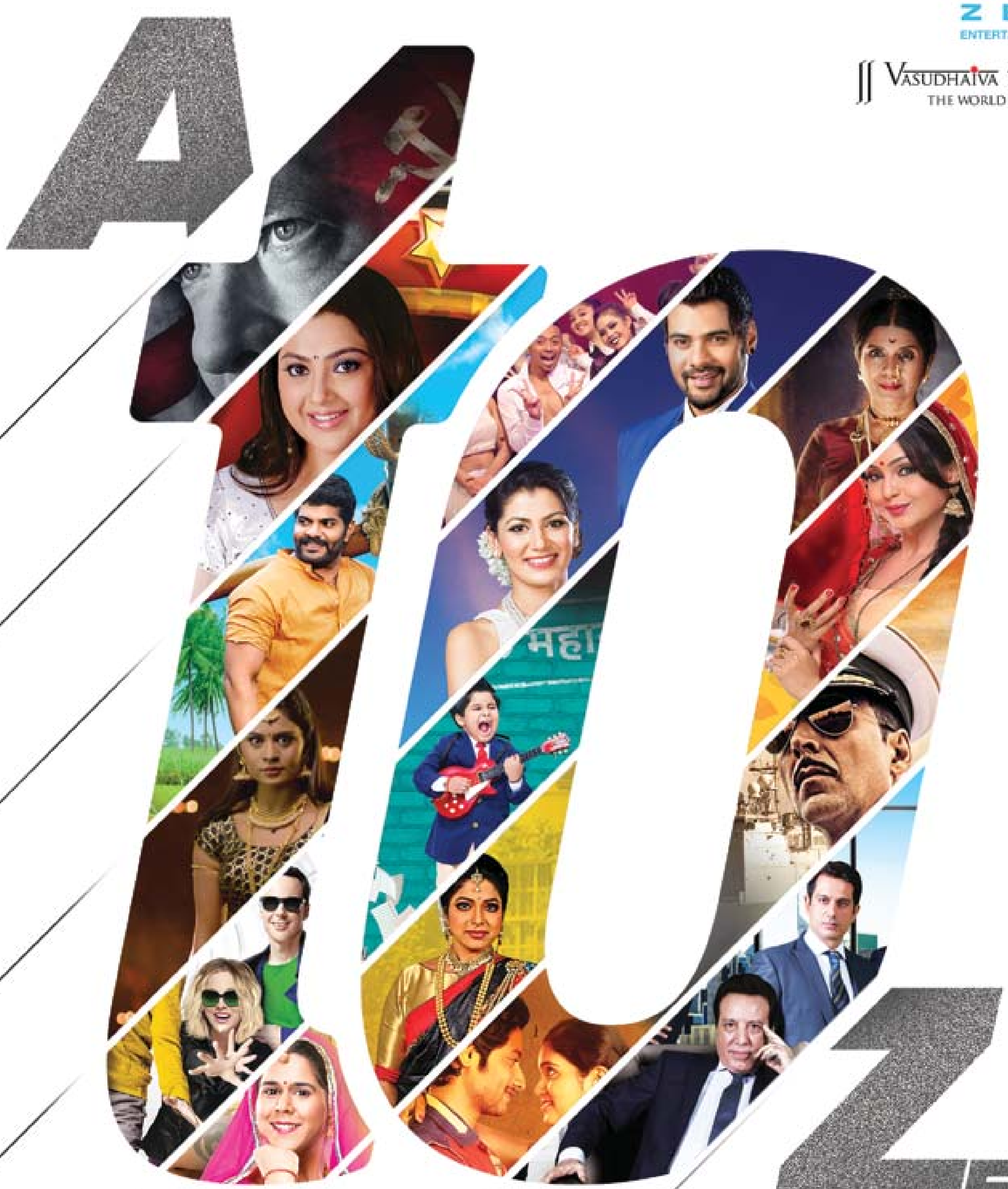
ZEE
ENTERTAINMENT

Vasudhaiva Kutumbakam
THE WORLD IS MY FAMILY



A to Zee OF CONTENT LEADERSHIP

Zee Entertainment Enterprises Limited

ANNUAL REPORT 2016-17

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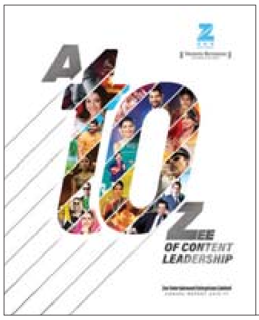
STANDALONE

CONSOLIDATED



ON THE COVER A TO ZEE OF CONTENT LEADERSHIP:

The ZEEL Annual Report 2016-17 is a celebration of our diverse content creation capabilities that range across multiple genres, languages, geographies and platforms.

Forward-looking statement

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

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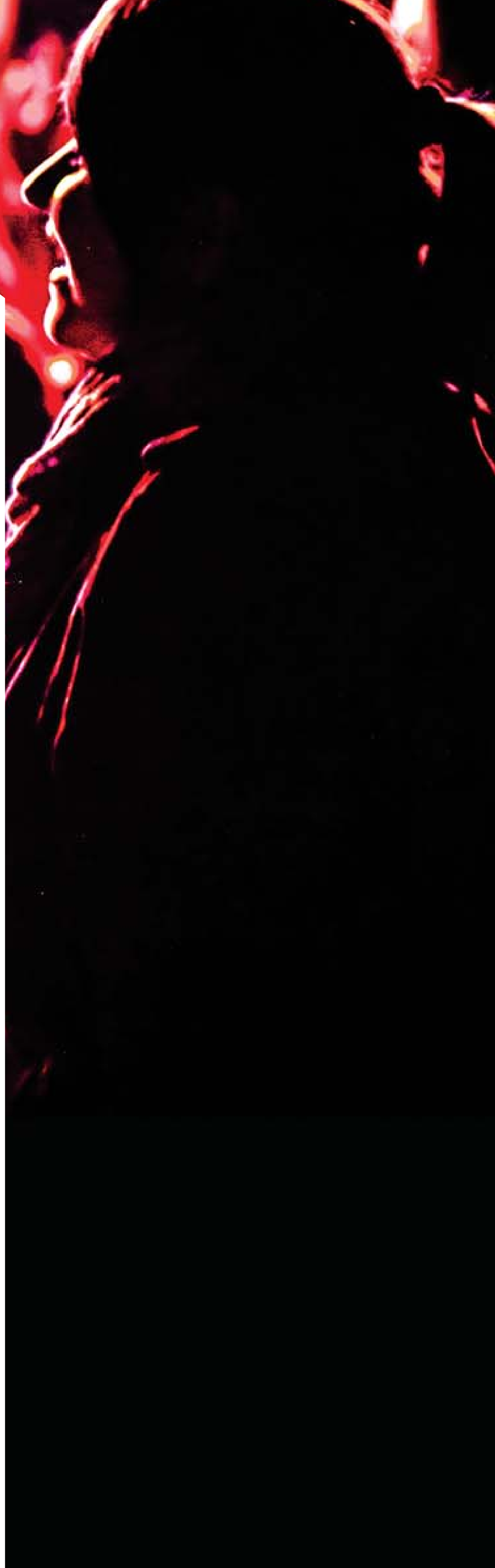
BECOMING LEADER DOESN'T COME EASY, BUT REMAINING ONE IS MUCH MORE DIFFICULT. TO SUSTAIN LEADERSHIP, IT IS IMPORTANT TO BE AWARE OF THE EVOLVING TRENDS, INNOVATE CONSTANTLY AND STAY AHEAD OF THE CURVE.

One needs to do this without losing the essence of one's value proposition. At ZEEL, we are fully cognizant of this reality. We recognise that true leadership in the entertainment space is a primary function of content. Our focus on content has allowed us to transform into a global entertainment powerhouse, with reach of more than a billion people and availability across multiple mediums – from television, to hand-held devices, to movie theatres, music streaming applications and live entertainment. It has led us to be counted among the world's premier integrated entertainment content companies. Therefore, it is imperative that, while we focus on expanding the reach of our content across different platforms and keep pace with the improving technology, our most important mandate continues to be retaining our content leadership.

We are expanding our content creating capabilities, innovating across the value chain, and investing in technologies to understand and cater to the needs and aspirations of diverse audiences. We are building on our reputation of creating newer genres, formats and leading the way in creating quality content which the audiences can enjoy.

As we build scale, consolidate our traditional businesses, and grow new offerings, we continue to have a sharp focus on one thing that matters the most – content. Our in-house content creation capabilities across television, movies, music and live events sets us apart from the others.

FY17 represents a milestone year in our history, as we approach 25 years since we first went on air. During the year, we strengthened our content focus, and invested in building new engines of growth that will propel us into the future, without compromising on our core values. Metaphorically and literally, we bring varied entertainment content for different audience groups. That is why, this Annual Report is dedicated to *A to Zee of Content Leadership*.



ZEEL At A Glance

THE WORLD IS OUR FAMILY

ZEE ENTERTAINMENT ENTERPRISES LTD. (ZEEL) IS A WORLDWIDE MEDIA BRAND OFFERING ENTERTAINMENT CONTENT TO DIVERSE AUDIENCES. WITH A PRESENCE IN OVER 172 COUNTRIES AND A REACH OF MORE THAN A BILLION PEOPLE AROUND THE GLOBE, ZEEL IS AMONG THE LARGEST GLOBAL CONTENT COMPANY ACROSS GENRES, LANGUAGES, AND PLATFORMS.

FY17 HIGHLIGHTS

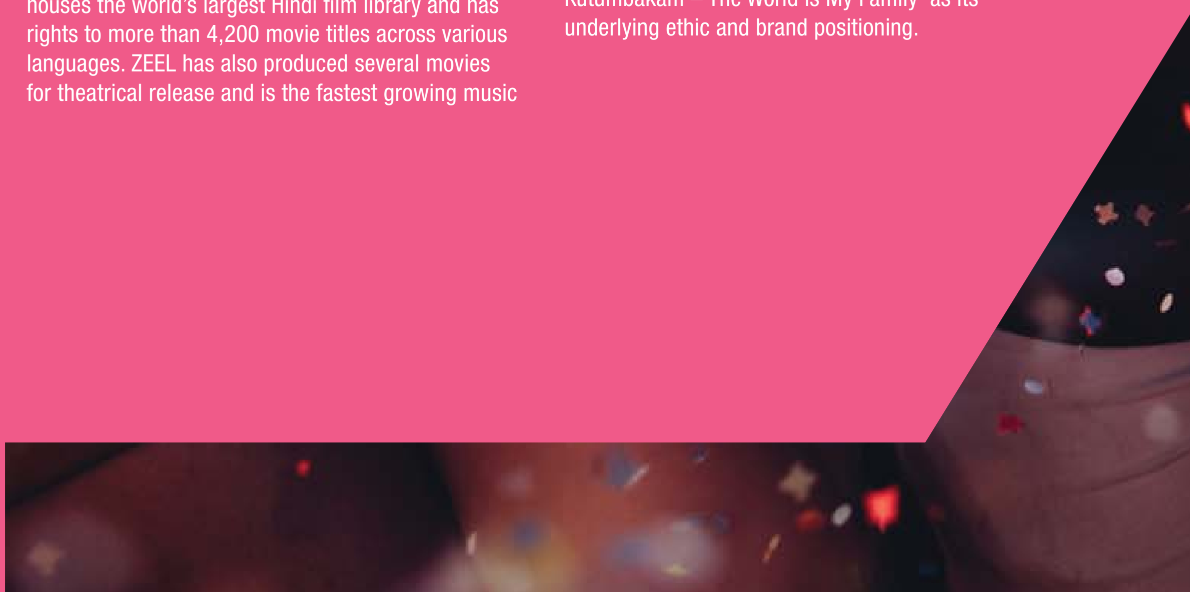
16.0%
TELEVISION NETWORK SHARE

₹64,342 MN
REVENUE

29.9%
EBITDA MARGIN

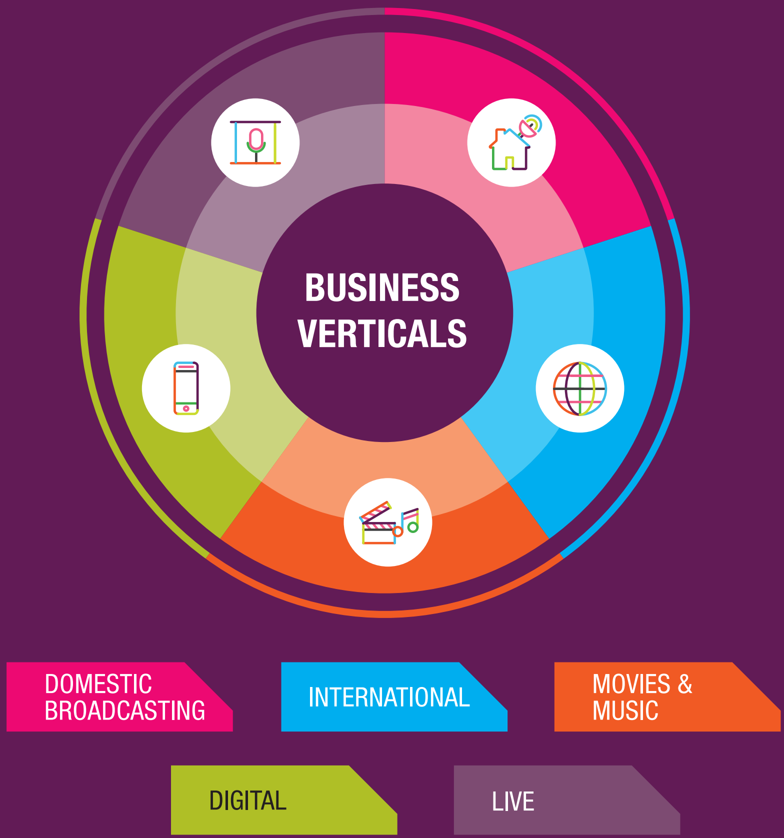
ZEEL is present across broadcasting, movies, music, live entertainment and digital businesses, both within India and overseas. It has more than 240,000 hours of television content, offered through 32 domestic and 39 international channels. ZEEL houses the world's largest Hindi film library and has rights to more than 4,200 movie titles across various languages. ZEEL has also produced several movies for theatrical release and is the fastest growing music label in India. It has presence in digital and, live events space. ZEEL is listed on the BSE and NSE and employs more than 3,000 people.

ZEEL embraces the concept of 'Vasudhaiva Kutumbakam – The World is My Family' as its underlying ethic and brand positioning.



MISSION

To become the world's leading global content company from the emerging markets. As a Corporation, we will be driven by content leadership based on innovation and creativity. Our focus will be on growth while delivering exceptional value to our customers, viewers and stakeholders.



VALUES

CUSTOMER FOCUS

Our Company's strategies are driven by the needs of the customer. Our success can be measured by the satisfaction achieved by our customer.

EXCELLENCE

We accord a high premium to maintaining superlative standards throughout our Company. We encourage our employees to come up with smarter ideas within the fastest possible time.

CREATIVITY

Key to our value system is innovation and originality. We recognise and have a high regard for individual expression and creative freedom in our quest to provide customer satisfaction.

INTEGRITY

We observe strict ethical standards through editorial independence and creative expression, in order to earn the trust of our viewers and subscribers.

GROWTH DRIVEN

We are committed to delivering consistent revenue and cash flow growth in order to provide our shareholders a good return. Our objective is to grow our people, market and businesses around the world.

EVENTS AND MILESTONES

ZEE JLF 2017

ZEE Jaipur Literature Festival is the world's largest free literary event. Held in Jaipur (India), South Bank (UK) and Boulder (US) each year, the festival hosts some of the best & renowned authors, ranging from Noble Laureates & Man Booker Prize Winners to debutants. The year 2017 witnessed the 10th edition of ZEE Jaipur Literature Festival which was focused on the theme of 'Love for the Written Word'. With this festival, ZEE aims to revive the love and passion for literature amongst the audiences, especially the youth.

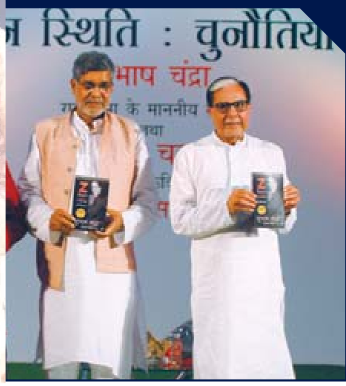
ZEE
ENTERTAINMENT
JAIPUR LITERATURE FESTIVAL

ZEE Kyoorius Designyatra

Designyatra is an annual festival of creativity, hosting some of the most famous creative thinkers of the world and a large population of design professionals and students from India. The festival celebrates all aspects of creative communication and marketing. This year the convergence between digital and physical was explored reinforcing the phenomenon that life today cannot be classified as analog or digital, because it is virtually impossible to distinguish the two. Individuals experience everything together and therefore, the erstwhile boundaries have disappeared. The three day design festival saw many interesting side tracks, besides celebrating creativity and design.

Essel Group's 90 Years Celebrations Event

Essel Group recently celebrated its 90th anniversary. The event witnessed the launch of multiple initiatives like DSC Foundation, Sarthi, WION and ZEE Family Business Legacy Awards. The event was attended by the Hon'ble President of India, Shri Pranab Mukherjee and Hon'ble Prime Minister of India, Shri Narendra Modi along with thousands of other eminent personalities.



Dr. Subhash Chandra's Hindi Autobiography Launch

On Hindi Diwas, Dr. Subhash Chandra engaged in a thought-provoking discussion with eminent Hindi Poet and renowned scholar, Shri Ashok Chakradhar on the 'Present Status of Hindi: Challenges and Solutions' at the Sahitya Akademi in New Delhi. The Hindi edition of Dr. Chandra's autobiography 'The Z Factor - My Journey as the Wrong Man at the Right Time' was also launched at this event by the Nobel Laureate Shri Kailash Satyarthi.

DEAR SHAREHOLDERS,

THE INDIAN ECONOMY IS GOING THROUGH AN EXCITING PHASE OF DEVELOPMENT. AS PART OF A 90-YEAR OLD GROUP, WITH PRESENCE IN DIVERSE INDUSTRIES, IT IS HEARTENING TO SEE REFORMS BEING IMPLEMENTED AT AN EXHILARATING PACE ACROSS MULTIPLE SECTORS. SEVERAL AREAS WHICH GOT NEGLECTED FOR LONG ARE SEEING CONSTRUCTIVE WORK, ALONGSIDE A PLETHORA OF MEASURES TARGETED AT IMPROVING EFFICIENCY. INDIA'S ECONOMIC GROWTH, WHICH IS ONE OF THE FASTEST, SHOULD ACCELERATE FURTHER AS THESE INITIATIVES YIELD POSITIVE RESULTS.

The year gone by will be remembered for the strong and decisive push towards formalising the economy. As per estimates, the informal sector in India accounts for approximately 50% of the GDP, is less efficient, difficult to regulate and leads to revenue loss for the exchequer. Easy access to banking coupled with the thrust on digital payments enables the migration of informal sector to formal sector. The imminent implementation of GST will simplify the taxation regime and create a level playing field by plugging tax leakages in the informal sector. Demonetisation, perhaps the most courageous decision, is a long-term positive for the economic growth despite the short-term difficulties.

These trends, along with increasing spends by households on discretionary items, open up interesting and exponential opportunities for the Indian Media and Entertainment (M&E) industry and ZEEL. India's per capita entertainment consumption is far less, both in terms of time and money, compared to its peers as well as developed countries. This presents a significant growth potential for the M&E industry. It is estimated that the industry will grow around 14% CAGR over the next five years.

Message From The CHAIRMAN

WHILE VIEWING PREFERENCES MAY EVOLVE OR NEW PLATFORMS FOR CONTENT CONSUMPTION MAY EMERGE, CONTENT ITSELF REMAINS THE FULCRUM ON WHICH VIEWERS' INTEREST RESTS

From the advent of satellite television, a quarter century ago, the industry has evolved significantly and ZEEL has played a pivotal role in this transformation. Today, we stand at the cusp of another generational shift in the way entertainment is consumed, and I am glad to share that we continue to be at the forefront of shaping that change. We have invested in becoming a provider of superior entertainment content across genres, languages, and geographies; reaching consumers through television, digital, movies, music and live entertainment.

In the entertainment industry, the more things change, the more they remain the same. While viewing preferences may evolve or new platforms for content consumption may emerge, content itself remains the fulcrum on which viewers' interest rests. Today, viewers have more choices, limited attention spans and access through multiple platforms. However, the need for creating sharp and engaging content is timeless. ZEEL sees its primary role as a creator, aggregator and disseminator of quality content that resonates across demographics and geographies. Our experience and focus on understanding viewers' preferences has allowed us to grow ahead of the industry. A testimony to this fact is that our revenues and EBITDA have grown by 16% and 21% CAGR respectively over the last five years.

During FY17, the performance of our five businesses was encouraging. The television business strengthened its position in a competitive environment. Our movie production and music label businesses scaled up operations which aided the growth. In the international business, our foray into new markets was received positively. Content consumption on both our OTT platforms, OZEE and dittoTV, saw significant growth. Live Events business kick started its operations with the roll-out of its first property. During the year, we divested our sports business to Sony Pictures Network and started the process of acquiring the broadcasting business of Reliance Broadcasting Network. Despite the impact of demonetisation, our revenues grew by 11% and EBITDA grew by 27%.

Looking ahead, we remain excited about the growth opportunities for the industry and the Company. As digitisation of analogue subscribers is nearing completion, it will improve monetisation of our viewership in newly digitised areas. This coupled with effective implementation of TRAI's tariff order could lead to acceleration in ARPU growth for the industry, which has been lagging for several years. Strong economic growth and increasing share of formal sector bodes well for ad spends growth. Our new businesses are also scaling up well and have a strong growth potential which will contribute to our growth.

As we continue to focus on sustainable profitable growth, we are increasingly conscious of our responsibility towards social causes and environment. Education has been one of our focus areas during the year. Our *Army behind the Army* initiative recognises and applauds the mothers, wives, daughters and sisters of our brave soldiers who are the true source of their strength. In addition, by leveraging our content leadership and reach, we have extended our philosophy of community engagement and "Vasudhaiva Kutumbakam" (The World Is My Family). We endeavour to not just entertain our viewers but also inform, educate and engage them through our content. For instance, through one of our fiction shows on Zee Kannada, we designed an entire campaign to spread awareness about female foeticide. We are empowering women through skill development initiatives and health education among others in different cities in Maharashtra through Jagruti events organised by Zee Marathi. Lastly, we also ensure that our operations reduce their carbon footprint. The 'Zee is Green' initiative ensures that our sets, offices and the ecosystem follows responsible practices. We have set a target for ourselves to become carbon neutral by 2020.

AS WE CONTINUE TO FOCUS ON SUSTAINABLE PROFITABLE GROWTH, WE ARE INCREASINGLY CONSCIOUS OF OUR RESPONSIBILITY TOWARDS SOCIAL CAUSES AND ENVIRONMENT

The team at ZEEL and all our stakeholders are working very hard to strengthen our value proposition of 'A to Zee' of content leadership. I thank all of you for your constant support and encouragement. I am confident that this will continue as we move into an exciting phase of our journey.

Sincerely,
DR. SUBHASH CHANDRA

Key Performance Indicators

GROWING STEADILY

REVENUES

₹ MILLION

FY12-17 CAGR **+16.2%**

FY 2013	36,996
FY 2014	44,217
FY 2015	48,837
FY 2016	58,125
FY 2017	64,342

ZEEL's revenues have grown at 16.2% CAGR over the last five years on the back of improvement in network viewership share and digitisation of analogue subscriber base. During FY17, revenue growth was lower at 10.7%, primarily due to demonetisation impact in the second half. Our advertising revenue growth of 9.2% was better than the industry average and subscription business grew by 13.5% adjusted for the sale of sports business.

EBITDA

₹ MILLION

FY12-17 CAGR **+21.1%**

FY 2013	9,543
FY 2014	12,043
FY 2015	12,538
FY 2016	15,136
FY 2017	19,269

Our EBITDA CAGR of 21.1% over the last five years has been better than revenue growth. EBITDA margins improved from 24.3% in FY12 to 29.9% in FY17. This improvement in margins is driven by operating leverage.

PBT BEFORE EXCEPTIONAL ITEMS

₹ MILLION

FY12-17 CAGR **+14.8%**

FY 2013	10,519
FY 2014	13,191
FY 2015	14,040
FY 2016	14,059
FY 2017	16,775

On back of strong revenue growth and better margins, Profit before tax has grown at 14.8% CAGR over the past five years. During FY17, PBT (before exceptional items) has increased by 19.3% YoY.

RETURN ON CAPITAL EMPLOYED

%

FY17 (YoY) **+76 bps**

FY 2016	23.3
FY 2017	24.0

ZEEL's return on capital employed (ROCE) remained healthy at 24% during FY17. EBIT margins (excluding exceptional gain) increased sharply from 25% in FY16 to 28% in FY17. This improvement did not translate into equivalent improvement in ROCE because exceptional gain from sale of sports business led to higher networth.

NETWORTH

₹ MILLION

FY17 (YoY) **+38.6%**

FY 2016	48,039
FY 2017	66,567

In FY17, ZEEL's networth increased by 39%. Besides profit from operations, gain from sale of sports business was a key contributor to this increase.

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

TELEVISION NETWORK SHARE

%

FY17 (YoY) **-100 bps**

FY 2016	17.0
FY 2017	16.0

ZEEL's network share declined from 17.0% in FY16 to 16.0% in FY17. Several events during the year led to shift of viewership from entertainment to news genre. Within entertainment genre, our regional portfolio and Hindi movie cluster strengthened their positions, whereas pay Hindi GEC portfolio saw some decline.

INTERNATIONAL REACH

MILLION

FY17 (YoY) **+28.7%**

FY 2016	282
FY 2017	363

The reach of our international channels increased by 29% to 363 mn people in more than 172 countries. The increased reach is driven by wider availability of our content for Indian diaspora and new channels for non-Indian audience launched during the year.

MOVIE BUSINESS REVENUE*

₹ MILLION

FY17 (YoY) **+127.5%**

FY 2016	710
FY 2017	1,615

128% growth in Zee Studios' revenue was largely driven by the success of two of our movies released during the year.

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

REVENUE BREAKDOWN - FY17

Revenue: ₹ 64,342 million

57% ADVERTISING REVENUES
35% SUBSCRIPTION REVENUES
8% OTHER SALES AND SERVICES

DISTRIBUTION OF EXPENSES - FY17

Total Expenses: ₹ 45,073 million

62% OPERATING COSTS
25% OTHER COSTS
13% EMPLOYEE BENEFIT EXPENSES

DEAR SHAREHOLDERS,

FY17 WAS AN INTERESTING YEAR BY ALL ACCOUNTS. AS AN INDUSTRY, OUR RESILIENCE GOT CHALLENGED AND AS A COMPANY, OUR STRENGTH AND STRATEGY WERE PUT TO TEST. I AM HAPPY TO SAY THAT BOTH THE INDUSTRY AND OUR COMPANY EMERGED STRONGER FROM THE CHALLENGES.

AN INDUSTRY ON THE MOVE

The Media and Entertainment (M&E) industry was gaining momentum in the first half of the year. However, demonetisation had an all-pervasive impact on the industry. Advertisers cut back spends across the board and adopted a wait-and-watch strategy for the economy to normalise. Subscriber additions were also impacted with consumers facing a cash crunch. Movie footfalls dipped and events had to be postponed due to lack of sponsors. Despite this, the industry managed to report 9% growth. The impact of demonetisation is behind us and the industry is poised to get back to its strong growth trajectory.

While demonetisation impacted the industry's growth, there were two clear trends on the content production and delivery fronts which accentuated further. Innovation in content gave the audience an option to choose from a plethora of novel ideas and more targeted content. The trend of regionalisation in television continued to make headway while some genres saw further segmentation. Acceptance of niche movies increased while popular movies became bigger than ever. Content produced in one language also saw significant success in other languages. It was a landmark year for live events, as several events including musicals and international artists' performances witnessed immense success. Audiences in smaller cities got access to a wider choice of music after the launch of new radio stations.

Message From The MD & CEO

The ecosystem for content delivery on digital platforms got a boost with an explosive growth in wireless connectivity and deep cuts in data prices. This triggered the launch of new OTT platforms and increased investments in existing ones. Availability of content, including digital only content, increased multifold. As a result, online video consumption increased sharply and the trend will sustain.

CONTENT AT THE HEART

ZEEL, an entertainment content company, represents the 'A to Zee' of content leadership and has consistently demonstrated its ability to be at the forefront of content innovation. We are committed to creating content across formats to suit the evolving taste and preferences of customers. We endeavour to build capabilities which give us a sustainable advantage in content creation and help us leverage our presence across platforms to connect with the audience. Our content reaches consumers at multiple touch points through presence across television in domestic and international markets, movies & music, digital and live events.

The television business in India has a long and exciting journey ahead of it. India's low television penetration of 63% and a significantly lesser time spent on watching television provides headroom for sustained growth. As per estimates, television will continue to increase its share within the M&E industry, indicating the growth opportunity for our broadcasting business. During the year, our portfolio of entertainment channels further strengthened its competitive position on the back of differentiated content and launch of targeted channels. We will continue with our strategy of segmenting the audience and expanding our product offerings across genres, languages and demographics.

Movies & Music are an integral part of viewers' entertainment bouquet and account for over 15% of the Indian M&E industry. It also allows access to a wider audience base, especially in the youth and male segments. The operating environment for movie producers has improved significantly over the years on account of drop in piracy and proliferation of multiplexes. Increasing digital consumption is further improving economics, especially for music. Our movie production arm, Zee Studios, and music publishing label, Zee Music Company, are scaling up well and we see them as important growth drivers.

In several international markets, Hollywood and US production houses have gained a strong foothold due to paucity of quality local content. Over the past few years, content from a few other countries has also made inroads into these markets. We believe that even Indian content has the ability to transcend boundaries, as evident from the recent success of Indian movies in international markets. Our international channels targeted at local audiences have seen success and we will continue to expand in new markets leveraging our expansive content library. In addition, we remain committed to serve the Indian diaspora through more channels.

Increasing digital consumption in India is adding to the overall time spent on video viewing and represents a strong growth opportunity. Our two products, dittoTV and OZEE, performed well during the year in terms of increasing their reach and building organic traffic growth. We are in the midst of refreshing our digital offering, consolidating the learnings from our subscription and advertising based platforms. We will be launching this product in the second half of the year.

The Indian audience is now opening up to large scale ticketed events and this represents a growth opportunity in the entertainment space. ZEE LIVE, the youngest member of the ZEEL family, kick started its operations with the launch of its first two events -'Wicked Weekends' and 'Zee Theatre Tour'. We are working on several concepts in this space which will be rolled out gradually.

THE YEAR GONE BY

During the year, we sold our sports business to Sony Pictures Network and agreed to acquire broadcasting business of Reliance Broadcast Network (RBNL). The decision to exit the sports business is underpinned by financial rationale as the gestation period continued to elongate. RBNL's broadcasting business gives us entry into Bhojpuri market and complements our Hindi GEC portfolio.

Our consolidated revenue grew by 10.7% in FY17 to ₹ 64,342 million. EBITDA margin improved to 30% and EBITDA grew 27.3% to ₹ 19,269 million. This performance in an uncertain environment reflects the inherent strength of our portfolio.

TOGETHER WITH PEOPLE

We are nurturing and building our teams to help us continue our growth journey. We continue to build an entrepreneurial culture that encourages people to think beyond the brief and rewards endeavour and enterprise. At the same time, we are preparing ourselves for the future, constantly upgrading our skillset. We are equally cognizant of our social responsibilities and ensure that our channels are not just a medium but also a message. We have aligned ourselves to relevant social causes spanning education, women empowerment, spreading awareness about female foeticide among others.

> WE ENDEAVOUR TO BUILD CAPABILITIES WHICH GIVE US A SUSTAINABLE ADVANTAGE IN CONTENT CREATION AND HELP US LEVERAGE OUR PRESENCE ACROSS PLATFORMS TO CONNECT WITH THE AUDIENCE

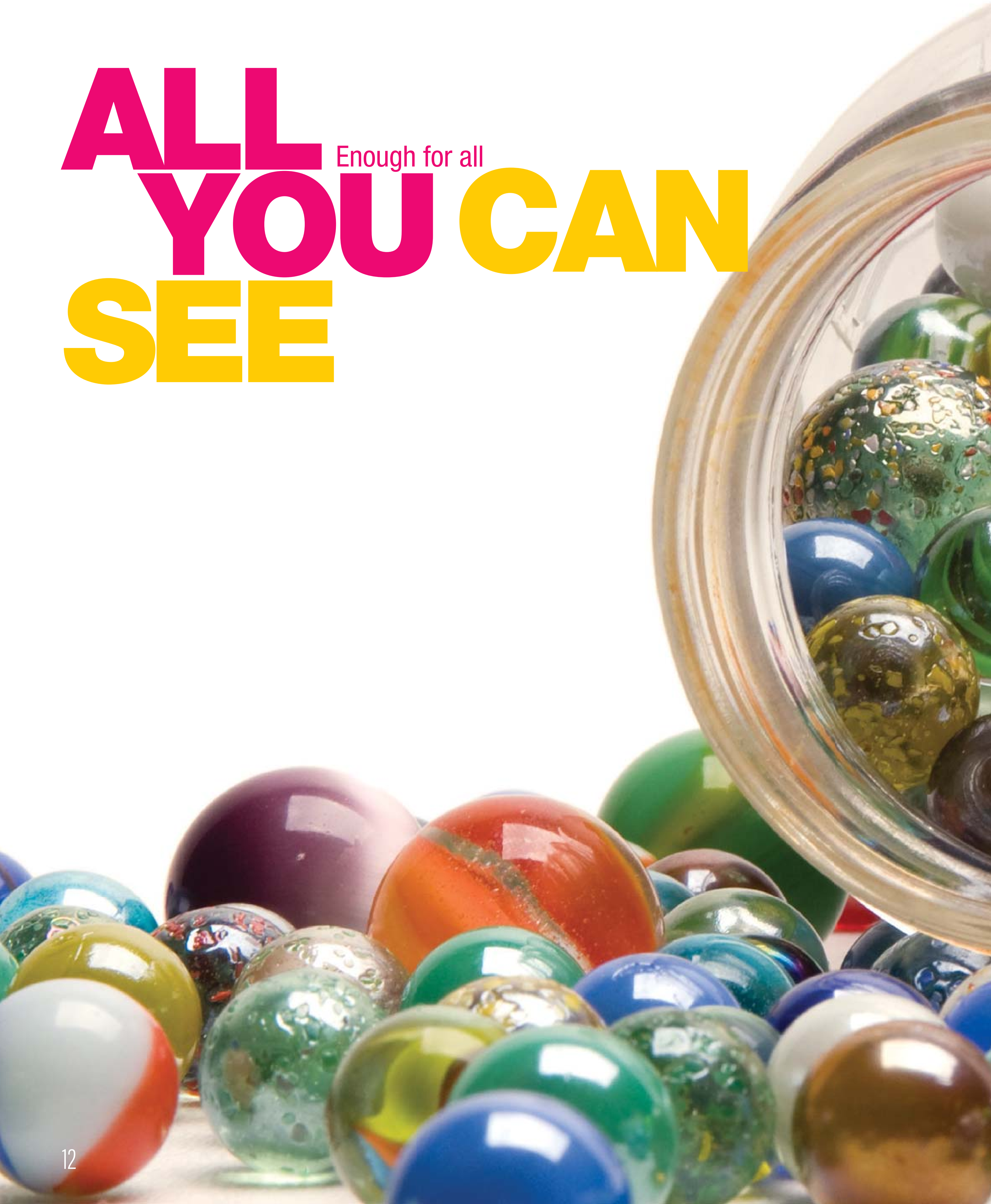
GRATITUDE

I would like to thank our Board, our teams, our audience, partners and all our shareholders, for empowering us to deliver powerful stories that people love. I am confident that together with your consistent support, it will seem like we have just begun.

Sincerely,
PUNIT GOENKA

ALL YOU CAN SEE

Enough for all



WE ALL ARE MANY PEOPLE IN ONE. EVERY DAY, AN INDIVIDUAL DONS MANY HATS AND EXPERIENCES VARIED MOODS AND EMOTIONS. THIS STATE OF BEING DEFINES HIS NEEDS AT DIFFERENT TIMES OF THE DAY.

An intensely personal experience such as entertainment needs to cater to these different avatars. More importantly, given the unique nature and aspirations of different individuals, a one-size-fits-all approach to entertainment might not provide a fulfilling experience. This multi-faceted entertainment need necessitates creation of content across genres.

At ZEEL, we consistently widen our content profile to reach as many tastes, preferences, cultural and age demographics as we can. We are focused on creating differentiated content and introducing newer genres and formats across all our offerings. From general entertainment to niche content, from spiritual to culinary shows, from travel and living to youth entertainment, our content straddles multiple genres.

WE SPEAK YOUR LANGUAGE

Be Yourself

LANGUAGE IS AN INHERENT PART OF HUMAN IDENTITY. IT IS A UNIQUE SYMBOL OF GEOGRAPHICAL PROVENANCE AND CULTURAL ALLEGIANCE.

Some of these nuances and sensibilities do not transcend linguistic boundaries. This explains the innate psychological and emotional bond with native languages. While clothing, food and other aspects continue to get homogenised globally, the affinity for interaction and engagement in local languages continues. Entertainment is an important aspect of this engagement, and despite universal properties being popular, the demand for content in local languages is only growing.

ZEEL is present across 10 Indian and 9 non-Indian languages, to build a 'connect' with people. We are consistently adding more languages to our portfolio, both organically and inorganically, to grow our relevance around the world. We are trying to create content in more languages that will further cement our position as an entertainer of choice.


WE ARE WHERE YOU WANT TO BE
Your place. Our content.
Anytime. Anywhere.

ENTERTAINMENT IS A TIME AND PLACE NEUTRAL CONCEPT.

FROM WATCHING A DANCE TROUPE PERFORM ON THE STREETS TO ENJOYING A LATE-NIGHT TELEVISION SHOW FROM THE COMFORT OF HOME, ENTERTAINMENT HAS NEVER BEEN RESTRICTED BY TIME OF THE DAY OR PLACE OF THE EVENT.

This is even more relevant in today's connected world, where audiences prefer seamlessness to being bound to a schedule or a location. Access to technology and on-the-move lifestyle means that today entertainment is demanded wherever people are - at the work place, while commuting or in the gym.

At ZEEL, we have aligned our offerings for anytime-anywhere viewing by building our content capabilities across digital, movies, music, and live entertainment. Be it binge watching a favourite show, enjoying a surreal personal music experience, or indulging in a mesmerising theatre performance, ZEEL is providing content where audiences want it to be.

ALL THE WORLD IS A STAGE

Our philosophy.
Our strategy.

IT'S A SMALLER, FLATTER WORLD. AND YET, IT IS A VAST LANDSCAPE OF DIVERSITY. THIS DIVERSITY MAKES DIFFERENT NARRATIVES AND EXPERIENCES APPEALING TO AUDIENCES FROM VARIED CULTURAL BACKGROUNDS.

However, at a deeper level, these layers of diversity disappear and an emotional connect across human kind comes to the fore. There are stories, which resonate with audiences regardless of their geographic affiliations. On the other hand, the demand for content that is intrinsically woven around the local culture and lore is equally relevant.

At ZEEL, we are excited by this interplay of global and local influences in content making. In-line with our philosophy of *Vasudhaiva Kutumbakam* (The World is My Family), we aim to increase our global relevance by taking Indian content to wherever it is desired. At the same time, we are also investing in understanding local audiences across the world, and creating content that is aligned with their preferences and cultural nuances.

MORE.
MUCH MORE THAN TV.

Choose to your heart's content

SINCE THE DAWN OF CIVILISATION, MULTIPLE FORMS OF ENTERTAINMENT HAVE CO-EXISTED. FROM LANGUID STORYTELLING AROUND NIGHT FIRES, TO BOISTEROUS GAMES AND COMBAT SPORTS, AVENUES OF ENTERTAINMENT HAVE INTERCHANGED BETWEEN ORATORY, ADVENTURE, LITERATURE, MUSIC, DANCE, DRAMA, AND MORE.

The subtle symbiotic relationship between these forms means that they influence each other in the way they grow. The phenomenon continues even today, with new-age mediums rubbing shoulders with more traditional approaches and newer forms morphing from existing ones.

At ZEEL, we are continuously sifting through trends for evolving forms of entertainment and adapting our offerings for audiences across mediums. While our advent was with television, we are today available through multiple platforms. Our journey of evolution will continue to be shaped by emerging trends and needs, and the objective of entertaining audiences through engaging and enriching content, across platforms.

Business Overview

PORTFOLIO

ZEEL, AS AN ENTERTAINMENT CONTENT COMPANY, STRIVES TO DELIGHT CONSUMERS BY MEETING THEIR ENTERTAINMENT REQUIREMENTS ACROSS FORMATS, GEOGRAPHIES AND PLATFORMS. OUR FIVE BUSINESSES – DOMESTIC BROADCASTING, INTERNATIONAL, MOVIES AND MUSIC, DIGITAL AND LIVE EVENTS – ARE STRUCTURED IN A WAY TO COVER THE ENTIRE SPECTRUM OF ENTERTAINMENT. WHILE DOMESTIC BROADCASTING IS CURRENTLY THE LARGEST BUSINESS, OUR OTHER VERTICALS OFFER SIZEABLE MARKET OPPORTUNITIES. CONTENT IS THE COMMON THREAD THAT RUNS ACROSS THESE FIVE BUSINESSES AND WE AIM TO ATTAIN STRONG COMPETITIVE POSITION IN EACH OF THESE BUSINESSES. WE CONSTANTLY EVALUATE EVER CHANGING CONSUMER PREFERENCES AND ENDEAVOUR TO CREATE QUALITY CONTENT TO SATISFY THEM.

01 DOMESTIC BROADCASTING

HINDI GENERAL ENTERTAINMENT
REGIONAL ENTERTAINMENT
HINDI MOVIE CLUSTER
NICHE CHANNELS

02 INTERNATIONAL

AMERICA
EUROPE
MENAP
AFRICA
APAC

03 MOVIES & MUSIC

ZEE STUDIOS
ZEE MUSIC COMPANY

04 DIGITAL

OZEE
DITTO TV
INDIA.COM

05 LIVE

ZEE LIVE
ZEE THEATRE

Business Overview

DOMESTIC BROADCASTING

IN INDIA, ZEE IS A HOUSEHOLD NAME WHEN IT COMES TO TV VIEWING. WE HAVE NOT ONLY INTRODUCED SATELLITE TELEVISION TO INDIA, BUT ALSO PIONEERED ENTERTAINMENT IN REGIONAL LANGUAGES AND DIFFERENT GENRES. OVER THE PAST TWENTY-FIVE YEARS, WE HAVE BUILT A STRONG PORTFOLIO OF 32 CHANNELS. ZEE'S DOMESTIC BROADCASTING BUSINESS STRADDLES MULTIPLE GENRES AND LANGUAGES AND TOUCHES AUDIENCES THROUGH UNIQUE OFFERINGS IN WAYS THAT THEY LOVE.

THE DOMESTIC BROADCASTING BUSINESS IS DIVIDED INTO FOUR BROAD CLUSTERS COMPRISING HINDI GENERAL ENTERTAINMENT CHANNELS (GECs), REGIONAL ENTERTAINMENT, HINDI MOVIE CLUSTER AND NICHE CHANNELS.

Hindi General Entertainment Channels

We have a portfolio of 4 SD and 2 HD channels in the genre. Zee TV is the flagship channel which caters to the tastes of the entire spectrum of viewers in the Hindi speaking market. &tv is our second GEC targeted at young and urban audiences. Zee Anmol is the free-to-air (FTA) offering catering to rural audiences. Zing is a youth focused channel with a mix of entertainment shows and Bollywood based content.

CHANNEL PORTFOLIO

Regional Entertainment Channels

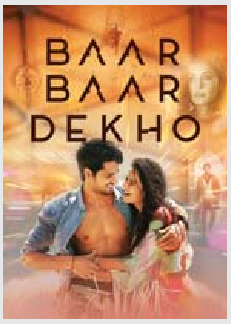
ZEEL is one of the largest providers of regional entertainment in India, with a bouquet of 7 GECs, 3 movie channels and 3 HD channels. The regional portfolio is spread across 6 languages - Marathi, Bengali, Telugu, Kannada, Tamil and Odiya. While Zee Marathi and Sarthak TV (Odiya) are clear leaders in their segments, Zee Bangla, Zee Kannada are strong number two channels in their genres. ZEEL's regional channels uniquely position it as a pan-India provider of high-quality entertainment content, appealing to a wide variety of audiences.

CHANNEL PORTFOLIO

Hindi Movie Cluster

ZEEL has a portfolio of 5 SD and 2 HD channels catering to different segments of audiences and genres. The flagship channel, Zee Cinema, is a family entertainer, with movies that appeal to all age-groups. &pictures caters to the urban audience with edgy content. Zee Classic is India's only destination of retro Hindi films with an extensive library of all-time hits. Zee Action is exclusively focused on the action genre. Zee Anmol Cinema is the FTA offering for the rural audience.

CHANNEL PORTFOLIO



Niche Channels

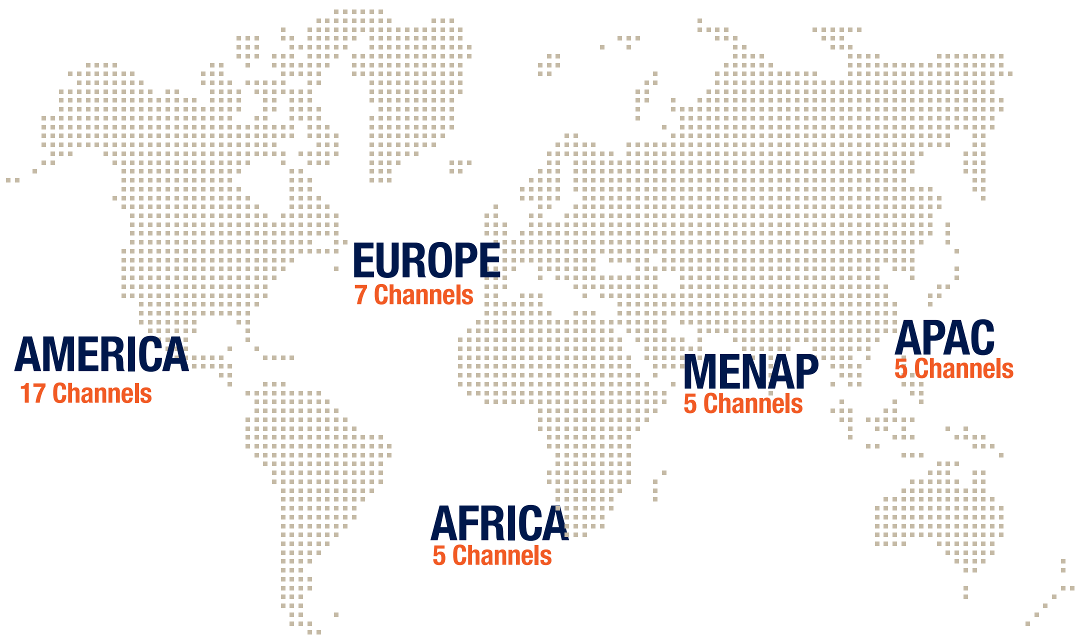
Apart from showcasing stories from different parts of India, ZEEL also brings international content from across the world. Zee Café and Zee Studio get the best English entertainment including movies from Hollywood studios to Indian audiences.

CHANNEL PORTFOLIO

Business Overview

INTERNATIONAL BUSINESS

ZEEL'S CONTENT OFFERINGS SPAN ACROSS THE GLOBE. THE INTERNATIONAL OPERATIONS COMMENCED IN 1994. TODAY, WE HAVE A FOOTPRINT ACROSS MORE THAN 172 COUNTRIES WITH A PORTFOLIO OF CHANNELS CATERING TO THE INDIAN AND SOUTH ASIAN DIASPORA AS WELL AS LOCAL AUDIENCES. OF THE 39 CHANNELS IN THE INTERNATIONAL MARKETS, 13 ARE DEDICATED TO NON-INDIAN AUDIENCE, OFFERING THEM ENTERTAINMENT CONTENT IN THEIR NATIVE LANGUAGES. OUR NETWORK COVERS USA, EUROPE, MENAP, AFRICA AND APAC REGIONS.



13

DEDICATED NON-INDIAN LANGUAGE CHANNELS OFFERING CONTENT TO OUR AUDIENCES IN THEIR LOCAL LANGUAGE

ZEEL'S LOCAL LANGUAGE CHANNEL PORTFOLIO:

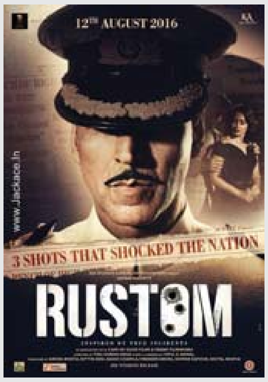
Business Overview

MOVIES & MUSIC

THE MOVIES AND MUSIC VERTICAL COMPRISES OF ZEE STUDIOS, THE FILM PRODUCTION AND DISTRIBUTION DIVISION, AND ZEE MUSIC COMPANY, THE MUSIC PUBLISHING LABEL. THESE BUSINESSES SATIATE THE CONSUMERS' EVER INCREASING APPETITE FOR MOVIES AND MUSIC ACROSS LANGUAGES. THEY ARE CORE TO OUR VALUE PROPOSITION OF 'A TO ZEE' OF CONTENT LEADERSHIP.

Zee Studios

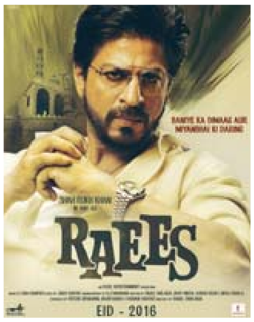
Zee Studios is the film production and distribution arm of ZEEL, producing differentiated and high impact films, across several languages. Years of expertise in making content for Indian television audience and understanding their preferences gives us an edge in movie making. We have established our credentials in the movie business with hits like Rustom, Sairat and Natsamrat. Zee Studios had a strong run in FY17 with a string of releases, and has an impressive slate of upcoming films across languages.

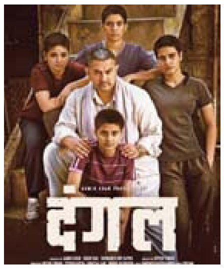


Zee Music Company

Launched in March 2014, Zee Music Company (ZMC), has emerged as an industry leading music publishing label. ZMC had more than 50% incremental market share in Bollywood music released in the last couple of years. This leadership position, in such a short period, is attributable to the choice of titles, brand strength and its ability to market the music. We have garnered 15% market share in digital music consumption on the back of rapidly increasing music catalogue and audience reach.

KEY MUSIC TITLES RELEASED DURING FY17





Business Overview

DIGITAL

ZEEL HAS PRESENCE IN THE DIGITAL SPACE THROUGH TWO OTT PLATFORMS – OZEE AND DITTOTV, AND A SUITE OF WEBSITES OPERATED BY INDIA WEBPORTAL PVT. LTD. (IWPL).

OTT Platforms

ozee powered by Z5

ditto TV powered by Z5

OZEE, advertising video on demand (AVOD) platform, allows the viewers to watch all our content on the go. OZEE has a vast library of entertainment content from the ZEEL network. The viewer can choose from a vast repository of shows telecasted over the years on our network. The platform also hosts a vast music portfolio consisting of hits from Zee Music Company, and movies in Hindi and regional languages.

dittoTV, subscription video on demand (SVOD) platform, was the first OTT platform in India, launched in 2012. It offers 90+ live channels and seven days of catch-up content. It is the live TV offering for the subscribers of major telecom operators.

India Webportal Pvt. Ltd.

IWPL runs a suite of 24 websites focusing on entertainment, news and sports content. It was launched in partnership with Penske Media Corporation (PMC) and United Internet in 2010, and is currently the third-largest content publisher in India. India.com is the flagship website and other websites including TheHealthSite.com, Bollywoodlife.com and BGR.in are leaders in their respective categories.

india.com

Bollywoodlife.com

CRICKET COUNTRY

BGR.in

THE HealthSite.com

Business Overview

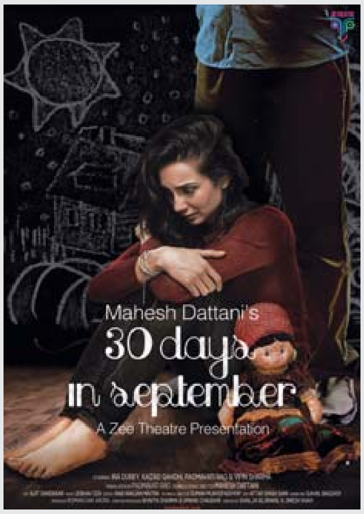
LIVE

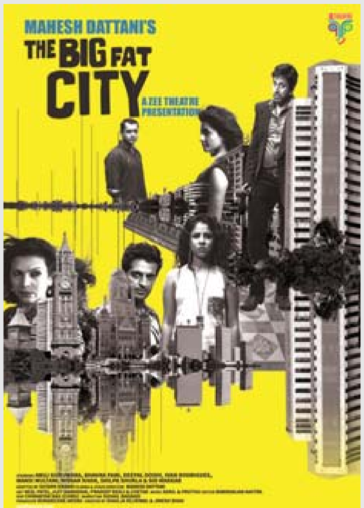
ZLIVE

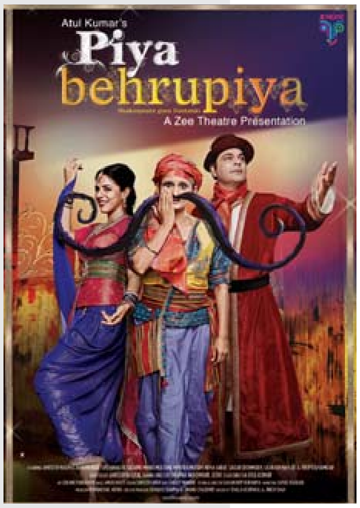
ZEE LIVE is the youngest vertical of ZEEL, which focuses on creating memorable on-ground experiences for audiences in the country as well as overseas.

ZEE LIVE aims to become the gateway for Indian live entertainment experience to the world and bring the best of the world to India. Zee Theatre, a part of ZEE LIVE, puts together stories from different genres – drama, musical, classic, comedy, horor and satire.

ZEE LIVE commenced operations last year with the launch of its first event - Baleno Wicked Weekends. Zee Theatre kick started operations with the launch of Zee Theatre Tour across the country.







Strategy For SUSTAINABLE GROWTH

OFFER PRODUCTS ALIGNED TO CONSUMER PREFERENCES

01

The consumer likes to consume entertainment content in different formats ranging from fiction, non-fiction shows, movies, music, and live entertainment amongst others. The need also varies based on the demographic profile determined by factors such as age-group, geography, and language. These preferences are not static and keep evolving over a period.

At ZEEL, consumer is the focal point of the decision-making process and we endeavour to serve his multi-faceted need for entertainment content. To keep up with the evolving preferences of the consumer, we continuously evaluate the trends and look out for new opportunities. Some of the parameters that are important in identifying these trends include:

Formats
Through our presence in television, movie production, music label and events, we cater to a wide range of content needs. We also continue to explore newer avenues of entertainment for the consumer.

Consumer profile
We segment market based on several factors including age group, gender and socio-economic contours and offer different products to satisfy its unique needs.

Language
India is a multi-lingual market and we produce content in 10 languages. We continue to explore linguistic markets having a significant size.

Platforms
Technology has brought a paradigm shift in the way content is consumed. We aim to make our businesses adaptable to any changes that technology might bring about.

BUILD COMPETITIVE ADVANTAGE IN CONTENT CREATION

02

ZEEL's presence across the full spectrum of entertainment content production and delivery value chain gives it leverage on two fronts – content creation and monetisation. Over the two and a half decades of presence in the industry, we have developed a strong eco-system for content creation. We have cultivated strong relationships with the artist fraternity and are their preferred partners. Our platforms are at the forefront in enabling entry of new talent to the industry.

We have intellectual property (IP) rights for majority of the content that reaches consumers through our network. This enables us to have a strong hold on various aspects of content production. Ownership of IP also allows us the possibility of exploring alternate use of content including production across different languages and developing a new concept around the IP.

ZEEL is in a unique position to reach consumers through various mediums. This gives an opportunity to our advertisers to connect with consumers at various touchpoints. Content created for one product can seamlessly travel to or can be modified as per the requirements of another platform. Our offerings in the international markets ride on the back of our vast Indian content library. Our presence across platforms also helps us in 360º promotion of content.

ATTAIN STRONG COMPETITIVE POSITION

03

We strive to build a strong competitive position in all our businesses on the back of quality content. To address unique dynamics of each of these businesses, we have outlined specific priorities.

TV Broadcasting

Digitisation of analogue television allows consumers access to a higher number of channels and an option to choose from wider content offerings. This is leading to fragmentation of viewership and we aim to capitalise on this trend through launch of channels in different languages across genres.

Movies & Music

Zee Studios has adopted a portfolio approach to movie making and produces movies across budgets and languages. Its involvement in movie making from concept to completion gives it a strong grip over execution. Zee Music Company is consistently building a strong library across Hindi and regional languages. Both these businesses leverage our presence in other verticals, especially broadcasting.

Digital

We endeavour to build a strong digital product which caters to the evolving needs of the consumers. A great viewing experience with customised content are the guiding principles for our digital platforms. This business also leverages its partnerships with large telecom operators to reach India's vast rural audience.

International

We will maintain our strong position by delivering content for South-Asian diaspora in different Indian languages. In addition, we continue to explore opportunities in foreign markets to serve local audiences utilising our content library.

Live Events

To physically connect with consumers on the ground, we will create concepts for different types of live events, such as music concerts, food festivals and theatre among others.

MAINTAIN SUSTAINABLE GROWTH

04

At ZEEL, we believe in an inclusive growth and we manage our operations in a way which benefits all our stakeholders. We have consistently delivered strong growth and high return on capital driven by our understanding of consumers' preferences and prudent investments in content. That said, financial performance is only one of the dimensions of sustainable growth for us. We try to ensure that our employees, the real asset of the Company, have enriching experience at the work place. Our work culture and policies allow for good work life balance, provide adequate learning and growth opportunities and kindle entrepreneurial spirit.

Our business partners play a pivotal role in success of the Company. We strive to build long-term mutually beneficial relationships and grow together. We believe that businesses have responsibilities towards the society and environment. We endeavour to make a positive impact on the society through several initiatives including addressing issues through our content. We are also committed to minimising the impact of our operations on environment.

STRATEGY IN ACTION. LAUNCH OF ZEE YUVA

The launch of Zee Yuva is a good example of our strategy in action. Our analysis of the then available offerings in Marathi language revealed that young Marathi audiences would love to be entertained in their native language. However, content available in the language was not in-line with the taste and preference of the youth. To fill this void, we launched Zee Yuva, a new channel catering to young audience with a contemporary mindset.

Zee Yuva's content is tailored for young audience with a mix of strong fiction stories and engaging non-fiction shows. Keeping in mind the viewing pattern of the audience, the channel has experimented with unique time slots and show durations. For instance, a weekly fiction show featuring episodic stories is aired in an hourly time band, three days a week as compared to the general practice of half an hour slot, five days a week.

Since the target audience for the channel is highly active on social media, Zee Yuva has reached out to them through multiple social media platforms. It leads all Marathi GECs on social media engagement metrics. This is an essential part of channel's youth outreach. The channel has created a strong, independent brand identity for itself in a market dominated by Zee Marathi. Post launch, the channel facilitated growth in viewership of young audience (15-30 age group) and cornered a majority share of this growth.

Q&A

AMIT GOENKA

CEO - INTERNATIONAL BUSINESS

Q How do you think the digital market will evolve and at what stage is India in that evolution process?

A Internet is dramatically changing the world as we know it. Over half the world now uses Internet, and technologies like AR and VR are fast becoming commonplace. Internet has already become an integral part of everyday life for most of the world's population. Over 60% of the world's population now owns a mobile phone and is 'digitally connected' and we will see a proliferation of this trend going forward. With increasing online content consumption, media businesses, content companies and advertisers are also rapidly adapting to the new reality and redefining their strategies accordingly to stay ahead and stay relevant.

Given that Internet penetration in India is still under 40%, there is a significant growth potential for digital content consumption. We see the growth momentum across digital increasingly coming from smaller towns and rural areas, as urban areas get saturated. Businesses, across the board, will have to look at innovative ways to reach and capture the rural market given its propensity to consume content in vernacular languages and lack of comfort with English.

Q What is ZEEL's strategy for digital business?

A As an entertainment content company, it remains extremely important for us to be present where our consumers are, and so having a digital presence remains integral to our strategy for future growth.

We launched the first Over-The-Top (OTT) platform in India in 2012 - dittoTV, our aggregator SVOD offering for live TV. We re-launched it last year at a strategic and disruptive price of ₹ 20 per month. We also partnered with leading telecom operators for both distribution and payment, which has been a successful move for us. OZEE, our free-to-consumer AVOD platform, has been showing excellent traction and is a leader in engagement metrics. With the launch of our global OTT platform Z5, we will consolidate our SVOD and AVOD offerings. It will be the single destination for all our content.

Q How do you see competition from local players like Hotstar, Voot and international players like Amazon Prime and Netflix?

A The industry is still at a nascent stage. Though the digital consumption has grown significantly over the last couple of years, most of the players are still experimenting with different monetisation models. At this point, the entry of new players, especially the international ones, to my mind, is expanding the market size and popularising the category. Players have raised significant funds and are investing in content creation. These are also exciting times for users who are being wooed across the board with a plethora of choices and are getting to experiment with different genres of content. We do see this trend settling down in the future and expect a degree of consolidation in the industry. This will also lead to players finding their own content niche in which they would want to operate.

We have our own strategy in place and are geared to create a distinct positioning for ourselves despite the cluttered market.

Q What would make your digital product stand out from the others?

A Content is the key to attract a sustainable viewer base across any platform. Our experience and understanding of content and consumer certainly gives us a natural edge. The content viewing pattern on digital platforms is different from television and we are tweaking our content strategy accordingly to suit these needs. In addition, a rich viewing experience aided by a highly intuitive UI across multiple languages is one of our key focus areas. Also, given our spread of channels across languages and geographies, a strong recommendation engine would help users to seamlessly navigate content suiting their needs.

Q Do you think digital will take away share of advertising from television?

A I think both would complement each other. In a market like India where television penetration will continue to grow for years, it will remain the primary medium of entertainment for majority of the population. Digital allows content consumption on the move and is adding to the overall video consumption. Even in evolved markets like the US, television advertising is still growing despite the increasing share of digital. While we see growth in both the mediums, digital will grow at a higher rate over the next few years in India.

Q Could you give a brief overview of ZEEL's international business?

A There are two parts of our international business – the first part caters to the Indian and South Asian diaspora and the second part, caters to the foreign audience in their native languages. As far as the diaspora is concerned, I think we have reached most of the countries with sizeable Indian population. The endeavour here is to offer more channels and expand our distribution reach.

We started targeting foreign audience having affinity for Indian content in 2008, and have significantly expanded our presence in the last eighteen months. I think this journey has just begun. Currently, we are offering content made for Indian market, dubbed, subtitled or repurposed as per the requirements of a country. We have 13 channels in this category and as we learn more about the needs of the audience, we will gradually make content for some of those markets.

Q How would you describe your international journey so far?

A ZEEL forayed into the international business in 1994 with the launch of Zee TV in the Middle East & Pakistan. Following that, we commenced operations in Europe (UK) in 1995, Africa in 1996, US in 1998 and lastly APAC in 2004. Having reached Indian diaspora in all significant markets, we started targeting markets with a liking for Indian content. This journey commenced with the launch of Zee Aflam in MENA region. Our international presence makes us one of the largest Indian entertainment brands and we want to make this brand stronger going forward.

Q What are the factors you consider while launching a channel for non-Indian audience?

A The proposition to launch a new channel begins with identifying markets where a content gap exists and we can leverage the strength of our library to offer differentiated content. This involves extensive research to understand the market dynamics including learning about consumer preferences, competition and market size amongst others. This is a lengthy process and only a few of the markets meet our criteria for launch. We are happy that most of our launches targeted at the non-Indian audiences have been received well. Our channels in the Middle East - Zee Aflam and Zee Alwan - have been performing well for a long time. One of our recent launches, Zee World, consistently ranks amongst the top three channels in the South African market.

Q&A

MIHIR MODI

CHIEF FINANCE
AND STRATEGY OFFICER

Q How would you describe ZEEL's financial performance in FY17?

A We are happy to deliver yet another year of industry leading growth. The Company registered a double-digit growth despite the impact of demonetisation and without launch of any major new product. We were also successful in rationalising some of the costs and the Company will continue to benefit from the same in coming years as well. Our EBITDA margins improved further to 29.9%. The performance of this year, save for the impact of demonetisation, is consistent with our performance over the last five years. We have registered 16% and 21% CAGR in revenues and EBITDA during this period on the back of strong operational performance.

Q How was the ad spends growth for television during FY17? What was the impact of demonetisation on your revenues?

A FY17 was a story of two halves. In the beginning of the year, television ad spends for the industry was growing at around early double digits. Our company posted 17% YoY growth in ad revenues during H1FY17 led by the strong performance of our regional and Hindi movie channels. The growth in advertising spends was gradually accelerating before demonetisation halted the progress. Though advertisers remained committed to invest in their brands, they re-calibrated their spends to suit the change in dynamics. Despite this, we delivered a growth which was higher than the industry, even in the second half. For the full year, our ad growth stood at 9.2% which is satisfactory given the circumstances. Going into FY18, the advertising growth appears to be back on track.

Q The growth in your subscription revenue seems to have decelerated. What are the reasons for this and what is your outlook going forward?

A Our domestic subscription revenue growth stood at 11.8% in FY17 and adjusted for the impact of sale of sports business it was more than 13.5%. After multiple delays, digitisation of phase III areas was largely completed during the fiscal year. Although the official deadline for digitisation of phase IV areas has elapsed, there is still some way to go for complete digitisation of these areas. At present, our focus is on improving the monetisation of recently digitised Phase III markets. In the current set-up, there is a lag between digitisation of an area and its monetisation due to the contract renewal cycle. It is also important to mention that during the year, the industry regulator - Telecom Regulatory Authority of India (TRAI), introduced a new regulation for content agreement between broadcasters and distributors. We are still awaiting clarity on its implementation due to pending litigations. However, we are confident that with our strong competitive position in almost every genre, we should be able to drive our subscription business if the proposed regulation is implemented.

Q What is the outlook for growth and investments for the new businesses and initiatives?

A In the last couple of years, we have scaled up our movie production business, started a music publishing label and entered the live events space. We are simultaneously working on our digital offering and entering new international markets. Our movie production is ramping up and we intend to gradually make 10-12 movies a year. The music label business has gained strong traction and continues to expand its catalogue. Our Live Events business rolled out its first two properties and several others are under development. The movie production and music businesses will entail limited working capital investments while investments in live business would be small and linked to events. In the coming year, digital business will see increased investments, on all the three fronts - content, technology and marketing. The expansion in international business will ride on our repository of content and hence will not require substantial investments. We expect to maintain healthy margins despite these investments.

Q Can you explain the reasons for increased investments in working capital during FY17?

A The increase in working capital is primarily due to investments in satellite rights of movies. Movies is one of the most important genres for the Indian consumer, especially for the male viewer. The viewership share of movies on television has been rising in India. Number of movie channels in our portfolio has increased substantially over the last few years. Movies are also an integral part of our content strategy for general entertainment channels. We now have 11 movie channels across four languages and aspire to launch more in future. During the last year, we significantly increased our investments in acquisition of movie rights. We have also paid advances to acquire future rights of movies that are under production or whose rights will come up for renewal at a later date. The investments in movie rights are likely to remain high in the near term and will come down subsequently.

Q Can you throw some light on the major corporate actions during the year?

A There were two major corporate developments during the year - sale of the sports business and acquisition of Reliance Broadcast Network's television channels. Regarding the sale of the sports business, let me begin by saying that we believe sports is an important part of the entertainment bouquet. At the time of acquisition of TEN Sports Network, it was expected that digitisation will lead to a significant increase in subscription revenue, which is critical to viability of the sports business. However, the subscription revenue did not increase as envisaged, and the cost of sports rights, especially cricket, increased substantially. Sports business was a constant drag on our financials and there was a limited visibility on its improvement.

Acquisition of the broadcasting business of RBNL is in line with our strategy to expand our offerings in key genres and focus on the regional space. BIG Magic, a comedy channel, will complement our Hindi GEC portfolio. BIG Ganga, the leading Bhojpuri channel, will give us entry into the attractive Bhojpuri market. On integration with our portfolio, the two channels will see improved monetisation of its ad inventory and substantial cost savings.

Q What are your thoughts on payout to shareholders?

A Rewarding shareholders has been one of our key focus areas. We have maintained a consistent payout while simultaneously investing adequately in the business. Over the last five years, our payout ratio has averaged at 29% (including dividend distribution tax). In addition to dividend, we have rewarded our shareholders through buy-backs and issue of bonus preference shares. We had issued bonus preference shares of approximately ₹ 21 billion to our equity shareholders in FY14, which roughly translates into ₹ 21 per share. Accordingly, the actual payout to our shareholders is much larger than the equity dividend. We have announced our intentions to extinguish the preference share liability using sale proceeds of the sports business.
As per new dividend policy approved and adopted by the Board, 25-30% of consolidated net profit will be paid as dividend which is in-line with our past practice.

Board Of DIRECTORS

Dr Subhash Chandra
Non-Executive Chairman

Dr. Subhash Chandra, Non-Executive Chairman of the Board and Promoter of Essel Group of Companies is an entrepreneur and a Parliamentarian (Member of Rajya Sabha). A self-made man, he is one of the most respected industrialists in India, who has consistently demonstrated his ability to identify new businesses and lead them on the path of success. His diverse businesses are spread across industries such as theme parks, flexible packaging, television networks and film entertainment, cable systems, family entertainment centres and infrastructure. He devotes a large part of his time to interacting with young people and investing in social good.

For his contributions to the industry, Dr. Chandra was awarded the 2011 International Emmy Directorate Award at the 39th International Emmy Awards night in New York and he has also been Honoured with the Doctorate of Business Administration by the University of East London. Dr. Chandra's immense contribution to the socio-economic well-being was recognised by Canada India Foundation by honouring him with the Global Indian Award.

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

Subodh Kumar
Non-Executive Director

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

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

He has made many noticeable contributions to the areas of his work and has made modifications to the Development Control Regulations thereby drastically reducing the manipulation in the real estate industry.

C4 C5 C2

Ashok Kurien
Non-Executive Director

One of the Founder Promoters, he is associated with ZEE since its inception as a Non-Executive Director. Ashok Kurien has been in the business of building brands for over 35 years, in the fields of Media, Marketing and Communications, and now Menstrual Hygiene and Water Filters (without electricity) for the poor and marginalised.

Apart from being Founder Promoter of ZEE, Mr. Kurien is founder / partner / Director of Playwin Lotteries (PPIL), Dish TV India Ltd., India.com, Ambience Advertising, Hanmer & Partners Public Relations and Livinguard Technologies.

C3 C6 C1

Prof. Sunil Sharma
Independent Director

Prof. Sunil Sharma has earned a fellowship (Ph.D) in Business Policy from the Indian Institute of Management, Ahmedabad, and a Bachelor's degree in Mechanical Engineering from UP Technical University. Prof. Sharma's specialisation lies in strategy formulation under uncertainty, innovation management, and organisational capabilities. He teaches courses on strategy, consulting, and innovation in IIM-A. His most recent consulting assignment was to formulate the vision and mission, review the organisational set-up and suggest a new organisation structure, and develop a business model for the Competition Commission of India.

C1 C5

Board Committees | **Committee Chairmanship** | **Committee Membership**

C1	Audit	C2	Nomination & Remuneration	C3	Stakeholders Relationship	C4	Risk Management

Prof. (Mrs.) Neharika Vohra
Independent Director

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

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

C2

Manish Chokhani
Independent Director

Mr. Manish Chokhani is a Chartered Accountant and MBA from London Business School, and one of India's most respected investors and financial experts. He was the MD & CEO of Enam Securities and led Enam's $400 Million merger in 2011 with Axis Bank to create Axis Capital Ltd. (ACL) where he held the position of MD & CEO until November 2013. He is also associated with TPG Growth India as its Chairman and is on the board of Westlife Development, Shoppers Stop and Laxmi Organic as an Independent Director. He is also a member of SEBI's Alternative Investment Promotion Committee. He has been a visiting faculty member at IIM-K. He has also served on the International Alumni Board and scholarship panels of London Business School.

C1

Adesh Kumar Gupta
Independent Director

Mr. Adesh Kumar Gupta, Chartered Accountant, Company Secretary and AMP from Harvard is a professional with rich experience of over 35 years in Corporate Strategy, M&A, Business restructuring, Fund raising and Taxation among others During his distinguished career of over 3 decades in Aditya Birla Group, Mr. Gupta held various senior positions (including Board positions) in companies in various fields including Indian Rayon, Grasim Industries, Birla Global Finance and Aditya Birla Nuvo Ltd.

Post his retirement as Whole-Time Director and CFO of Grasim Industries Ltd., Mr. Gupta ventured into Business Finance and Corporate Service space as Designated Partner of Progressive Consulting & Business Advisory LLP.

C1 C2 C4

Punit Goenka
Managing Director & CEO

Mr. Punit Goenka's futuristic vision and sharp acumen in the new media domain, has led the Company to a global stature today. Mr. Goenka is also responsible for expanding the Company's international presence across 172 countries, and its reach to over more than 1 bllion viewers.

Mr. Goenka is the only Indian Corporate Leader to receive the prestigious Médaille d'Honneur. He was also listed amongst the top 100 CEOs of India in a study published by Business Today. He has also received the prestigious Economic Times '40 Under Forty' India's Hottest Business Leaders Award 2014 and has bagged the prestigious IAA Leadership Award under the category of "Media Person of the Year Award". Mr. Goenka was recognised as the "Entrepreneur of the Year" during the recently held Asia Pacific Entrepreneurship Awards.

Mr. Goenka is the Chairman of Indian Broadcasting Foundation and also holds honorary position on the Enactus India National Advisory Board.

C3 C4 C5 C6

C5 Corporate Social Responsibility
C6 Finance Sub-Committee

Leading With PEOPLE

PEOPLE REPRESENT OUR SHARPEST COMPETITIVE EDGE. AT ZEEL, WE ARE FOCUSED ON DEVELOPING OUR EMPLOYEES AND FORMING MUTUALLY REWARDING PARTNERSHIPS WITH THEM TO HELP CREATE VALUE. OUR PEOPLE STRATEGY IS DESIGNED TO BUILD A UNIFIED ORGANISATION WITH A COMMON VISION, RECRUITING AND RETAINING WORLD-CLASS TALENT AND NURTURE LEADERS TO FUEL THE GROWTH OF OUR BUSINESS.

23
DIFFERENT NATIONALITIES

1372
TRAINING PERSON DAYS

SAMWAD - Efficiency through engagement

Our people philosophy centres around SAMWAD, which focuses on regular conversations between teams and managers. These monthly conversations encourage employees to propose new initiatives and suggestions to improve the quality of output and also gives them an opportunity to explicitly mention the support expected from managers. This two-way feedback mechanism also provides managers' assessment and leads to better working relationships within the teams.

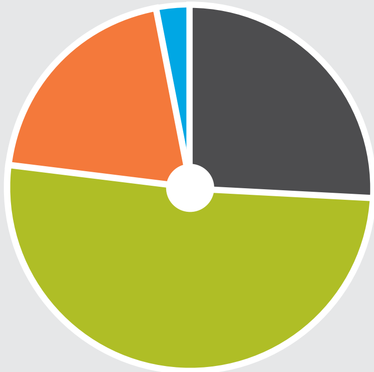
ZEELOMPICS Citius, Altius, Fortius

As a part of our employee recognition initiative, we aim to identify high performers in each role and recognise their exemplary performance as 'Heroes'. This inspires employees to reach higher and helps build an inspired working culture.

Management connect - Bottom up and top down

ZEEL strives to build a democratic culture and discuss core business issues in an open forum. As a part of this initiative, performance of all businesses is shared with employees through a webcast led by the MD & CEO. This is followed by a Q&A session with employees across India. An open-door policy fosters an environment of trust and respect between the management and the employees.

ZEE EMPLOYEE AGE PROFILE



26% BELOW 30 YEARS
51% BETWEEN 30-40 YEARS
20% BETWEEN 40-50 YEARS
3% ABOVE 50 YEARS

Great Place to Work

During the year, we received the Great Place to Work certification by the Great Place to Work Institute, India. The framework assesses an organisation on employee perception through Trust Index dimensions namely, credibility, respect, camaraderie, pride and fairness. It further evaluates and benchmarks people practices through Culture Audit.

Building capabilities through training

In this dynamic environment, it is imperative to constantly upgrade technical skills and strengthen the leadership skills. In this context, ZEEL has undertaken multiple training programmes during FY17. These programmes cover a large number of members across levels. Apart from technical workshops across functions, our trainings also include behavioural workshops focusing on decision making and execution excellence, and leadership programmes for executives from top Indian business schools.

GENDER RATIO

66% MALE
34% FEMALE

Leading With Thought.

GROWING THROUGH ENGAGEMENT

CREATING AN ENDURING BUSINESS REQUIRES BUILDING PARTNERSHIPS AND FACILITATING ENGAGEMENT WITH STAKEHOLDERS, OPINION MAKERS AND INDUSTRY STALWARTS ON A REGULAR BASIS. OUR BUSINESSES HAVE A LONG HISTORY OF ECONOMIC, SOCIAL AND INTELLECTUAL INVESTMENT IN THE PLACES IN WHICH WE LIVE AND WORK AND THE PEOPLE WHO FORM PART OF OUR WORLD. ZEEL PARTICIPATES, SUPPORTS AND ORGANISES MANY EVENTS WHERE LIKE-MINDED PEOPLE GATHER TO SHARE THOUGHTS AND VIEWS, AND ALSO MAKE SENSE OF WHAT IS HAPPENING IN THE WORLD AROUND US. ALL OF THIS MAKES FOR VERY STIMULATING EXPERIENCES. IN FY17 TOO, ZEEL WAS A PART OF MANY SUCH EVENTS.

ZEE Melt & ZEE Mindspace Conference

ZEE MELT is a festival of creativity and innovations in marketing and communications. It caters to audiences in marketing, advertising, media & PR, emerging technology and mobility.

Over two days of content the programme that consists of events run parallel to each other.

#ZEEMelt 2016 also witnessed the 4th edition of ZEEL's brand intellectual property - 'ZEE Mindspace Conference', which aims at bringing the marketing fraternity together to connect, discuss and explore new possibilities. The sessions under ZEE Mindspace Conference comprised of two main themes- Previewing Tomorrow & Open Possibilities.

The renowned speakers at the conference included:

- R Ray Wang, Principal Analyst, Founder & Chairman, Constellation Research
- Vanessa Clifford, Deputy Chief Executive, News Works
- Tom Goodwin, SVP of Strategy & Innovation, Havas Media
- Jeff Bullas, Blogger, Strategist and Speaker
- Tom Betts, Chief Data Officer, Financial Times
- Per Nilsson, Corporate Communication & Marketing Director, Semcon
- Brian Gleason, Global CEO, XAxis
- Tomi Ahonen, Technology & Media Author + Strategy Consultant

ZEE Mindspace Awards

The first edition of 'ZEE Mindspace Awards' was launched this year. It aims at recognising brands, which have captured maximum 'MindSpace'. We partnered with renowned market research company Nielsen, to execute a nationwide research to identify brands which have created maximum impact on the minds of the consumers. While 'Top of the Mind Recall' was the primary criteria to arrive at the winning brands, factors like Popularity, Advocacy, Desire and Buzz were also a part of the structured research methodology. Nielsen targeted a sample size of 12000+ audiences, covering key zones across the country. The winning brands were awarded at the ZEE Mindspace Awards 2016 in the presence of 500+ CMOs and stalwarts from the marketing and advertising industry

#ArmyBehindTheArmy

An initiative by ZEEL to recognize and applaud the mothers, wives, daughters and sisters of our brave soldiers whose support, dedication and perseverance gives the brave men, the courage and strength to fight fearlessly for the nation. ZEEL aims to honour this 'Real Army' of women behind our soldiers, by garnering respect and recognition for them at a national level.

Dr. Subhash Chandra's Interview

Dr. Subhash Chandra (DSC) was interviewed by the Harvard Business School for their project 'Creating Emerging Markets - Oral History Collection'. The interview was conducted by Prof. Das Narayandas, Edsel Bryant Ford Professor of Business Administration, Harvard Business School.

In this interview, Dr. Chandra outlined his career trajectory, detailed the various challenges he encountered, and shared what he considered key achievements. With numerous examples, he explained his risk-taking abilities, while diversifying the Essel Group.

Corporate SOCIAL RESPONSIBILITY

REACHING OUT. DRIVING CHANGE.

We believe in working beyond business commitments as a responsible corporate citizen. We contribute towards creating a change in the communities we operate in, through our reach and ability to disseminate messages. In FY17, there were many such campaigns and initiatives that we were a part of, in order to inform and involve citizens in driving change.

SUPPORTING THE EDUCATION CAUSE

Bharat Lok Shiksha Parishad is one among 6 major independent organizations functioning dedicatedly to achieve Ekal Vidyalaya's mission of 'holistic villages development'. Since its inception, Ekal Vidyalaya has reached out to 53,473 villages in 21 states. ZEEL has been supporting this initiative for last 2 years and supported 1,500 schools in various parts of the country.

MARROW DONOR REGISTRY

Marrow Donor Registry is India's first NGO which maintains computerised data base of voluntary unrelated stem cell donors and facilitates blood stem cell transplants for patients with life threatening blood diseases. ZEEL has been supporting this initiative since last 5 years and has continued the support this year as well.

DRIVING CHANGE THROUGH CONTENT

At ZEEL, we understand media has a very powerful impact on viewers' lives and hence we try to weave important social messages in our content.

Building awareness against Female Foeticide

Zee Kannada launched a campaign to spread awareness on female foeticide around its show, Waarasdara. Besides running the campaign on television and digital, we connected with people through on ground events and covered more than 2,300 hospitals across Karnataka.

Women Empowerment

Zee Marathi launched 'Jagruti' campaign to empower women by training them on several fronts including use of internet, entrepreneurial skills, self defence etc. We reached out to thousands of women through 35 events across 16 cities in Maharashtra. The Jagruti Facebook page now has 40,000+ followers and the website has become a knowledge hub for several topics.

Finding 'Real' Durgas

Zee Bangla filmed and broadcasted achievements of real-life female heroes and financially supported their noble endeavours. We connected one-to-one with the people of West Bengal in search of 'Real Durgas' by highlighting stories of courage against adversities as also popularised in one of our shows Amar Durga.

Caring For The ENVIRONMENT

WE ARE FOCUSED ON DEVELOPING THE NEXT GENERATION OF PRODUCTION PRACTICES THAT PUT PEOPLE AND PROFITS IN SYNC WITH THE PLANET. WITH OUR 'ZEE IS GREEN' INITIATIVE WE ASPIRE TO TRANSLATE OUR ENVIRONMENTAL COMMITMENT INTO ACTION.

GOAL

To become a carbon neutral organisation by 2020

ZEEL'S MISSION

- Raise awareness about sustainability amongst its employees
- Build capacity to implement green initiatives
- Foster the widespread adoption of economically viable, environmentally restorative and socially constructive processes

GREEN STUDIOS

After the successful implementation of green measures for key shows of Zee TV and &tv, we implemented these on key shows of Zee Marathi as well. A few of our studios have an efficient waste management system in place for segregating wet, dry and other waste. We divert 60% of waste originally meant to go to the landfill from many of our productions. We have installed a plastic shredder and an organic waste convertor at our studio which is currently shared by 8 productions. We have formulated 'Green Production Guidelines' which are shared with all our production houses. We are in the process of incorporating these guidelines as a part of legally binding contracts to ensure compliance.

GREEN OFFICE

The scope of green measures is not limited to our production sets, but also extends to our offices. We have installed a plastic shredder at our headquarters for intelligent disposal of plastic. The shredder has helped us segregate waste and divert close to 7,000 bottles a month from going to the landfill. We have also reduced the plastic bottle consumption by 40%, using reusable bottles. All our conference and meeting rooms have sensors that help conserve electricity. There are messaging systems that discourage food wastage in cafeterias which has led to 30% reduction in food wastage.

ZEE IS GREEN STUDIO TOURS

To increase awareness about our green efforts, we have introduced 'ZEE is Green Studio Tours', where tourists can visit our green sets and get information about the Move down friendly measures we have adopted. During last year, people from 18 nationalities visited our sets as a part of this initiative.

Our online portal ***www.zeeisgreen.com*** is a one-stop platform for all our production houses for green resources and green vendor listings. It also acts as a communication platform where our key actors advocate the message of sustainability.

- **2,45,000 bottles** (3,920 kgs) diverted from going to landfill from production facilities
- Converted **30,300 kgs** of wet waste to manure
- By using rechargeable batteries, helped divert **18,500 batteries** from going to landfill
- The **'Zee is Green'** initiative was conferred a special Award of Excellence at IAA OLIVE CROWN AWARDS 2016.

Corporate INFORMATION

BOARD OF DIRECTORS

DR. SUBHASH CHANDRA
Non-Executive Chairman

SUBODH KUMAR
Non-Executive Director

ASHOK KURIEN
Non-Executive Director

PROF. SUNIL SHARMA
Independent Director

PROF. (MRS.) NEHARIKA VOHRA
Independent Director

MANISH CHOKHANI
Independent Director

ADESH KUMAR GUPTA
Independent Director

PUNIT GOENKA
Managing Director & CEO

SENIOR MANAGEMENT

AMIT GOENKA
CEO – International Business

CHAMLI TENNAKOON
CEO – Digital Business

M LAKSHMINARAYANAN
Chief Compliance Officer &
Company Secretary

MIHIR MODI
Chief Finance & Strategy Officer

PRAVEER PRIYADARSHI
Chief People Officer

PUNIT MISRA
CEO – Domestic Broadcast Business

RAJNEESH MITTAL
Head - Information Technology

SUNIL BUCH
CEO – Live Business,
Head – Corporate & Brand Communications

AUDITORS

M/S MGB & CO. LLP

BANKERS

BNP PARIBAS
DEUTSCHE BANK
KOTAK MAHINDRA BANK LTD.
STANDARD CHARTERED BANK
YES BANK LTD.

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

STATUTORY REPORTS

FINANCIAL STATEMENTS

STANDALONE

CONSOLIDATED

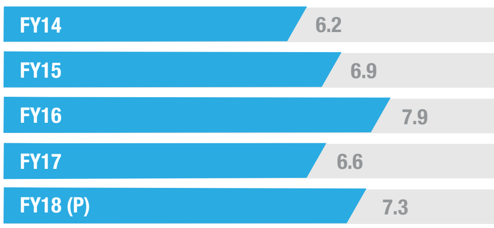
MANAGEMENT DISCUSSION AND ANALYSIS

INDIAN MACROECONOMIC SCENARIO

India remains one of the fastest growing economies in the world despite the temporary slowdown in growth due to government's decision to withdraw high denomination notes from circulation. High frequency data, such as automobile sales, cement consumption, personal loan growth and exports growth suggest that the economy is gradually recovering from the impact of demonetisation. RBI expects real GDP growth to accelerate to 7.3% in FY18 from 6.6% in FY17 (GVA basis). Sustained low inflation, falling fiscal deficit, low current account deficit, and a stable currency have created a positive environment for economic growth. Goods and Services Tax (GST) is expected to be implemented in India in FY18. This unified tax regime, coupled with the Central Government's thrust on areas, such as power, infrastructure, and affordable housing should help accelerate India's growth rate closer to 8% in the medium term.

India's consumption growth over the past decade has been strong and resilient even during periods of slower GDP growth. This bodes well for our industry, as spends on media and entertainment are linked to consumption spends in the economy. Private final consumption is estimated to have grown at 6.8% CAGR over FY12-17 in real terms (12.5% in nominal terms). Within the consumption basket, the share of non-food items has been rising with increasing per capita income. There is another positive trend of organised businesses entering and gaining market share in various sectors. Both these factors bode well for growth in advertising spends.

INDIA GDP GROWTH %



Source: CSO and RBI

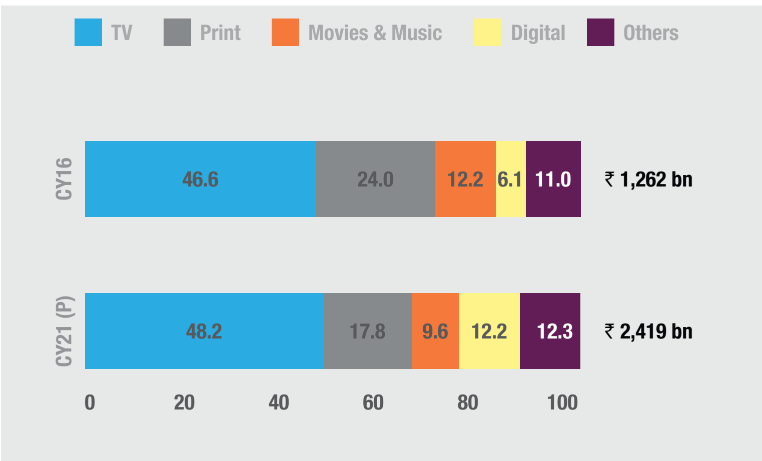
INDIA'S M&E INDUSTRY IS PROJECTED TO GROW AT MORE THAN DOUBLE THE PACE OF GLOBAL AVERAGE

INDIA'S MEDIA AND ENTERTAINMENT INDUSTRY

The media and entertainment industry (M&E) witnessed another year of all round growth, albeit slower than estimates at the start of the financial year. This was mainly due to the impact of demonetisation. According to FICCI-KPMG estimates, India's M&E industry grew at 9.1% in CY16 over the previous year, to ₹ 1,262 billion. On average, an Indian consumer spends much less time and share of his disposable income on media and entertainment consumption, compared to peers and developed countries. This provides a significant headroom for sustained growth which will be driven by rising disposable incomes and increasing avenues of entertainment. FICCI-KMPG industry report pegs the growth of Indian M&E industry over the next five years at 13.9% CAGR, to ₹ 2,419 billion.

In the year gone by, within the television segment, regional channels continued to gain traction. Print, unlike in the developed world, continued to grow, with vernacular outpacing the growth of English language publications. In the movie industry, although overall revenues declined, box office collections of blockbuster films surpassed all previous records. This was true for Bollywood as well as regional films. Video consumption on digital platforms got a boost due to decline in data tariffs and increased availability of content on various digital platforms. Radio made deeper inroads in semi-urban India following the auction of Phase III licenses.

INDIAN M&E INDUSTRY - MARKET SHARE BY VERTICALS (%)



Source: FICCI-KPMG Indian M&E Industry Report, 2017

TELEVISION

INDIA'S LOW AD SPENDS AND TELEVISION PENETRATION PRESENTS A MULTI-YEAR GROWTH OPPORTUNITY; TELEVISION SECTOR IS PROJECTED TO GROW AT 14.7% OVER THE NEXT FIVE YEARS

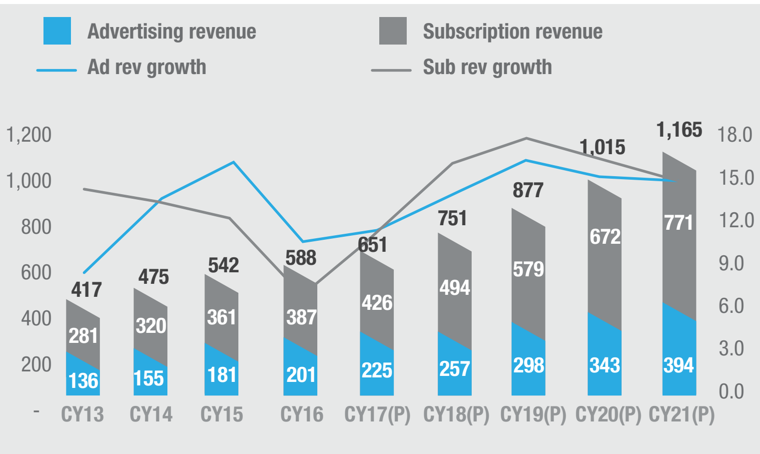
Television industry's growth in FY17 saw a temporary blip because of demonetisation and delay in digitisation of analogue cable subscriber base. However, towards the end of the year, advertising growth returned to normalcy. After multiple extensions of deadline, digitisation of Phase III cable subscriber base was largely completed. Despite these adversities, as per the FICCI-KPMG industry report, Indian television segment registered a growth of 8.5% in CY16 as compared to 14.2% in CY15.

Television remains the prime medium of entertainment for the Indian consumer. During FY17, time spent on watching television at individual and household levels stood at 158 and 287 minutes per day respectively, which remained stable through the year. During the year, there was an increase in viewership of news channels due to significant events, such as surgical strikes, state elections and demonetisation. Hindi GEC remains the most watched genre in the country. Meanwhile, regional channels continued to gain traction.

The deadline for **digitisation** of Phase III and IV were postponed again to January 2017 and March 2017, respectively. On the positive side, digitisation of Phase III is now almost complete. Despite the deadline for phase IV having elapsed, the pace of digitisation in those areas remains slow due to its geographical spread. Both, broadcasters and distributors, are focused on improving monetisation of subscribers in newly digitised markets. In India, pay television ARPU (Average Revenue Per User) is significantly lower than comparable countries. Completion of the digitisation process could set the ball rolling for long overdue correction of Indian television ARPU.

INDIAN TELEVISION INDUSTRY (₹ BILLION)

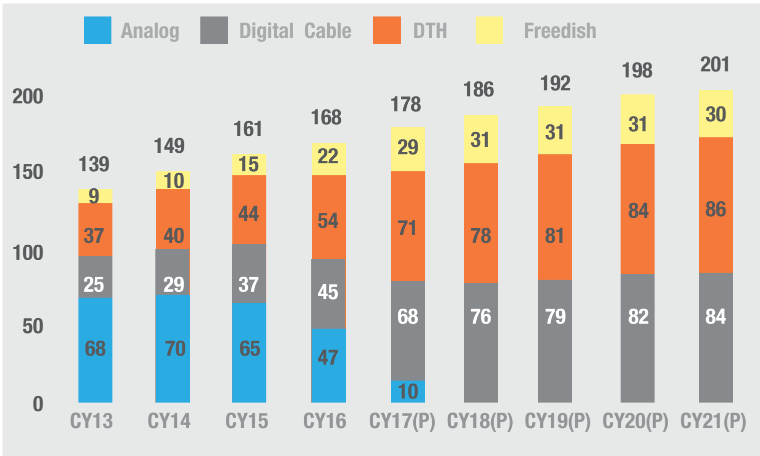
(%)



Source: FICCI-KPMG Indian M&E Industry Report, 2017

TELEVISION HOUSEHOLDS

(million)



Source: FICCI-KPMG Indian M&E Industry Report, 2017

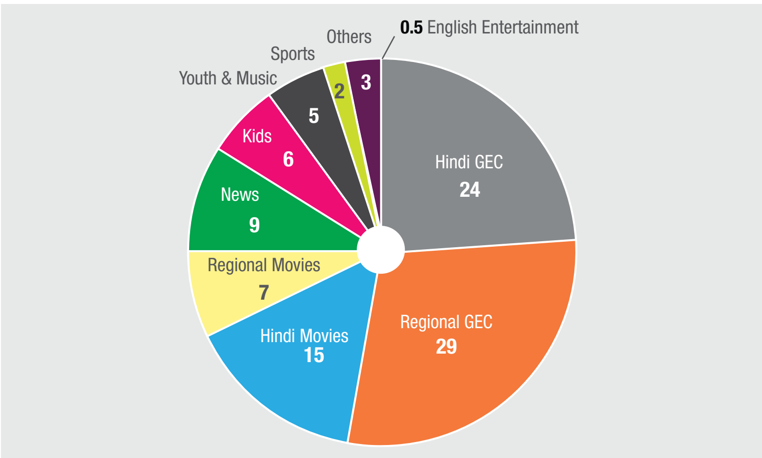
During the year, **Telecom Regulatory Authority of India (TRAI) issued tariff order** with the objective of allowing viewers to choose channels on an a-la-carte basis. This order has been challenged by multiple stakeholders and the matter is subjudice. Effective implementation of this tariff order requires a significant upgrade of infrastructure and subscriber management systems of the distributors. It might be difficult to offer channels on a-la-carte basis, given low ARPU in India. As a result, bouquet may remain the most popular option for subscription even under the new regulation.

Broadcast Audience Research Council's (BARC) television universe expanded from 674 million individuals and 153 million households to 780 million individuals and 183 million households in FY17. It is in the process of increasing panel size from 22,000 meters to over 30,000 by the end of CY17. The measurement of rural audience has provided valuable insights into the viewership patterns and preferences of vast rural television households.

Growth outlook for the Indian television segment is strong across both advertising and subscription revenue streams. Strong consumption growth, coupled with increasing share of organised businesses in various segments, augurs well for the growth in advertising spends. On account of its reach and impact, television will continue to remain the preferred advertising medium for brands. Digitisation, increasing penetration of high definition and a growing base of television households will drive subscription revenues. FICCI-KPMG report forecasts Indian television segment to grow at a CAGR of 14.7% over CY16-21, driven by 14.4% growth in advertising revenues and 14.8% growth in subscription revenues.

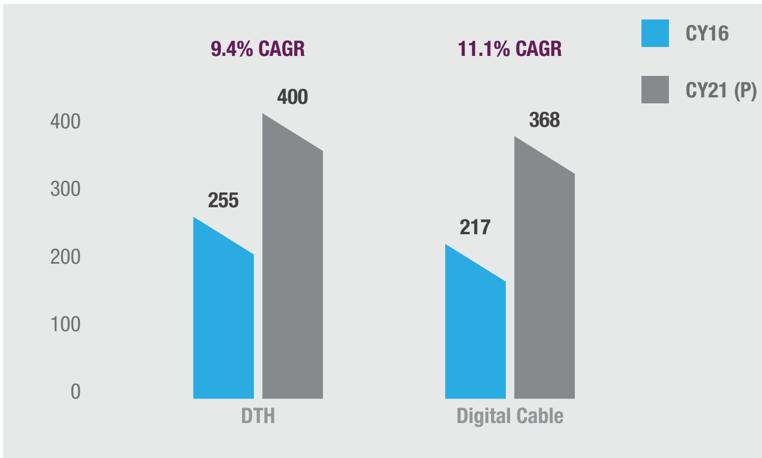
ZEEL has a strong presence in all entertainment genres in both national and regional markets through a bouquet of 32 channels. During FY17, the Company's pan-India viewership share was 16.0%.

ALL INDIA VIEWERSHIP SHARE BY GENRE (FY17) (%)



Source: BARC

AVERAGE REVENUE PER USER (₹ per month)



Source: FICCI-KPMG Indian M&E Industry Report, 2017

MOVIES

PROLIFERATION OF MULTIPLEXES IS ONE OF THE KEY DRIVERS FOR MOVIE INDUSTRY REVENUE GROWTH

India is the world's largest market in terms of movies released annually but ranks fifth in terms of revenues. Although movie-going is a well-entrenched leisure habit in India, its monetisation is low due to smaller ticket size and low screen penetration. However, the scenario is improving, with multiplexes increasing its share at the expense of single screens, driving up average ticket prices. Satellite and digital rights are additional sources of revenue for the movies. While the market for satellite rights remains healthy, digital rights saw a sharp increase in price due to competition from multiple players.

While the South Indian film industry continues its strong growth, other regional markets such as Marathi, Gujarati and Punjabi are also gaining traction. For instance, Sairat, a Marathi movie, grossed more than ₹ 1 billion in theatrical revenues, a first for a Marathi movie. The Indian movie industry is estimated to grow at 7.7% CAGR during CY16-21 to around ₹ 207 billion.

Zee Studios, ZEEL's film production and distribution arm, is well positioned to gain from these market dynamics. It produces Bollywood as well as regional language films in Marathi, Kannada, Telugu and Punjabi.

DIGITAL

IN INDIA, MOBILE WILL LEAD THE WAVE OF ONLINE VIDEO CONSUMPTION

During the year, the ecosystem for digital consumption of entertainment content evolved at a fast pace. In India, mobile is the primary device for internet access. According to estimates, India's 3G and 4G subscriber base stood at 250 million at the end of FY17, and is likely to reach 470 million by 2020. The launch of Reliance Jio and acceleration in 4G rollout by other telecom players has significantly improved data connectivity. Over the past few years, there has been a spurt in the number of OTT service providers, with both the local as well as foreign players vying for consumers' attention. OTT players are also investing in producing original content for digital platforms, including digital only or digital first content.

Rollout of 4G networks and the fierce competition in the telecom sector has led to a sharp decline in data rates. Online consumption of video content has surged on the back of these developments and the trend is likely to continue. Despite the drop, because of low pay television ARPU, the total cost of watching video online still compares unfavourably with television. Low penetration of wired broadband is another limiting factor for wider adoption of online entertainment. As broadband availability and affordability improves further, the growth in online video consumption will accelerate. Ad spends on digital media is growing at an impressive pace, partially driven by 'search' and 'banner' advertising. The FICCI-KPMG report shows that digital advertising in India grew by 28% in CY16 to ₹ 77 billion, and is expected to grow at a CAGR of 30.8% over CY16-21.

ZEEL has a strong presence in the digital space through its two OTT platforms – dittoTV, which is a subscription-based video on demand (SVOD) platform, and OZEE, which is an advertising video on demand (AVOD) platform.

MUSIC

DIGITAL MUSIC STREAMING HAS GIVEN A NEW LEASE OF LIFE TO THE INDUSTRY

Indian music market is set to more than double to ₹ 25 billion by CY21. Music labels' revenues are derived from multiple sources, such as online music streaming, airing on radio, and use of audio tracks for various purposes. With the onset of digital revolution, music consumption on digital platforms has become the primary driver of growth for the industry. It now contributes to over 70% of the total revenues. Online streaming platforms already have over 50 million users which will continue to grow on the back of falling data cost and availability of curated music. Like the trend in movies, music consumption in regional languages is also gaining traction.

Zee Music Company, ZEEL's music publishing label, has a significant presence in Bollywood music as well as regional music.

LIVE EVENTS

The live events industry in India is largely unorganised. Traditionally, India has not been a big market for ticketed live events, but the space is now witnessing a strong growth. It could further accelerate if issues such as lack of infrastructure, skilled manpower, and multiple taxes are resolved. As per the FICCI-KPMG report, live entertainment industry in India grew at 20-25%, with an estimated revenue of ₹ 55-65 billion in CY16.

ZEE LIVE is the live events business division of ZEEL and it creates intellectual property (IP) for events including music concerts, food festivals and plays amongst others.

COMPANY PROFILE

Zee Entertainment Enterprises Limited (ZEEL) is one of India's largest entertainment content company. Starting with the launch of India's first Hindi satellite channel, Zee TV, in 1992, ZEEL has evolved into an integrated entertainment content company over the last two and a half decades. The Company caters to the entire spectrum of customers' entertainment needs with production of content across different formats and platforms, such as fiction and reality shows for television, movies, music, digital, plays and live events. ZEEL produces content in more than 10 languages in India to serve the linguistically diverse audience. It has also established its presence in over 172+ countries and produces content in 9 foreign languages. Over the years, the Company has built a content library of 240,000+ hours reaching over a billion viewers globally.

ZEE ENTERTAINMENT ENTERPRISES LIMITED

01 DOMESTIC BROADCASTING

HINDI GEC

REGIONAL ENTERTAINMENT

HINDI MOVIE CLUSTER

NICHE CHANNELS

02 MOVIES & MUSIC

ZEE STUDIOS

ZEE MUSIC COMPANY

03 INTERNATIONAL

39 CHANNELS IN MORE THAN 172 COUNTRIES

04 DIGITAL

OZEE

DITTO TV

INDIA.COM

05 LIVE

ZEE LIVE

ZEE THEATRE

OPERATIONAL REVIEW

DOMESTIC BROADCASTING

Domestic Broadcasting is ZEEL's largest business division comprising 32 channels across four categories - Hindi GECs, Hindi Movie Cluster, Regional Entertainment Channels and Niche Channels.

During FY17, the domestic broadcasting business continued to perform strongly. ZEEL had a network viewership share of 16.0% and was the second largest player in the Indian television entertainment business. The performance was led by a good performance of the regional portfolio and Hindi movie cluster.

The year was also marked by multiple decisions that reflect the Company's commitment to continue investments for growth and to further strengthen its competitive position.

IN FY17, ZEEL STRENGTHENED ITS POSITION AS THE NO. 2 PLAYER AND NARROWED GAP WITH THE LEADER

KEY HIGHLIGHTS

DIVESTMENT OF THE SPORTS BUSINESS

The Company's sports business - Ten Sports Network, was divested through a sale to Sony Pictures Network for USD 385 million. The decision to sell the business was a culmination of strategic review of the portfolio. The Company invested in and grew the sports business over the last 10 years with the expectation of turning it profitable. However, the gestation period continued to get elongated as monetisation of sporting events did not improve as expected. Meanwhile, the cost of broadcasting rights of relevant sporting events continued to escalate.

ACQUISITION OF RBNL'S BROADCASTING PORTFOLIO

ZEEL agreed to acquire the television broadcasting portfolio of Reliance Broadcast Networks Limited (RBNL), which comprises of two channels - Big Magic and Big Ganga. These acquisitions dovetail into ZEEL's well established strategy of regionalisation and segmentation. The acquisition offers multiple synergies with the existing offerings of ZEEL. Big Magic complements the existing Hindi GECs through the addition of comedy genre, and Big Ganga opens up the attractive Bhojpuri market for the Company.

PORTFOLIO EXPANSION

The Company launched 3 channels and decided to take 2 channels off-air.

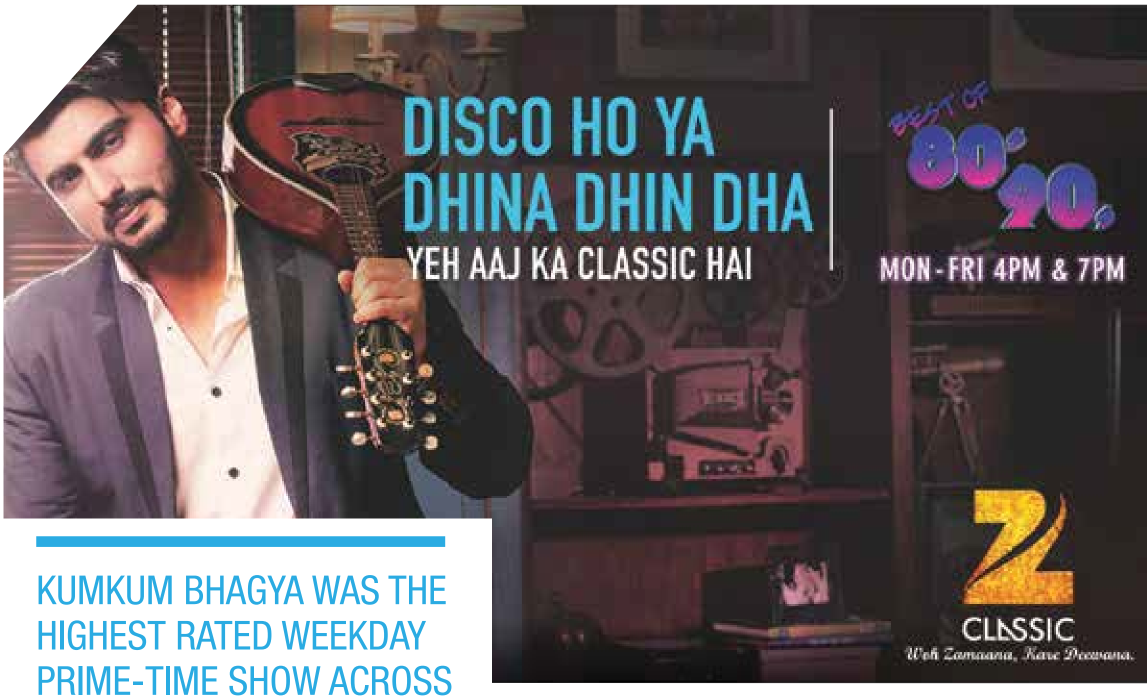
- **Zee Yuva,** launched in August 2016, is a youth focused Marathi channel that caters to contemporary audiences and will help the Company consolidate its leadership position in the language.
- **Zee Anmol Cinema,** launched in September 2016, builds on the leadership of hindi movie cluster by adding an FTA property. The channel will allow consumers to sample premium content and graduate to a paid model over a period.
- **Zee Cinemalu,** was launched in September 2016 for the movie loving Telugu audience. The channel leverages a library of over 500 titles across genres to cater to the preferences of a diverse set of audiences.
- Considering the viewer preference for content on **Zindagi** and **ZeeQ,** the Company decided to shut down linear feed of these channels. The content of these two channels is available on Company's online platform.

STRENGTHENING THE MOVIE LIBRARY

During the year, the Company significantly increased its investments in acquisition of movie rights including future rights and rights of movies under production. Movies is one of the most important entertainment genres for Indian consumers and a key long-term growth driver for the business. ZEEL now has a portfolio of 11 movie channels across Hindi and regional languages. Movies also form an integral part of content strategy for general entertainment channels across languages.

PREMIUMISATION OF PORTFOLIO

With the improving penetration of HD television sets, audience increasingly wants to consume content in high definition. During the year, the Company expanded its HD offerings with the launch of HD feeds for Zee Marathi, Zee Talkies and Zee Bangla. HD channels offer a richer viewing experience to consumers and higher ARPU to the Company. ZEEL will continue to increase its HD offerings going forward.



KUMKUM BHAGYA WAS THE HIGHEST RATED WEEKDAY PRIME-TIME SHOW ACROSS TIME-SLOTS

CLUSTER WISE OPERATIONAL REVIEW

HINDI GEC

The Hindi GEC bouquet contains 4 channels - Zee TV is the flagship channel, &tv is the Company's second GEC targeted at younger and urban audience, Zee Anmol is the FTA Channel and Zing focuses on the youth audience.

Zee TV is one of the leading Hindi GECs in India. While the channel began the year on a strong note, it witnessed a dip in its viewership during the later half. The channel has put together a new content line up to win back share of eyeballs which has started yielding results.

&tv continued to build its viewership in urban markets and has launched several shows that are designed to help increase audience stickiness and attract new viewers.

Zee Anmol was the leader in the FTA genre during the year, and **Zing** maintained its position amongst the top two channels in the youth genre with a mix of music and Bollywood shows.

HINDI MOVIE CLUSTER

ZEEL's Hindi Movies bouquet, comprising 7 channels (Zee Cinema, &pictures, Zee Classic, Zee Action, Zee Anmol Cinema, Zee Cinema HD and &pictures HD), continued to consolidate its leadership position during the year. Besides performing well on library titles, the channels also aired world television premieres of hit Bollywood movies, such as Welcome Back, Rustom, Flying Jatt, Baaghi, Tamasha and Baar Baar Dekho.

REGIONAL ENTERTAINMENT CHANNELS

ZEEL's regional portfolio caters to 6 linguistically diverse markets - Marathi, Bengali, Kannada, Telugu, Tamil and Odiya. Completion of acquisition of RBNL's Broadcasting business will add Bhojpuri language to the portfolio. Regional GECs continued their strong performance and strengthened their competitive position in respective markets.

Zee Marathi strengthened its leadership and was the No.1 channel across all prime-time slots. **Zee Yuva** was launched this year with impressive numbers – it became the third highest channel by reach within six months of its launch. **Zee Talkies** continued to be the top movie destination for Marathi audience.

Zee Bangla maintained its No. 2 position during the year. While consolidating its urban reach, the channel also took steps to increase its rural viewer base, which demonstrated results. **Zee Bangla Cinema** improved its viewership share as the No. 2 movie channel helped by the high viewership of *Zee Bangla Cinema Originals* movies.

Zee Kannada established itself as the clear No. 2 channel, and recorded its highest viewership ever, with an increase of 40% in ratings compared to last year.

Zee Telugu was the No. 3 channel in the market. However, it maintained its leadership in the primetime slots. **Zee Cinemalu** made an impressive debut and became the third most watched Telugu movie channel within six months of launch.

Zee Tamil increased its viewership share by 300% and became the No. 2 channel. The channel has lined up multiple launches which are likely to provide an impetus to the viewership numbers.

Sarthak TV (Odiya) continued to remain the leading channel by a distance, being a leader across most of the prime-time slots.

NICHE CHANNELS

Zee Café remained one of the top English entertainment channels, with its rich and diverse content spread. Zee Studio, with its top-of-line Hollywood content, continued to be one of the preferred English movie channels across the genre. Zindagi, through its thought leadership, aired some of the most compelling stories from culturally diverse regions such as Turkey, South Korea, Ukraine and more. However, considering the preference of the viewers for this channel, the Company decided to move its content to the online platform.

MOVIES AND MUSIC

The Movies and Music businesses significantly scaled-up their operations in FY17. Both businesses performed well during the year driven by several marquee properties. These businesses have now started to contribute to overall growth of the Company.

2 OF OUR MOVIES JOINED THE ₹ 1 BILLION CLUB

ZEE STUDIOS

During the year, Zee Studios released seven movies across three languages. Zee Studios has adopted a strategy of focusing on Hindi and regional movies, which allows it to leverage its expertise in making content in several languages.

ZEE STUDIOS' BUSINESS APPROACH

SCRIPT DRIVEN

Movie selection at Zee Studios starts with identifying thought provoking story-lines and does not revolve around star cast. For instance, Sairat featured two unknown faces but still managed to attract audience on the back of a strong story. Zee Studios' complete involvement in movie making sets its business model apart from several other studios. This gives the Company a strong grip over story-line, execution and costs.

ACROSS BUDGETS, ACROSS LANGUAGES

The Company does not believe that the success of a movie is contingent on the budget. A good story rather than budget is a pre-requisite for selection of a movie. Producing movies across different budgets also reduces the risk. Leveraging its experience of entertaining viewers across languages, the Company makes movies in multiple languages. A portfolio of movies across budgets and languages reduces inherent risk in the business.

PROFIT-SHARING WITH KEY TALENT

Talent is a significant proportion of the movie cost in India and in many cases, this high cost could be the difference between a profitable and a loss making movie. The Company works on the principle that if a movie is successful, all stakeholders should make money. Accordingly, it tries to engage the talent on a profit sharing basis. This also reduces financial impact of unsuccessful movies.

LEVERAGE PRESENCE ACROSS VERTICALS

A strong portfolio of movie channels, music label and digital platforms enables the Company to improve its viewership and monetisation of movies. Understanding from these businesses is used in conceptualising and producing movies, which also improves potential for success. Presence across mediums enables the Company to do 360° promotion of movies.

KEY HIGHLIGHTS

- In FY17, Zee Studios released 7 movies across 3 languages of which 4 were produced while 3 were distributed.
- Rustom, a poignant real life story adapted for cinematic storytelling was released in August 2016, and received high critical acclaim. It went on to become one of the highest grossing films of the year. Akshay Kumar, the male lead, received the National Film Award for Best Actor for his performance in the film.
- Sairat, the record-breaking Marathi film, grossed more than ₹1,000 million in box office collections, and became the only Marathi film ever to cross this milestone. The female lead – Rinku Rajguru, received a special mention from the jury at National Film Awards 2016, for her effective portrayal of a lively girl who defies societal norms and faces her family's wrath in pursuit of her dreams.

Strong slate for the future

Zee Studios has an impressive line-up of Bollywood releases including Mom (starring Sridevi), Secret Superstar (starring Aamir Khan), Kareeb Kareeb Single (starring Irfan Khan) and Tadka. In addition to this, several regional movies (in Marathi, Punjabi and Telugu) are also lined up for release. Zee Studios is also working on an international title – Beyond The Clouds, directed by Oscar nominated film maker Majid Majidi.

ZEE MUSIC COMPANY

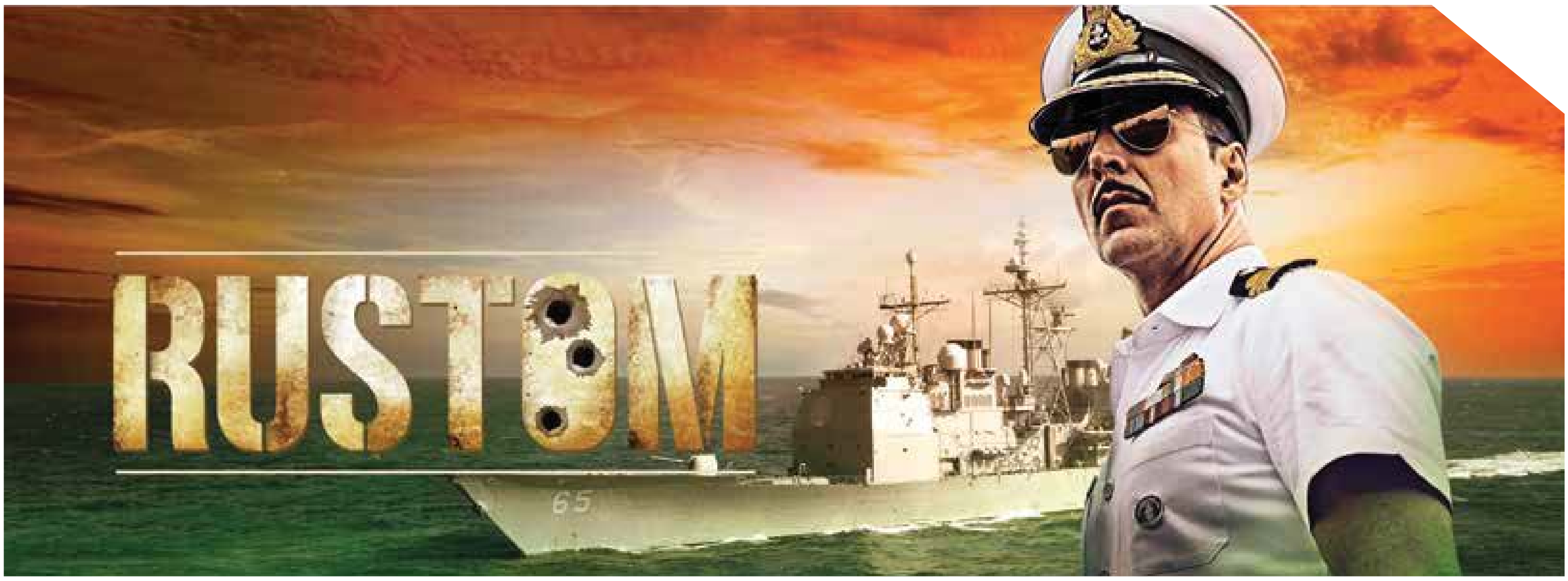
Zee Music Company (ZMC) enjoys a significant advantage in music business due to Company's presence in music broadcasting and digital. ZMC continued its aggressive content acquisition strategy and emerged as a leading player with an incremental market share of over half the new releases in Bollywood. It also deepened its footprint in regional music markets - Marathi, Punjabi, Kannada, Telugu, Gujarati and Bengali.

KEY HIGHLIGHTS

- During FY17, ZMC acquired the music rights of more than 143 movies including 58 Bollywood movies. Some of the key titles acquired include Half Girlfriend, Dangal, Raees, Baar Baar Dekho and Flying Jatt.
- ZMC is the fastest growing music label on digital platforms with a 15% market share (#2 music label).
- The ZMC YouTube music channel has more than 6.7 million subscribers, making it the second most popular Indian YouTube channel in the music category.
- ZMC's content garnered an average of 750 million views per month on YouTube in the last quarter of FY17.

ZMC NOW HAS MORE THAN 6.7 MILLION SUBSCRIBERS ON YOUTUBE

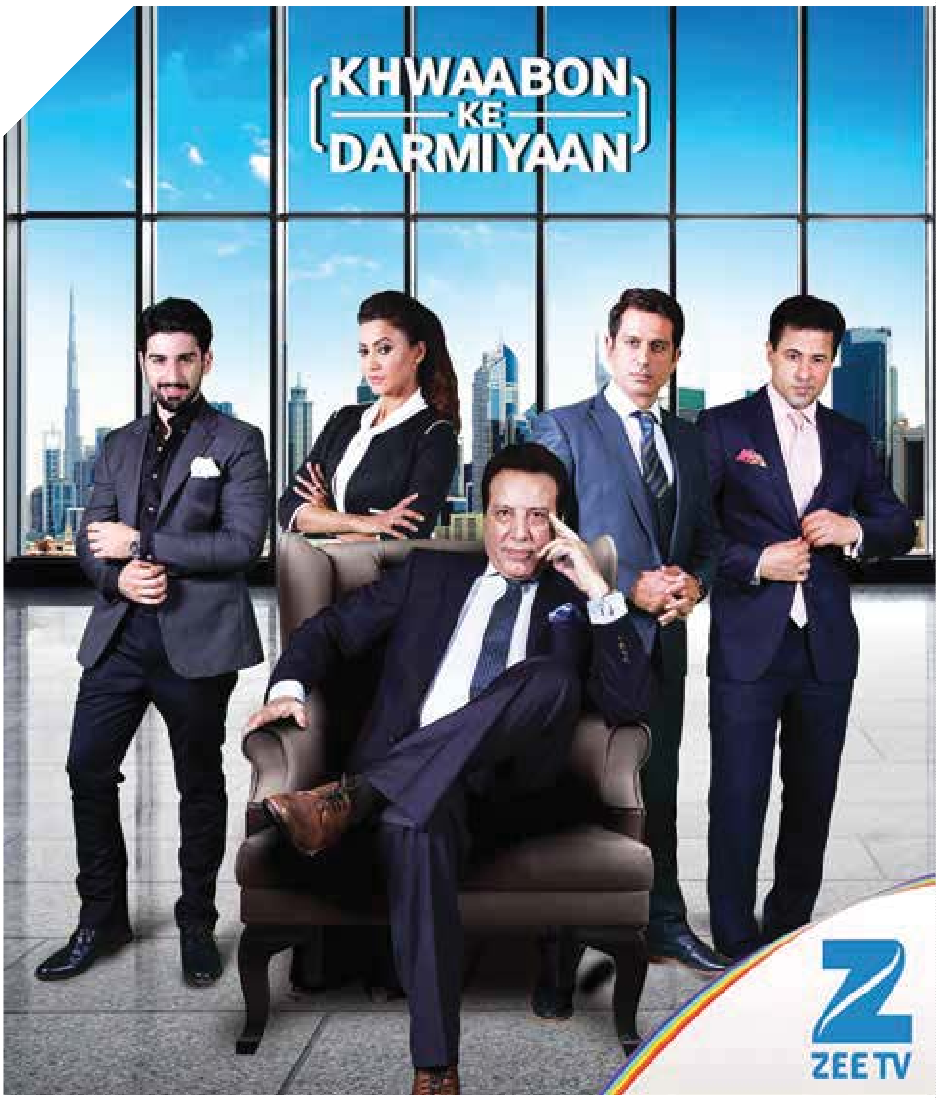
Zee Music Company's album 'Udta Punjab' is awarded 'Album of 2016' by Apple Music & iTunes



INTERNATIONAL BUSINESS

ZEEL now operates in more than 172 countries with telecast of its content in 19 languages, including 9 foreign languages. Its international reach has expanded to 363 million – a growth of 29% over FY16. This makes ZEEL a truly global entertainment content provider.

ZEEL has a two-pronged strategy for international markets – reaching the Indian and South Asian diaspora with channel offerings in Indian languages and serving the non-Indian audience in their native languages. The Company aims to serve Indian diaspora through addition of new channels and distribution platforms. To increase its presence among non-Indian audience, the Company seeks out markets with cultural and entertainment preferences similar to its home market.



KEY HIGHLIGHTS

- ZEEL launched 5 channels in local languages across various geographies – Zee Sine in Philippines (Tagalog), Zee One in Germany (German), Zee Mundo in US (Spanish), Zee Bollynova in Africa (English), Zee Bollymovies in Africa (English).
- The Company launched a Hindi radio station 106.2 FM in the UAE.
- ZEEL also produced local content in few of its markets. Shows like Dance Singapore Dance, Khwaabon Ke Darmiyan (Middle East) and Make It Snappy (Thailand) were produced locally.

REGION-WISE OPERATING HIGHLIGHTS

USA

Zee Mundo became the first Spanish language Bollywood movie channel in the USA.

ZEEL became the largest South Asian broadcaster in the region with 25 channels on Dish.

ZEEL also launched its Arabic channels - Zee Alwan and Zee Aflam. These launches will help the Company cater to broader cross-cultural audience of the country.

EUROPE

Zee One, launched in July 2016, became Germany's first Bollywood channel in German.

Zee Russia saw a marked improvement in its subscribers.

&tv consolidated its position in the UK with airing of exclusive movies.

MENAP

Zee Aflam continued to be the third most watched Arabic movie channel, with 40% increase in male viewership.

Zee Alwan improved its viewership with an impressive line-up of Arabic shows.

Zee TV and Zee Cinema continued to maintain their strong leadership position in their respective target segments.

AFRICA

ZEEL launched Zee Bollymovies, a channel with Bollywood movies dubbed in English. It also launched Zee Bollynova, a GEC with English serials and food shows.

Zee World consistently retained its position as one of the top-3 most watched pay channels in South Africa, recording a 40% rise in viewership over FY16.

Zee Magic, the French dubbed GEC, gained traction among African Francophone viewers.

APAC

Zee Sine and Zee Phim were launched in Philippines and Vietnam, respectively. These channels will telecast Bollywood movies dubbed in native languages.

Zee Bioskop was relaunched in Indonesia with a content mix of Bollywood blockbusters and premium Hindi shows.

DIGITAL

ZEEL has presence in digital space through two OTT platforms – OZEE and dittoTV, and a suite of websites operated by India Webportal Pvt. Ltd. (IWPL).

OZEE

OZEE, Advertising Video on Demand (AVOD) OTT platform, showed strong growth during the year and firmly established itself as the go-to destination for all ZEEL's on-demand content. Offering viewers the convenience of being able to watch their favourite shows across top national and regional channels, anytime, anywhere, OZEE today has a strong loyal audience base. The platform offers viewers 'Behind the Scenes' preview of ZEEL's popular shows. During the fourth quarter of FY17, the platform witnessed an average of more than 50 million video views per month.

DITTOTV

During the year, dittoTV – the Subscription Video-on-Demand (SVOD) platform, was relaunched with reduced subscription price. This allowed affordable access to television to anyone who had an internet connected device. dittoTV built strong alliances with key telecom operators like Airtel, Vodafone, Idea and BSNL. The dittoTV app, which is now integrated with the platforms of these telecom operators, saw a strong growth in subscriber base. These alliances give access to subscribers in smaller towns, which are likely to drive the next wave of digital consumption.

The #BeesKaTV campaign rolled out in July 2016 trended at the No.1 position in India on Twitter on the launch day.

IWPL

IWPL runs a suite of websites focusing on entertainment, news and sports content. IWPL network registered more than 40% increase in its number of unique users during FY17. While india.com is the flagship website, TheHealthSite.com, Bollywoodlife.com and BGR.in are leaders in their respective categories.

KEY HIGHLIGHTS

- OZEE recorded over 60 million monthly video views during March 2017.
- dittoTV partnered with leading telecom operators like Airtel, Idea, Vodafone and BSNL to reach a vast subscriber base.
- India.com sites registered 42.1 million unique users in March 2017.

dittoTV IS NOW INTEGRATED WITH INDIA'S MAJOR TELECOM OPERATORS' PLATFORMS

LIVE EVENTS

ZLIVE

ZEE LIVE focuses on creating memorable on-ground experiences for audiences in the country as well as overseas. It aims to become the gateway for Indian live experiences to the world, while bringing the best of the world to India. Through Zee Theatre, it aims to revive, restore and spread the rich cultural heritage of theatre and bring together some of the finest works for the audience to experience. With stories across genre, from drama and musical to classics, comedy, horror and satires, Zee Theatre believes there is something for everyone.

During the year, ZEE LIVE rolled out its first two properties. Baleno Wicked Weekends created India's longest party marathon at the biggest hotspots across six cities. Featuring some of the most popular independent artists in India, it has created a strong connect with the young urban audience. Zee Theatre, kick started theatre tour in January 2017 and staged 13 plays across 9 cities in India. ZEE LIVE is looking forward to an exciting calendar of IPs for the upcoming year.

ZEE THEATRE PERFORMED 13 PLAYS ACROSS 9 CITIES SINCE JANUARY 2017

FINANCIAL REVIEW

STANDALONE FINANCIALS

A. RESULTS OF OPERATIONS

Non-Consolidated Financial Information for the Year Ended 31 March, 2017 compared to the Year Ended 31 March, 2016.

TOTAL REVENUE

Total revenue increased by ₹ 8,430 million or 19% from ₹ 44,325 million in FY 2016 to ₹ 52,755 million in FY 2017. This growth was driven by an increase in broadcasting revenue.

Revenue from Operations

The Company's operating revenue increased by ₹ 7,219 million or 17%, from ₹ 42,065 million in FY 2016 to ₹ 49,284 million in FY 2017. Among the major sources of income, advertising revenue has increased by 12% to ₹ 32,395 million in FY 2017, as against ₹ 28,831 million in FY 2016. Subscription revenue has recorded a growth of 31% by ₹ 3,296 million, from ₹10,771 million in FY 2016 to ₹ 14,067 million in FY 2017.

Interest and Other Income

Interest and other income has increased by ₹ 1,211 million i.e. 54%, from ₹ 2,260 million in FY 2016 to ₹ 3,471 million in FY 2017. This increase is primarily due to dividend income received during the year.

Total Expenditure

Total operational expenditure increased by ₹ 1,713 million or 6%, from ₹ 30,332 million in FY 2016 to ₹ 32,045 million in FY 2017. It represents 61% of total revenue in FY 2017, compared to 68% in FY 2016.

Operational Cost / Cost of Goods

Operational cost increased by ₹ 1,661 million or 9%, from ₹ 18,298 million in FY 2016 to ₹ 19,959 million in FY 2017. This increase is primarily due to higher programming cost.

Employee benefits expenses

Employee benefits expenses have decreased by ₹135 million i.e. 5%, from ₹ 3,106 million in FY 2016 to ₹ 2,971 million in FY 2017.

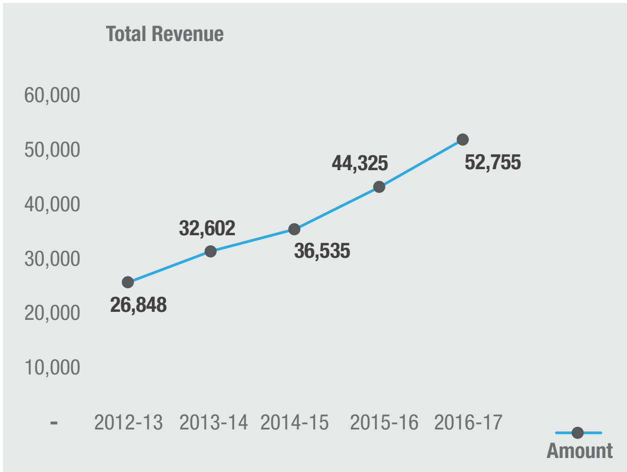
Other expenses

Other expenses have marginally increased by ₹ 187million or 2%, from ₹ 8,928 million to ₹ 9,115 million.

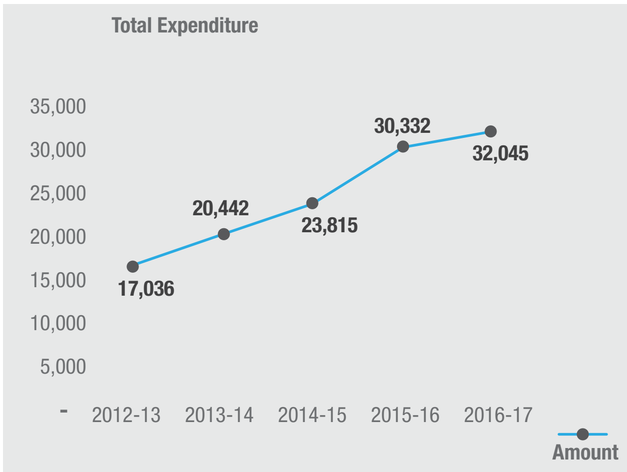
Operating Profit

The Company's operating profit increased by ₹ 5,506 million, or 47%, from ₹ 11,733 million in FY 2016 to ₹ 17,239 million in FY

5-YEAR MOVEMENT OF REVENUE GROWTH ₹ in Milions



5-YEAR MOVEMENT OF TOTAL OPERATING EXPENDITURE ₹ in Milions



2017. The operating margin is at 35% for FY 2017. Increase in operating profit is mainly due to increase in broadcasting revenue coupled with a strong control on operational costs.

Finance Cost

Finance cost has decreased by ₹ 222 million to ₹ 1,264 million in FY 2017 from ₹ 1,486 million in FY 2016.

Depreciation and Amortisation

Depreciation increased by ₹ 172 million or 29%, from ₹ 599 million to ₹ 771 million. Increase in depreciation is mainly on account of depreciation on additions during the year.

Exceptional item represents gain on transfer of entity equity stake held in wholly owned subsidiary viz. Taj Television (India) Private Limited.

Profit before Tax and exceptional items

Profit before tax increased by ₹ 5,187 million or 46% from ₹ 11,299 million in FY 2016 to ₹ 16,486 million in FY 2017. The increase is attributable to strong growth in revenues coupled with operational control on cost.

Provision for Taxation

Net provision for taxation was at ₹ 6,616 million for FY 2016-17.

Profit for the year

Profit after tax for the year increased by ₹ 3,758 million to ₹ 10,340 million from ₹ 6,582 million.

Other Comprehensive income

Other comprehensive income comprises of re-measurement of defined benefit obligation and fair value changes of equity instruments through other comprehensive income net of income tax thereon. The figures for current year are ₹ 123 million vis-à-vis ₹ 56 million for previous year.

B. FINANCIAL POSITION

Non-Consolidated Financial Position as on 31 March, 2017 as compared to 31 March, 2016.

Property, plant and equipment, investment property, capital work-in-progress and intangible assets

During the year, addition to the Company's block of assets (other than CWIP) is ₹ 948 million. This is mainly on account of purchase of plant and machinery and computer equipments. The capital expenditure is mainly funded out of internal accruals.

This is partially offset by depreciation / amortisation for the year.

Capital Work-in-Progress increased by ₹ 524 million to ₹ 987 million as on 31 March, 2017.

Non-Current Investments

Non-current Investments have decreased from ₹ 17,942 million as on 31 March, 2016 to ₹ 11,364 million as on 31 March, 2017. The decrease is mainly on account of certain investments reclassified as current investments based on maturity.

Current Assets

Current Assets mainly represent Current Investment, Inventories, Trade Receivables, Cash & Bank Balances, Loans, Other Financial Assets, and Other Current Assets. The increase in current assets by ₹ 18,080 million from ₹ 35,274 million to ₹ 53,354 million is mainly attributable to increase in current investment by ₹ 11,629 million, increase in inventories by ₹ 2,356 million and other current assets by ₹ 2,627 million and balance on account of others.

Inventories

Programmes and film rights held by the Company increased by ₹ 2,356 million from ₹ 13,366 million as on 31 March, 2016 to ₹ 15,722 million as on 31 March, 2017.

Current Investment

Current Investment has increased by ₹ 11,629 million to ₹ 15,029 million as on 31 March, 2017 from ₹ 3,400 million as on 31 March, 2016. This is mainly due to certain investments being reclassified as current investments based on maturity and additional short-term investments in mutual funds.

Trade Receivables

Trade receivables net of provision for bad and doubtful debts stood at ₹ 9,801 million in FY 2017 as against ₹ 9,539 million in FY 2016. The age of net debtors is 73 days of sales in FY 2017 as against 83 days of sales in FY 2016.

Cash and Bank Balances

The cash and bank balances lying with the Company, as on 31 March, 2017 was ₹ 5,431 million as against ₹ 3,851 million on 31 March, 2016.

Loans and Advances (Current)

Loans have decreased to ₹ 1,542 million from ₹ 1,750 million on account of repayment.

Other current assets

Other current assets have increased by ₹ 2,627 million, from ₹ 2,432 million on 31 March, 2016 to ₹ 5,059 million on 31 March, 2017 mainly on account of operational advances given during the year.

Share Capital

There is no change in the Paid-up Equity Share Capital of the Company. The Paid-up Equity Share Capital of the Company as at 31 March, 2017 stands to ₹ 960 million.

Borrowings

Borrowings represent non-current portion of fair value of redeemable preference shares (RPS) and vehicle loans. Vehicle loan funds as on 31 March, 2017 stood at ₹ 8 million, down from ₹ 9 million. RPS aggregates ₹ 15,262 million in current year vis-à-vis ₹ 17,140 million in previous year. This is on account of reclassification of current maturity of RPS transferred to current liabilities of ₹ 3,815 million.

Non-current provisions

Non-current provisions pertain to retirement benefits, and have marginally increased from ₹ 411 million as on 31 March, 2016 to ₹ 441 million as on 31 March, 2017.

Current Liabilities and Provisions

Current Liabilities and Provisions mainly represents Trade Payables, Statutory Dues, Unearned revenue, provisions and other payables etc. The same has increased by ₹ 6,200 million to ₹ 14,496 million as on 31 March, 2017 from ₹ 8,296 million as on 31 March, 2016. The increase is mainly attributable to reclassification of current maturity of redeemable preference shares of ₹ 3,815 million and increase in trade payables by ₹ 1,233 million.

CONSOLIDATED FINANCIALS

A. RESULTS OF OPERATIONS

We have provided a comparison between Audited figures for FY 2017 and FY 2016. The financial results includes share of associates and joint ventures based on equity accounting.

REVENUE

Total revenue increased by ₹ 6,506 million, or 11% from ₹ 60,076 million in FY 2016 to ₹ 66,582 million in FY 2017 on account of revenue growth across businesses.

Revenue from Operations

The Company's operating revenue increased by ₹ 6,217 million or 11%, from ₹ 58,125 million in FY 2016 to ₹ 64,342 million in FY 2017.

Advertising revenues witnessed a growth of ₹ 3,083 million (9%), from ₹ 33,652 million in 2016 to ₹ 36,735 million in 2017. Subscription Revenue increased by ₹ 2,050 million (10%), from ₹ 20,579 million in FY 2016 to ₹ 22,629 million in FY 2017.

Other operating income includes syndication and sale of sports rights, programmes and film rights, commission on space selling etc. which has increased by ₹ 1,084 million (28%) to ₹ 4,978 million in FY 2017 from ₹ 3,894 million in FY 2016.

Other Income

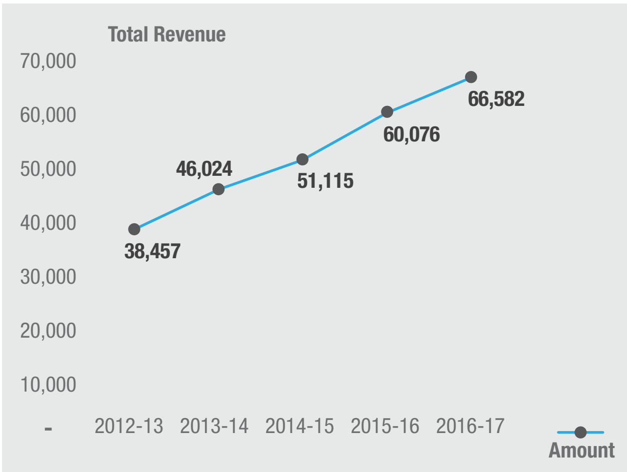
Other income increased by ₹ 289 million (15%) from ₹ 1,951 million in FY 2016 to ₹ 2,240 million in FY 2017. Increase in other income is mainly on account of interest received.

Expenditure

Total operational expenditure increased by ₹ 2,084 million (5%), from ₹ 42,989 million to ₹ 45,073 million. This increase in cost is attributable to higher content costs.

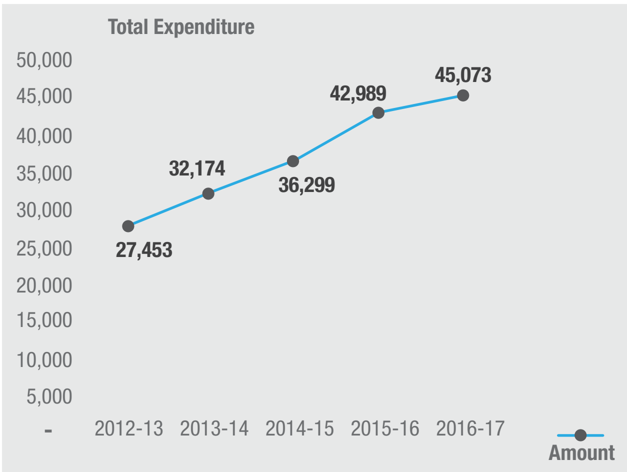
5-YEAR MOVEMENT OF REVENUE GROWTH

₹ in Milions



5-YEAR MOVEMENT OF TOTAL EXPENDITURE

₹ in Milions



Operational Cost / Cost of Goods
Operational cost has increased by ₹ 1,841 million (7%) to ₹ 27,825 million in FY 2017 as against ₹ 25,984 million in FY 2016. The overall increase in operational cost is mainly attributable to increase in cost of amortisation of programming and film content.

Employee Benefit Expenses
Employee cost increased by ₹ 1,057 million, or 21%, from ₹ 4,986 million in FY 2016 to ₹ 6,043 million in FY 2017.

Other expenses
Administrative and other expenses decreased by ₹ 814 million (7%), from ₹ 12,019 million in FY 2016 to ₹ 11,205 million in FY 2017. The reduction is mainly on account of marketing and distribution expense.

Operating Profit
The Company's operating profit increased by ₹ 4,133 million (27%), from ₹ 15,136 million in FY 2016 to ₹ 19,269 million in FY 2017. The operating margin is at 30% for FY 2017. The increase in operating profit is mainly attributable to increase in revenue during the year coupled with optimisation in operating costs.

Finance Costs
Finance costs decreased by ₹ 226 million (14%) from ₹ 1,598 million to ₹ 1,372 million.

Depreciation and Amortisation
Depreciation increased by ₹ 375 million (48%), from ₹ 777 million in FY 2016 to ₹ 1,152 million in FY 2017. Increase is mainly on account of depreciation on additions during the year.

Fair value loss on financial instruments at fair value through profit and loss is mainly on account of fair valuation of redeemable preference shares and fair value change in financial instruments.

Exceptional item for the current year represents gain on sale of major part of sports broadcasting business alongwith transfer of entire equity stake held in wholly owned subsidiary viz. Taj Television (India) Private Limited.

Profit before Tax
Profit before tax increased by ₹ 15,281 million or 111% from ₹ 13,728 million in FY 2016 to ₹ 29,009 million in FY 2017. The current and previous year's figures are not comparable on account of exceptional item.

Provision for Taxation
Provision for taxation increased by ₹ 1,313 million, to ₹ 6,804 million in FY 2017 from ₹ 5,491 million in FY 2016.

Profit for the year
Profit for the year increased by ₹ 13,968 million (170%) to ₹ 22,205 million from ₹ 8,237 million. Figures are not comparable on account of profit generated during the current year from sale of major part of sports broadcasting business.

B. FINANCIAL POSITION

Consolidated Financial Position as on 31 March, 2017 as compared to 31 March, 2016.

Property, plant and equipment, Investment Property, Capital Work-in-Progress and Intangible assets and Intangible assets in progress.

During the year, the additions to the block is of ₹ 2,418 primarily in plant and machinery and buildings.

In the current year, the goodwill has reduced ₹ 6,167 million. This is mainly on account of derecognition of goodwill relating to sports business.

Capital work-in-progress increased by ₹ 166 million to ₹ 1,270 million as on 31 March, 2017.

Non-current Investments
The increase of ₹ 4,276 million in non-current investments to ₹ 11,868 million as at 31 March, 2017 from ₹ 7,592 million mainly represents treasury investments.

Non-current assets
The non-current assets consisting of capital advances, income tax assets, claim receivables and other assets have decreased by ₹ 117 million to ₹ 6,992 million in FY 2017 as against ₹ 7,109 million in FY 2016. The decrease is mainly attributable to decrease in capital advances by ₹ 260 million partially offset by marginal reduction in advance taxes.

Current Assets
There has been an overall increase in current assets by ₹ 26,708 million, from ₹ 54,233 million in FY 2016 to ₹ 80,941 million in FY 2017.

Inventories
Programmes and film rights held by the Company have increased from ₹ 13,180 million on 31 March, 2016, to ₹ 16,843 million on 31 March, 2017. The increase mainly represents unamortised film rights and programmes.

Investments
The increase of ₹ 4,276 million from ₹ 7,592 million to ₹ 11,868 million in current year is mainly due to certain investments reclassified as current investments based on maturity and additional current investments made during the year.

Trade Receivables

Trade receivables net of provision for bad and doubtful debts stood at ₹ 13,059 million in FY 2017 as against ₹ 13,482 million in FY 2016, reflecting an reduction of ₹ 423 million. The age of net debtors is 74 days of sales in FY 2017, as against 85 days of sales in FY 2016.

Cash and Bank Balances

The cash and bank balances lying with the Company, as on 31 March, 2017 were ₹ 26,133 million as against ₹ 9,631 million on 31 March, 2016 reflecting a strong cash position in the Company.

Other financial assets includes loans, deposits and other assets aggregating to ₹ 3,755 million as on 31 March, 2017 vis-à-vis 3,773 million as on 31 March 2016.

Other current assets comprises of trade advances, prepaid expenses, and indirect taxes aggregating to ₹ 9,283 million as on 31 March, 2017 vis-à-vis ₹ 6,575 million as on 31 March, 2016. The increase is primarily on account of operational advances.

EQUITY AND LIABILITIES

Equity Share Capital

During the year, there is no change in the equity share capital of the Company.

Borrowings

Borrowings represent non-current portion of fair value of redeemable preference shares (RPS) and vehicle loans. Vehicle loan funds as on 31 March, 2017 stood at ₹ 11 million,down from ₹ 9 million. RPS aggregates ₹ 15,262 million in current year vis-à-vis ₹ 17,140 million in previous year. This is on account of reclassification of current maturity of RPS transferred to current liabilities (₹ 3,815 million).

Long-term Provisions

Long-term provisions consisting of retirement benefits have increased by ₹ 233 million, from ₹534 million to ₹ 767 million as on 31 March, 2017.

Non-Current liabilities

Non-current liabilities represent the advance received towards syndication of sports content which is Nil for the current year.

Current Liabilities and Provisions

Current liabilities and provisions mainly represent trade payables, statutory dues, unearned revenue, provisions and other payables etc.

Current liabilities and provisions as on 31 March, 2017 have increased by ₹ 4,139 million, at ₹ 17,750 million as on 31 March, 2017 vis-a-vis ₹ 13,611 million on 31 March, 2016.

The increase is mainly attributable to reclassification of current maturity of redeemable preference shares of ₹ 3,815 million.

RISK FACTORS

EXTERNAL RISK FACTORS

INDUSTRY RISK

EVER-CHANGING TRENDS IN MEDIA SECTOR

Audience tastes are constantly evolving and difficult to predict with accuracy. People's tastes vary quite rapidly along with the trends and environment they live in. This makes it virtually impossible to predict whether a particular content would do well or not. With the kind of investments made in ventures, repeated non-performance of the shows would have an adverse impact on the bottom-line of the Company.

SLOWDOWN IN DTH / DIGITAL ROLLOUT

The uptake of pay digital services by subscribers has been a very encouraging sign for all broadcasters. Contrary to the global trends, in India, the under-declaration in the analogue cable system has led the broadcasters to be more dependent on advertising revenues, which tend to be cyclical in nature and more affected by the macroeconomic factors. Completion of rollout of Phase I and Phase II cities took longer than expected. Phase III rollout is currently underway. It may take longer to realise revenues from Phase III and Phase IV cities as their rollouts may not be completed on time.

COMPETITION FROM OTHER BROADCASTERSS

The Company operates in a highly competitive environment that is subject to innovations, changes and varying levels of resources available to each broadcaster in each segment of business. The GEC genre is amongst the key genres for all advertisers and hence is most lucrative to all the TV broadcasters. Any new competition in the space can have an impact on the Company's revenues.

BUSINESS ENVIRONMENT RISK

MACROECONOMIC ENVIRONMENT

Macroeconomic environment can be a potential source of risk. Moderating growth, along with high inflation, can adversely impact advertising revenues of the Company, which forms it's the largest component of revenues.

THE COMPANY MAY BE EXPOSED TO FOREIGN EXCHANGE RATE FLUCTUATIONS

The Company receives a significant portion of its revenues and incurs a significant portion of its expenses in foreign currencies, particularly US dollars and UK pounds. Accordingly, the Company is exposed to fluctuations in the exchange rates between those currencies and the Rupee, which is the Company's reporting currency. This may have a substantial impact on its revenues and expenses.

SLUGGISH CONSUMER UPTAKE IN THE INTERNATIONAL MARKETS

ZEE has been a pioneer in the international markets and has the highest market share amongst all South Asian broadcasters across Europe and USA. Indian content in these markets serves the preference of a niche audience and ZEE has strong relations with distribution platforms in these markets. This gives the Company the confidence that it will retain market share in key geographies. Given the global economic slowdown, consumers may find it difficult to upgrade their packages, and hence value growth from these markets may get affected.

REGULATORY RISK

UNCERTAINTY IN RULES & REGULATIONS

The M&E industry is governed by the rules and regulations framed by the Ministry of Information & Broadcasting as well as industry bodies such as TRAI. The rules such as price regulation have a direct bearing on the revenue potential of the Company. The existing as well as future rules and regulations can impact the financial performance of the Company.

INTERNAL RISK FACTORS

COST OF PROGRAMMING MIX MIGHT AFFECT THE COMPANY'S BOTTOM-LINE

The Company always strives to have a competitive edge by providing viewers the best possible content. ZEE would have to incur high expenditure to provide an impetus on its programming and content from time to time. The resulting increase in costs might not necessarily perk up its revenues proportionately.

INVESTMENTS IN NEW CHANNELS

The Company may from time to time launch new channels. Content for these channels is either created or acquired. The success of any new channel depends on various factors, including the quality of programming, price, extent of marketing, competition etc. There can be no assurance that the Company will be as successful in launching new channels as it has been in the case of its existing channels.

INCREASE IN COST OF CONTENT ACQUISITION

The Company spends a significant amount for acquisition of rights to telecast sporting events, movies and music rights, and library content rights. Any future contracts may be at higher costs, which may put pressure on the Company's margins.

HUMAN RESOURCE DEVELOPMENT

The real asset of your Company is its People. Apart from the normal operations related to Human Resources, your Company strives to implement corporate branding practices, succession planning and maintaining a steady flow of talent pipeline. Your Company has 3,000+ employees with favourable demographics. More than 75% of employees are less than 40 years of age and on average the employees have been there with the Company for more than 4 years.

The Company's people philosophy SAMWAD has helped focus on creating great managers and making ZEE a great place to work. SAMWAD monthly conversations gives an opportunity to employees to interact with their managers and explore new initiatives. This not only helps employees to enhance their entrepreneurial spirit but also helps them to track their monthly performance and get constructive feedback.

During the year, your Company achieved the certification as a Great Place to Work® by the Great Place to Work® Institute, India. Based on this framework, it was revealed that Zee Entertainment had significantly positive employee perception and robust people practices, which identified it as an organisation with a Great Culture.

INTERNAL CONTROL & VIGIL MECHANISM

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

NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited will be held at 'Nehru Auditorium', Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Wednesday, the 12th day of July 2017, at 11.00 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company prepared under Indian Accounting Standards (Ind-AS) on a standalone and consolidated basis, for the financial year ended March 31, 2017 including the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.

2. To confirm Dividend paid on Preference Shares for the financial year ended March 31, 2017.

3. To declare Dividend of ₹ 2.50 per Equity share for the financial year ended March 31, 2017.

4. To appoint a Director in place of Mr Subodh Kumar (DIN 02151793), who retires by rotation, and being eligible, offers himself for reappointment.

5. To appoint Statutory Auditors in place of Auditors retiring on rotational basis and fix their remuneration by passing, with or without modification(s), the following resolution as an **Ordinary Resolution**.

   "Resolved that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), be appointed as Statutory Auditors of the Company, in place of retiring auditors M/s MGB & Co., LLP, Chartered Accountants (Firm Registration No. 101169W/W-100035), to hold such office until the conclusion of the 40th AGM to be held in the year 2022, subject to ratification by Equity Shareholders every year, at such remuneration to be determined by the Board of Directors of the Company."

SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**
   "Resolved that pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, Mr. Vaibhav P Joshi (Membership No. 15797) Proprietor of M/s. Vaibhav P Joshi & Associates, Cost Accountants (having Firm Registration No. 101329) appointed by the Board of Directors of the Company as Cost Auditor for the financial year 2016-17 be paid remuneration of Rs. 3,00,000 (Rupees Three Lakhs only) plus applicable taxes and out of pocket expenses."

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.**
   "Resolved that pursuant to Sections 149, 152 and other applicable provisions of Companies Act, 2013 ('Act') and the rules made thereunder read with Schedule IV of the Act, Mr Manish Chokhani (DIN 00204011), who holds the office of Independent Director of the Company until March 31, 2018 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his re-appointment for the second term, be and is hereby re-appointed for the second term as an Independent Director of the Company not liable to retire by rotation for a period of three years from April 1, 2018 until March 31, 2021."

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.**
   "Resolved that in supersession of the Special Resolution passed by the Members at the 34th Annual General Meeting held on July 26, 2016 and pursuant to Section 94 of the Companies Act, 2013 ('Act') read with Companies (Management and Administration) Rules, 2014 and other applicable statutory / regulatory provisions, all the Registers to be kept and maintained by the Company under Section 88 of the Act including Register of Members / Debenture-holders / Other Security-holders, etc., and copies of Annual Returns prepared under Section 92 of the Act together with copies of certificates and documents be kept and maintained at the office(s) of the Company's Registrar and Share Transfer Agents M/s Link Intime India Private Ltd., at their registered office at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, instead of the Registered Office of the Company."

Equity Dividend, if approved by Members at the Annual General Meeting, will be paid on or after July 18, 2017, to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before the Record Date i.e. Thursday, July 6, 2017 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of Equity Shares held in electronic form, as at the end of the business day on Thursday, July 6, 2017.

By Order of the Board

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Place: Mumbai
Date: May 10, 2017

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

NOTES:

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

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

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

4. In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, on recommendation of the Audit Committee, the Board of Directors have recommended for consideration at the Annual General Meeting the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as the Statutory Auditors in place for retiring Statutory Auditors M/s. MGB & Co., LLP, Chartered Accountants, for a period of five years i.e. until the conclusion of the 40th AGM of the Company to be held in the year 2022, subject to ratification of their appointment by the Equity Shareholders at every AGM, at such remuneration as may be determined by the Board of Directors of the Company.

   M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have provided requisite consent and certifications under Section 139 of the Companies Act, 2013 and has confirmed that they hold valid certificate issued by the Peer Review Board of ICAI as required under SEBI Listing Regulations.

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

   In connection with the proposed re-appointment of Mr Manish Chokhani as Independent Director not liable to retire by rotation, the Board of Directors have reviewed the declarations made by Mr Manish Chokhani confirming that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of the opinion that Mr Chokhani fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management of the Company.

6. Members who wish to obtain information on the Financial Statements for the year ended March 31, 2017, may send their queries at least seven days before the Annual General Meeting to the Chief Compliance Officer & Company Secretary at the Registered Office of the Company or by e-mail to shareservice@zee.esselgroup.com

7. Interim & Final Equity Dividend for the Financial Year ended March 31, 2010, which remains unpaid and unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in June and December 2017 respectively. Members who have not encashed their dividend warrants for Interim and Final Dividend issued by the Company for the financial year ended March 31, 2010 or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agents.

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

8. Electronic copy of the Annual Report for 2016-17 is being sent to all the Members whose e-mail addresses are registered with the Company / Depository Participants(s) for communication. For Members who have not registered their e-mail address, physical copies of the Annual Report for 2016-17 is being sent. The Annual Report may also be accessed on the Company's Corporate Website www.zeetelevision.com.

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

10. **E-VOTING**

    In compliance with Section 108 of the Companies Act, 2013, Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide equity shareholders facility to exercise their right to vote on all businesses detailed in the Notice of 35th Annual General Meeting (AGM) by electronic means. The facility of casting votes by any member using electronic voting system (remote e-voting) from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL) for all the business detailed in this notice.

    The remote e-voting period for all items of business contained in this Notice shall commence from Saturday the 8th day of July 2017 at 9.00 a.m. and will end on Tuesday, the 11th day of July 2017 at 5.00 p.m. During this period, equity shareholders of the Company holding shares either in physical form or in dematerialised form as on the Cut-off date of July 6, 2017, may cast their vote electronically. The E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

11. The facility for voting by way of Ballot / Poll paper shall also be made available at the meeting venue and members as on Cut-off date i.e. July 6, 2017 attending the meeting and who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting.

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

13. The voting rights of Members for remote e-voting prior to the meeting or by way of Ballot / Poll Paper at the meeting shall be in proportion to their equity shareholding in the paid-up equity share capital of the Company as on the Cut-off date of July 6, 2017.

14. At the Annual General Meeting, the Chairman of the meeting shall after discussions on all the resolutions on which voting is to be held, allow voting by use of Ballot / Poll Paper by all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

15. The Company has appointed ACS Vinita Nair, Partner, M/s Vinod Kothari & Co., Company Secretaries as Scrutiniser to conduct remote e-voting process as well as Ballot / Poll Paper voting process at the Annual General Meeting in a fair and transparent manner and submit a report thereon.

16. The Scrutiniser shall, after the conclusion of voting at the Annual General Meeting (AGM), first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast to the Chairman of the AGM who shall countersign the same and declare the results of the voting forthwith.

17. The Results declared along with the Scrutiniser's report shall be placed on the website of the Company www.zeetelevision.com and shall also be communicated to the Stock Exchanges. The Resolutions, if approved, shall be deemed to be passed on the date of Annual General Meeting.

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

    A. Members whose shareholding is in demateralised form and whose e-mail addresses are registered with the Company / Depository Participant(s) will receive an e-mail from NSDL informing their User ID and Password:

        (i) Open e-mail and open PDF file viz. "ZEEL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for remote e-voting. Please note that the password is an initial password.

        (ii) Launch internet browser by typing URL https://www.evoting.nsdl.com/

        (iii) Click on Shareholder - Login

        (iv) Put user ID and password as initial password / PIN noted in step (i) above. Click Login.

        (v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

        (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

        (vii) Select "EVEN" of "Zee Entertainment Enterprises Limited".

        (viii) Now you are ready for remote e-voting as Cast Vote page opens.

        (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

        (x) Upon confirmation, the message "Vote cast successfully" will be displayed.

        (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

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

    B. Members holding Equity Shares of the Company in dematerialised form whose e-mail address is not registered with the Company / Depository Participants and Members holding shares in physical form as well as those Members who have requested for physical copy of Notice and Annual Report may obtain User ID and password by sending a request at e-voting@nsdl.co.in or shareservice@zee.esselgroup.com and thereafter follow steps in Sl. no. (ii) to (xii) above to cast vote. A person who is not a Member as on the cut-off date should treat this notice for information purpose only.

    C. Any person, who acquires equity shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 6, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or shareservice@zee.esselgroup.com

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

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

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

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

ITEM NO. 6

The Ministry of Corporate Affairs, vide Notification No. GSR. 695(E) dated July 14, 2016, had amended the Companies (Cost Records and Audit) Rules, 2014, which *inter alia* removed specific exclusion / exemption available earlier to Broadcasting entities from carrying out Cost Audit. Consequently, since the Company meets other requirements prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company at the meeting held on August 31, 2016 had, after reviewing confirmation received and based on the recommendations of the Audit Committee, approved appointment of Mr. Vaibhav Joshi (Membership No. 15797) proprietor of M/s. Vaibhav P Joshi & Associates (having Firm registration no. 101329), as Cost Auditor of the Company for FY 2016-17 at remuneration of ₹ 3,00,000/- (Rupees Three Lakhs only) plus taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, approval / ratification of Shareholders is being sought for payment of remuneration to the Cost Auditor for FY 2016-17.

Your Board recommends the Ordinary resolution as set out in Item No. 6 for your approval.

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

ITEM NO. 7

At the 33rd Annual General Meeting held on July 15, 2015, Members of the Company had approved appointment of Mr Manish Chokhani, as Independent Director of the Company not liable to retire by rotation. The current term of the said appointment of Mr Manish Chokhani as Independent Director of the Company shall expire on March 31, 2018. As per Section 149(10) an Independent Director shall be eligible for re-appointment for a second term of up to 5 years on passing a Special resolution by the Shareholders of the Company.

Since the current term of appointment of Mr Chokhani shall expire before the next Annual General Meeting scheduled in 2018, your Board, based on the performance evaluation and after reviewing confirmation of independence received recommends re-appointment of Mr Chokhani as an Independent Director for the second term of 3 years commencing from the expiry of his current term of appointment i.e. from April 1, 2018 until March 31, 2021. Appropriate notice has been received from a Member proposing appointment of Mr Manish Chokhani as Independent Director of the Company and requisite consent has been received from the said Director pursuant to provisions of Section 152 of the Companies Act, 2013.

In the opinion of the Board, Mr Manish Chokhani who is proposed to be appointed for the second term as an Independent Director of the Company fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act, 2013 and is Independent of the management.

Brief Profile and other details of Mr Manish Chokhani forms part of the Corporate Governance Report.

Your Board recommends the Special resolution as set out in Item No. 7 for your approval.

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

ITEM NO. 8

In compliance with the requirements of Section 94 of the Companies Act, 2013, Members of the Company at the 34th Annual General Meeting held on July 26, 2016, had approved a proposal for maintaining the Register & Index of Members / Preference Shareholders, Share Transfer Register and other particulars including Annual Returns and annexures thereto at the office of the Registrar & Share Transfer Agent of the Company M/s Link Intime India Pvt Ltd ('RTA Agent') located at C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai 400 078, rather than at the Registered Office of the Company.

Since the RTA Agent has shifted its Registered Office to their own premises, approval of Members is sought for maintaining Register & Index of Equity / Preference Shareholders, Share Transfer Register and related details including Annual Returns etc. at the new location at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

Section 94 of the Companies Act, 2013 permits the Company to maintain its Registers and Annual Returns at any place other than its Registered Office subject to Members approval by way of a Special Resolution. A copy of the proposed resolution will be forwarded in advance to the Registrar of Companies, Maharashtra, Mumbai, as required under the said Section 94 (1) of the Companies Act, 2013.

Your Board recommends the Special resolution as set out in Item No. 8 for your approval.

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

By Order of the Board

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Place: Mumbai
Date: May 10, 2017

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

DIRECTORS' REPORT

TO THE MEMBERS

Your Board of Directors are pleased to present the Thirty Fifth Annual Report covering the business and operations of the Company and the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Annual Financial Statements for the Financial Year 2016-2017, your Directors state and confirm that:

a) The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis;

b) During the financial year ended on March 31, 2017, the Company has for the first time adopted Indian Accounting Standards (Ind-AS) as per Section 133 of the Companies Act, 2013 and accordingly the Annual Financial Statements for the financial year ended on March 31, 2017 and comparative thereof for the financial year ended on March 31, 2016, have been prepared as per Ind-AS as against I-GAAP Accounting Standards followed in the earlier years and proper explanation along with reconciliation have been provided in relation to material departures;

c) Accounting policies selected were applied consistently and the judgements and estimates related to these financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017, and, of the profits of the Company for the year ended on that date;

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

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

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

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2017 is summarised below:

(₹ Millions)

Particulars	Standalone - Year Ended		Consolidated - Year Ended	
	31.03.17	31.03.16	31.03.17	31.03.16
Revenue from Operations	49,284	42,065	64,342	58,125
Other Income	3,471	2,260	2,240	1,951
Total Income	**52,755**	**44,325**	**66,582**	**60,076**
Total Expenses	**36,269**	**33,026**	**49,802**	**46,036**
Share of Associates / Joint Ventures			(5)	19
Exceptional Items	470		12,234	(331)
Profit Before Tax	**16,956**	**11,299**	**29,009**	**13,728**
Provision for Taxation (net)	6,616	4,717	6,804	5,491
Profit after Tax	**10,340**	**6,582**	**22,205**	**8,237**
Non-Controlling Interest			12	5
Other Comprehensive Income	(19)	(7)	(26)	(4)
Profit available for appropriation	10,321	6,575	22,191	8,238
Retained Earnings Brought forward	30,812	26,860		
Amount available for appropriations	41,133	33,435		
Equity Dividend (proposed)	2,401	2,161		
Tax on proposed Equity Dividend	489	440		
Transferred to Capital Redemption Reserves		22		
Retained Earnings carried forward	38,243	30,812		

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or the Audit Committee of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2016-17.

DIVIDEND

EQUITY SHARES

In accordance with the Dividend Distribution Policy adopted by the Board and available on website of the Company www.zeetelevision.com, your Directors recommend payment of Equity Dividend of ₹ 2.50 per equity share of ₹ 1/- each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as at the Record Date i.e. July 6, 2017. The outflow on account of equity dividend and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to ₹ 2,890 Million, resulting in a payout of 29% of the Consolidated net profits for Financial year 2016-17.

PREFERENCE SHARES

In April 2017, your Company had remitted Preference Dividend of ₹ 0.60 on 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each for financial year 2016-17 resulting in dividend outflow of ₹ 1,210 Million.

BUSINESS OVERVIEW

During fiscal 2017, your Company witnessed yet another strong year of performance despite the uncertain macro-environment, reflecting the inherent strength of our business portfolio and continued to perform well in domestic markets while expanding our international reach. FY2017 turned out to be an eventful year with the Government's decision to demonetise high value currency during November 2016. However Indian economy proved to be resilient with GDP growth being marginally impacted despite the high magnitude of the event. This had an adverse impact on the Indian Television Media industry which registered a growth of 8.5%. Revenues for the industry increased from ₹ 542 billion in 2015 to ₹ 588 billion in 2016. That said, industry report by FICCI-KPMG expects growth to bounce back in 2017 and deliver a consistent 15% CAGR for Television Media industry during 2016-2021. With the inclusion of rural data, BARC ratings system has provided deep insights into the vast rural viewership patterns. Further, BARC is under the process to include digital viewership which would enhance transparency and help advertisers to manage their campaigns effectively. The roll out of digitisation process in Phase III cities has largely been completed and given the geographical spread, it seems, Phase IV completion will take longer despite the deadline of March-17. While the TRAI released its regulations for interconnection fees, implementation of the same is uncertain given the pending litigations. Your Company has published pricing for the channels and bouquets and is confident of driving subscription business growth.

Your Company's flagship channel, Zee TV was ranked third in the Hindi GEC space during the year with shows like Kumkum Bhagya, Mehek and Piya Albela being among the top-2 shows in their primetime slots. Further SRGMP Lil Champs became the biggest non-fiction launch in FY17 in the Hindi GEC space. While Zee TV saw some decline in viewership during the year, remedial measures were taken, early results whereof were visible during the end of the fiscal year with improvement in Zee TV's ratings.

Your Company's Hindi GEC, &TV has completed two years and has performed well in the cluttered GEC space. Its shows Bhabhiji Ghar Pe Hain and Jai Santoshi Maa continued to perform well. Non-fiction shows like So You Think You Can Dance also gained popularity.

Zee Anmol, your Company's Free To Air (FTA) channel, which airs popular shows from ZEE's content library was the No. 1 channel among the FTA channels during FY2017.

Movie channels' cluster of your Company strengthened its movie library and continued to lead the Hindi Movie genre viewership ratings with some of the Bollywood's biggest blockbusters like Rustom, Tamasha, Welcome Back being premiered during the year.

Regional channels of your Company also strengthened their position during FY2017. They have been one of the key reason for the strong revenue growth. Zee Marathi continued to maintain its leadership position in all the primetime slots and have further strengthened its position among its peers. The channel enjoyed more than 60% market share towards the end of the year. New Marathi GEC channel Zee Yuva gained significant traction and has been received well by the youth in Maharashtra. Zee Bangla continued to be a strong No. 2 player in the West Bengal market with strong leadership in the non-fiction genre, driven by shows like Didi No. 1 and Sa Re Ga Ma Pa. Zee Kannada further increased its market share and maintained its No. 2 position in the Karnataka market. It remains a strong player in the non-fiction space with shows like Sa Re Ga Ma Pa, Weekend with Ramesh and Comedy Khiladigalu. Zee Telugu has maintained its position and is a close second in the Urban market. Sarthak TV was the clear No. 1 in Odiya GEC genre with well over half the market share and a strong leader in fiction as well as non-fiction categories.

The English language entertainment offerings - Zee Café and Zee Studio continue to perform well in their respective genres and strengthen the network subscription bouquet. Zee Café is ranked No. 2 in the English GEC category. Zee Studio continued to enthralled the audience with blockbuster Hollywood movies.

Your Company's digital properties – DittoTV and OZEE – gained traction during the year. While DittoTV is now integrated with major telecom operators, OZEE continued to see organic growth and witnessed more than 50 Million video views per month on an average.

Expansion in International markets continued, with several deals signed during the year enhancing the penetration of ZEE network channels in international territories. The major highlights for the year include:

- Launch of Zee One and Zee Sine, Bollywood movie channels dubbed in local language, in Germany and Philippines respectively.
- Zee Mundo was launched targeting Spanish speaking Hispanic population in the USA.
- Launch of Zee BollyMovies and Zee BollyNova, English Cat 2 linear channels in Africa.
- &TV increased its rating and was in the top-3 Hindi channels in the UK region.

SHARE CAPITAL

Pursuant to the approval of the Equity and Preference Shareholders, the face value of 6% Cumulative Redeemable Non-Convertible Preference Shares (Bonus Preference Shares), was consolidated from ₹ 1/- each to ₹ 10/- each, by way of Corporate Action on April 1, 2016. Consequently, the Paid-up Share Capital of your Company as at April 1, 2016 stood at ₹ 2112,98,71,840/- comprising of 96,04,48,720 Equity Shares of ₹ 1/- each and 201,69,42,312 Bonus Preference Shares of ₹ 10/- each and the Authorised Share Capital of your Company stands altered to ₹ 2,300 Crores comprising of 200 Crores Equity Shares of ₹ 1 each and 210 Crores Preference Shares of ₹ 10 each. There has not been any other change in the paid-up capital of the Company during the year.

During the year under review, Brickwork Ratings India Private Ltd had upgraded the rating assigned to the Bonus Preference Shares of the Company listed on the Stock Exchanges from 'BWR AA+' to 'BWR AAA' which denotes that the instruments with this rating are considered as having highest degree of safety regarding timely servicing of financial obligations.

SALE OF SPORTS BROADCASTING BUSINESS

During FY 17, your Board approved sale of Sports Broadcasting Business comprising of (a) assets and rights relating to TEN brand of Sports Channels held in Taj TV Ltd, Mauritius a step down wholly owned overseas subsidiary of the Company and (b) sale of entire equity stake in the Indian subsidiary handling Sports business viz. Taj Television (India) Pvt Ltd to Sony Group, at an aggregate all-cash consideration of USD 385 Million. Major part of the said transaction was concluded on February 28, 2017 upon receipt of part consideration aggregating to USD 330 Million from Sony Group.

COMPOSITE SCHEME OF ARRANGEMENT

During the year under review, with a view to expand the General Entertainment Channel (GEC) portfolio of the Company, your Board approved acquisition of General Entertainment Broadcasting Business ('GEC Business Undertaking') comprising *inter alia* of 2 operational GECs and 4 non-operational GECs housed under Reliance Big Broadcasting Pvt Ltd, Big Magic Limited and Azalia Broadcast Pvt Ltd (collectively referred as 'Demerged entities') all entities forming part of Reliance Group led by Anil Ambani, by way of Demerger under a Composite Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013. As per the said Scheme, entire assets, liabilities and employees of the GEC Business Undertaking shall vest on the Company with effect from the Appointed Date of March 31, 2017 and in consideration of such demerger, the Company shall issue an aggregate of 39.50 Lakhs Unlisted Preference Shares of ₹ 10/- each to the shareholders of Demerged entities.

Upon receipt of No-objection(s) of the Stock Exchanges to the Scheme and approval of the Equity and Preference Shareholders of the Company at the meetings held on May 9, 2017, the said Scheme is now awaiting final approval of Mumbai Bench of Hon'ble National Company Law Tribunal.

REGISTRAR & SHARE TRANSFER AGENT

During the year under review, M/s Link Intime India Private Limited the Registrar & Share Transfer Agent ('RTA') of the Company shifted their registered office from C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 to their own premises at C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083.

Requisite proposal seeking shareholders' approval for maintaining Register & Index of Equity / Preference Shareholders, Register of Transfer and other Registers including Annual Return at the new office of the RTA forms part of Notice of ensuing Annual General Meeting.

EMPLOYEE STOCK OPTION SCHEME

During the year under review, in pursuance of the authority granted by shareholders at the Annual General Meeting held on August 18, 2009, your Board had approved amendment to ZEEL ESOP Scheme 2009, to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price.

There were no Stock Options outstanding as at the beginning of the year. During FY 2016-17 the Nomination & Remuneration Committee of the Board had granted 9,800 Stock Options to Mr Punit Misra, CEO – Domestic Broadcast Business. The said Stock Options are convertible into equivalent number of Equity Shares in tranches upon conclusion of vesting period commencing from conclusion of one year from the date of grant and payment of Exercise Price of ₹ 1/- per share by the Option Grantee. Additionally, after the year end 18,900 additional Stock Options were granted to Mr Punit Misra. The disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 have been placed on the Corporate website of the Company www.zeetelevision.com.

The Statutory Auditors of the Company M/s MGB & Co. LLP, Chartered Accountants have certified that the Company's Employee Stock Option Scheme has been implemented in accordance with SEBI Regulations and the resolution passed by the shareholders.

SUBSIDIARIES & JOINT VENTURES

International Operations - FY 17 witnessed re-alignment of business priorities and expansion of International operations of the Company. As part of the said re-alignment of business priorities, your Company exited Sports Business by selling, entire Sports assets and rights from cricket and other sport bodies held by its overseas subsidiary Taj TV Ltd, Mauritius, and selling entire equity stake in the Indian subsidiary Taj Television (India) Pvt Ltd to Sony Group.

As part of the expansion plans:

- ATL Media Limited an overseas subsidiary of the Company, formed Zee Studio International Limited in Canada to engage in the business of procuring and producing Hollywood content;

- Asia Today Limited, a step-down overseas subsidiary of the Company through ATL Media Limited, formed a 67% Joint Venture Zee Radio Middle East FZ-LLC;

- The Group expanded its Digital strength by creating a separate entity Z5X Global FZ-LLC in Dubai as wholly owned subsidiary of Asia Today Limited; and

- Asia TV Ltd, UK a stepdown subsidiary of the Company through Asia Today Limited, expanded into Germany by setting up a wholly owned subsidiary in the name and style of Asia TV Ltd GmbH.

As at March 31, 2017, the International Operations of the Company are carried out through 21 direct and in-direct subsidiaries (as against 17 during last financial year).

India Operations - During the year under review as part of Sale of Sport Business your Company sold its entire equity stake in Taj Television (India) Pvt Ltd to Sony Group and consequently Taj Television (India) Pvt Ltd ceased to be subsidiary of the Company with effect from February 28, 2017. Further as part of the integration of advertisement sales function, a wholly owned subsidiary in the name of Zee Unimedia Limited was acquired during the year under review. Additionally during the year under review Company acquired 49% equity stake in Fly-By-Wire International Private Limited, a company engaged in providing Aircraft Charter Services and owns an aircraft.

Subsequent to the year end, in line with the intention to build a strong digital network, your Company acquired 80% Equity Stake in a Technology Start-up Margo Network Pvt

Ltd, which has developed a technology to set-up server and compute infrastructure which will enable content consumption and has the potential to significantly drive-up the digital content consumption scenario.

Apart from the above, no other Subsidiary / Joint-venture was formed or divested during the financial year 2016-17. In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all the subsidiaries in Form AOC-1 is annexed to this report.

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

CORPORATE GOVERNANCE AND POLICIES

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

CSR at Zee is all about creating sustainable programs that actively contribute to and support the social and economic development of the society. In line with this intent, your Company has adopted a unified approach towards CSR at Essel Group level, wherein CSR contributions of eligible Essel group entities are pooled in, to fund high cost long-term projects that help build Human capital and create lasting impact on the society. Accordingly, during the year under review, a Section 8 Company in the name of Dr Subhash Chandra Foundation was established at Essel Group level and the Company had contributed an amount of ₹ 216 Million to the said foundation towards Group's Educational infrastructure development project at Hisar, Haryana.

A detailed report on Corporate Social Responsibility activities initiated by the Company during the year under review, in compliance with the requirements of Companies Act, 2013, is annexed to this report.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Board currently comprises of 8 Directors including 4 Independent Directors, an Executive Director and 3 Non-Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually, confirming that they meet the criteria of independence as prescribed under Companies Act, 2013 and Listing Regulations. During FY 2016-17 your Board met 8 (eight) times details of which are available in Corporate Governance Report annexed to this report.

Pursuant to the Members' approval at the 33rd Annual General Meeting held on July 15, 2015, Mr Manish Chokhani was appointed as Independent Director of the Company for a period of 3 years till March 31, 2018. Special Resolution seeking members' approval for appointing Mr Chokhani as an Independent Director for the second term of 3 years from expiry of his current term forms part of the Notice of the ensuing Annual General Meeting. Your Company has received a notice in writing along with requisite deposit pursuant to Section 160 of Companies Act, 2013, proposing appointment of Mr Manish Chokhani for second term and based on performance evaluation and contributions made by Mr Manish Chokhani, your Board recommends his appointment for the second term of 3 years upon expiry of the current term on March 31, 2018.

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

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr Punit Goenka, Managing Director & CEO, Mr Mihir Modi, Chief Finance & Strategy Officer and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary of the Company continue as Key Managerial Personnel of the Company.

BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of the Chairman, Managing Director and other Non-Independent Directors along with performance of the Board / Board Committees based on various criteria recommended by Nomination & Remuneration Committee. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of Companies Act, 2013, evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

BOARD COMMITTEES

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

AUDITORS

Statutory Audit: As per Section 139 of the Companies Act, 2013 and in accordance with the approval accorded by the Members at the 34th Annual General Meeting held on July 26, 2016, M/s MGB & Co. LLP, Chartered Accountants, Mumbai, having Firm Registration No. 101169W/W-100035, retires as Statutory Auditors of the Company. Your Board places on record their appreciation for the services provided by M/s. MGB & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company for over two decades.

Based on the recommendations of the Audit Committee and upon review of confirmations of satisfaction of criteria as specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules, 2014, your Board had, subject to approval of the Members at the ensuing Annual General Meeting, approved appointment of M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as Statutory Auditors of the Company in place of retiring Statutory Auditors.

A proposal for appointment of M/s Deloitte Haskins & Sells, LLP, Chartered Accountants as Statutory Auditors of the Company until conclusion of 40th Annual General Meeting to be held in the year 2022, subject to ratification by Equity Shareholders every year, forms part of the Notice of ensuing Annual General Meeting.

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

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

Cost Audit: Additionally, in compliance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, as amended, Mr Vaibhav Joshi, proprietor of M/s. Vaibhav P Joshi & Associates, Cost Accountants, was engaged to carry out Audit of Cost Records of the Company during Financial Year 2016-17. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2016-17 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

DISCLOSURES

i. **Particulars of loans, guarantees and investments:** Particulars of loans, guarantees and investments made by the Company as required under Section 186 (4) of the Companies Act, 2013 and the Listing Regulations are contained in Note No 8 to the Standalone Financial Statements.

ii. **Transactions with Related Parties:** All contracts / arrangements / transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and Listing Regulations. During FY 2016-17, there are no materially significant Related Party Transactions by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

iii. **Risk Management:** Your Board had constituted a Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate such risks. In the opinion of the Risk Management Committee, there was no risk that may threaten the existence of the Company.

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

v. **Deposits & Unclaimed Dividend:** Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013. During the year under review, in terms of provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company & ETC Networks Ltd (since merged with the Company) for financial year 2008-09, aggregating to ₹ 0.97 Million was transferred to Investors Education and Protection Fund.

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

vii. **Sexual Harassment:** The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review one complaint relating to sexual harassment was received by the Company and the same is under investigation.

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

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

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

CONSERVATION OF ENERGY

(i)	the steps taken or impact on conservation of energy	Your Company, being a service provider, requires minimal energy consumption and every endeavour is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
(ii)	the steps taken by the Company for utilising alternate sources of energy	
(iii)	the capital investment on energy conservation equipments	

TECHNOLOGY ABSORPTION

(i)	the efforts made towards technology absorption	Your Company uses latest technology and equipment's into its Broadcasting business. However since the Company is not engaged in any manufacturing, the information in connection with technology absorption is Nil.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -	
	(a) the details of technology imported	
	(b) the year of import	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the Financial Year 2016-17 the Company had foreign exchange earnings of ₹ 3,093 Million and outgo of ₹ 2,968 Million.

HUMAN RESOURCES & PARTICULARS OF EMPLOYEES

Being in the business of creativity we believe people are ultimate differentiator and have taken measures to attract develop and retain our employees. To ensure sustainable business growth and become future ready, over the years your Company has been focusing on strengthening its talent management, performance management & employee engagement processes. During the year, your Company has built a more high-trust, high-performance culture and as a result of the same the employee engagement scores have significantly improved and we are pleased to inform that your Company has been certified as **GREAT PLACE TO WORK FOR 2017**. Every year, more than 8000 organizations from over 50 countries choose the Great Place to Work® assessment for benchmarking, action planning and recognition. Great Place to Work® Institute's methodology is recognized as rigorous and objective and considered as the gold standard for defining great workplaces across business, academia and government organizations. Your Company continues to build talent pipeline by hiring fresh talent from renowned campuses and nurturing them and identifying / training top performing resources. Your Company has institutionalised the people philosophy framework "SAMWAD" (Effective Conversation) to ensure that, as part of the key objectives, people managers deliver on organisation's expectations of managing outcome and developing people by focusing on their talents. As on March 31, 2017, your Company had 1931 employees.

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

ACKNOWLEDGEMENTS

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company and its subsidiaries across the world at all levels that has contributed to your Company's success and remain in the forefront of media and entertainment business. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Foreign Investment Promotion Board, the Stock Exchanges and Depositories and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors and service providers.

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2017

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATES/JOINT VENTURES AS PER THE COMPANIES ACT, 2013 FOR THE YEAR ENDED 31 MARCH 2017

PART "A": SUBSIDIARIES

(₹ Millions)

Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (Other than Subsidiary)	Turnover	Profit before Taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Mode and % of shareholding
Zee Turner Limited	INR	1	47	159	111	25	-	(47)	1	(48)	-	74%
Essel Vision Productions Limited (EVPL)	INR	130	267	3,231	2,833	-	2,853	172	43	129	-	100%
Taj Television (India) Private Limited *	INR	1	620	1,572	952	-	480	431	166	265	-	100%
Zee Digital Convergence Limited	INR	300	(632)	555	887	14	189	(451)	-	(451)	-	100%
Sarthak Entertainment Private Limited	INR	5	294	403	105	-	473	134	47	87	-	100%
Zee Unimedia Limimted	INR	100	(210)	581	692	-	1,211	(421)	(201)	(219)	-	100%
Zee Multimedia Worldwide (Mauritius) Limited (ZMWL)	USD	3,681	1,429	5,111	1	-	-	103	3	100	-	100%
Zee TV USA Inc. $	USD	65	(65)	-	-	-	-	-	-	-	-	100%
Asia TV Limited &	GBP	1,330	(470)	2,472	1,611	-	1,215	129	(35)	164	-	100%
OOO Zee CIS Holding LLC **	RUB	-	-	-	-	-	-	-	-	-	-	100%
OOO Zee CIS LLC **	RUB	0	31	50	19	-	93	30	7	23	-	100%
Asia Multimedia Distribution Inc. **	CAD	0	10	169	159	-	186	10	3	7	-	100%
Zee TV South Africa (Proprietary) Limited**	ZAR	0	(230)	80	310	-	180	54	-	54	-	100%
Asia TV USA Limited**	USD	0	48	2,387	2,339	-	2,225	86	33	53	-	100%
ATL Media Ltd (Formerly known as Asia Today Limited) (ATL Media)	USD	0	9,208	20,796	11,588	4,250	2,007	(216)	116	(331)	-	100%
Expand Fast Holdings (Singapore) Pte Limited ^	USD	4	128	160	28	-	202	9	1	9	-	100%
Taj TV Limited ^	USD	1,098	17,080	21,482	3,304	-	6,020	19,078	14	19,065	-	100%
Asia Today Limited (Formerly known as Zee Multimedia (Maurice) Limited) (ATL) ^	USD	6	645	7,835	7,184	269	3,256	842	15	827	-	100%
Asia Today Singapore Pte Limited	SGD	65	(72)	193	200	2	588	29	3	27	-	100%
Zee Technologies (Guangzhou) Limited &&	YUAN	106	(147)	3	44	-	-	(18)	-	(18)	-	100%
Zee Entertainment Middle East FZ-LLC &	AED	44	1,531	1,917	342	-	-	467	-	467	-	100%
ATL Media FZ-LLC &	AED	1	(154)	812	964	-	276	(5)	-	(5)	-	100%
Zee Radio Network Middle east FZ - LLC &	AED	1	(0)	1	1	-	-	(0)	-	(0)	-	67%
Z5X Global FZ - LLC &	AED	1	(28)	398	425	65	-	(29)	-	(29)	-	100%
Asia TV Gmbh**	EUR	1	1	44	42	-	29	1	0	1	-	100%
Zee Studios International Limited ^	CAD	0	-	0	-	-	-	-	-	-	-	100%
Eevee Multimedia Inc. #	USD	16	(76)	1	61	-	-	(17)	0	(17)	-	100%

^ Held through ATL Media;** Held through Asia TV Limited; & Held through Asia Today Limited; && Held through Asia Today Singapore Pte Limited; # Held through EVPL; $ Held through ZMWL; *Upto 28 Feb 2017
Exchange rate as on March 31 2017 for P&L items : 1 USD = ₹ 67.0596, 1 YUAN = ₹ 9.96, 1 AED = ₹ 18.27, 1 ZAR = ₹ 4.767, 1 GBP = ₹ 87.34, 1 RUB = ₹ 1.063, 1 CAD = ₹ 51.07, 1 EURO = ₹ 73.55
Exchange rate as on March 31 2017 for Balance Sheet items : 1 USD = ₹ 64.802, 1 YUAN = ₹ 9.40, 1 AED = ₹ 18.02, 1 ZAR = ₹ 4.83, 1 GBP = ₹ 80.93, 1 RUB = ₹ 1.15, 1 CAD = ₹ 48.617, 1 EURO = ₹ 69.225

PART "B" : ASSOCIATES AND JOINT VENTURE

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

(₹ Millions)

Name of Associates/Joint Ventures	Latest audited balance Sheet Date	Shares of Associate/Joint Venture held by the company on the year end			Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year		Description of how there is significant influence	Reason why associate/joint venture is not consolidated
		Numbers	Amount of Investment in Associates/Joint Venture	Extent of Holding %		Considered in Consolidation	Not Considered in Consolidation		
Aplab Limited#	31-Mar-16	1,321,200	47	26.42%	-	-	(33)	Refer Note A	-
Fly by Wire International Private Limited#	31-Mar-16	980,000	13	49.00%	-	(6)	-	Refer Note A	-
Asia Today Thailand Limited	31-Mar-17	10,000	2	25.00%	1	(3)	-	Refer Note A	-
Media Pro Enterprise India Private Limited	31-Mar-17	2,500,000	25	50.00%	163	76	-	Refer Note B	-
India Webportal Private Limited	31-Mar-17	126,990,000	316	51.00%	(32)	(72)	-	Refer Note B	-

Note A :- There is significant influence due to percentage (%) of Share Capital ; Note B :- There is joint control by virtue of Joint control agreement

The investments is zero as share of networth is negative; 0 (Zero) denotes amounts less than a million.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 10, 2017

Adesh Kumar Gupta
Director

Punit Goenka
Managing Director & CEO

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs	Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee of the Board had approved a CSR Policy with primary focus on Education, Healthcare, Women Empowerment and Sports. Besides these focus areas the Company shall also undertake any other CSR activities listed in Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on www.zeetelevision.com
2	The Composition of the CSR Committee	The CSR Committee of the Board comprises of 3 Directors. Mr Subodh Kumar, Non-Executive Director is the Chairman of the Committee while Prof Sunil Sharma, Independent Director & Mr Punit Goenka, Managing Director & CEO are its Members
3	Average net profit of the Company for last three financial years	₹ 12,300 Million
4	Prescribed CSR expenditure (two percent of the average net profits for last three years)	₹ 246 Million
5	Details of CSR spent during FY	
	a) Amount to be spent in FY 17 (including unspent amount for FY 15-16)	₹ 264.08 Million
	b) Amount spent	₹ 263.14 Million
	c) Unspent amount	₹ 0.94 Million
	d) Areas where spent	As detailed in Annexure A

ANNEXURE A

(₹ Millions)

CSR Projects or Activities Identified	Sector in which the project is Covered	Projects or Programmes Local area or other, specify the State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency
Rural Development Transformation	Rural Development Projects for Upliftment of Communities in tribal/ rural areas	New Delhi	30.00	30.00	30.00	Bharat Lok Shiksha Parishad, New Delhi
Libraries and Aid to Government Schools	Setting up of Libraries	Rajasthan	0.07	0.07	30.07	Room to Read India Trust
Health Care	Promotion of Health Care	Mumbai, Maharashtra	10	10	40.07	Marrow Donor Registry (India)
Rural Development- Community Development	Community Development Projects	Mumbai, Maharashtra	5	5	45.07	SIFE India
Educational Infrastructural Development	Development of Facilities for promotion of Education	Hisar, Haryana	2.07	2.07	47.14	Guru Jambeshwar University
		Hisar, Haryana	216.00	216.00	263.14	Dr Subhash Chandra Foundation

Note: CSR spend mentioned herein are amount contributed / remitted by the Company to NGO's or implementing agencies mentioned above, which may or may not be fully utilised toward purposes mentioned above.

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

Subodh Kumar
Non-Executive Director

Punit Goenka
Managing Director and CEO

Place: Mumbai
Date: May 10, 2017

ANNEXURE TO DIRECTORS' REPORT

DISCLOSURE ON MANAGERIAL REMUNERATION PURSUANT TO SECTION 197 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

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

Name of Director/ Key Managerial Person	Remuneration (₹ in Millions)	% increase in Remuneration	Ratio of Directors remuneration to Median remuneration	Comparison of remuneration of each KMP against Company's performance	
				% of Turnover	% of net Profit before tax
Non-Executive Directors					
Subhash Chandra	2.20	10%	3:1	NA	NA
Ashok Kurien	2.20	10%	3:1	NA	NA
Sunil Sharma	2.20	10%	3:1	NA	NA
Neharika Vohra	2.20	10%	3:1	NA	NA
Manish Chokhani	2.20	10%	3:1	NA	NA
Adesh Kumar Gupta	2.20	10%	3:1	NA	NA
Subodh Kumar	2.20	10%	3:1	NA	NA
Executive Director					
Punit Goenka	81.69	5%	97:1	0.17%	0.48%
Key Managerial Personnel					
Mihir Modi	17.08	11%	NA	0.03%	0.10%
M Lakshminarayanan	15.63	8%	NA	0.03%	0.09%

Note: Non-Executive Directors remuneration represents Commission payable during FY 2016-17. During last FY the Company had paid pro-rata Commission of ₹ 2 Million to each Non-Executive Director and the increase in Commission to Non-Executive Directors has been worked out on annualised basis.

Sr	Requirement	Disclosure
1	The Percentage increase in median remuneration of employees in FY 16-17	12%
2	Number of permanent employees on the rolls of the Company	1931
3	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average annual increase in the salaries of employees during the year was 12% while the average increase in managerial remuneration during the year was 5%
4	Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that the remuneration is as per the remuneration policy of the Company

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

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

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Alok Govil	56	National Head - Channel Placement	13,005,644	PGDMM - Marketing & Sales Management	31	15-Apr-2013	Hathway Cable & Datacom Ltd
2	Anurag Bedi	40	Cluster Head, Niche Channels & Zee Music Company	14,409,407	2nd Mates License in Nautical Sciences	16	5-Feb-2007	Star India Pvt Ltd
3	Avnindra Mohan	56	President - Legal	23,427,037	CA / Diploma in Business Finance	29	1-Apr-2015	Wire and Wireless India Ltd
4	M Lakshminarayanan	54	Chief Compliance Officer & Company Secretary	15,626,653	B.Com, ACS	34	19-Jan-2006	BPL Power Projects Ltd
5	Mihir Modi	40	Chief Finance & Strategy Officer	17,084,200	CA , MBA	20	2-Sep-2013	Godrej Industries Ltd
6	Piyush Sharma	39	Chief Executive Officer – Zliving (India & APAC)	16,504,289	MBA	13	10-Mar-2015	Emm Burda International Ltd
7	Punit Goenka	42	Managing Director & CEO	81,692,971	B.Com	19	1-Apr-1998	ASC Enterprises Limited
8	Rajeev Kheror	53	President – Strategy & Planning, International Business	11,614,955	B.Com	26	20-Feb-2006	Mukta Arts Ltd
9	Rajesh Iyer	39	Business Head, & TV	11,847,900	PG Marketing	15	19-Mar-2014	Vaicom 18 Media Pvt Ltd
10	Sharada Sunder	50	Cluster Head - RHSM Channels	15,260,548	B.Com, CA	24	3-Sep-2010	Real Global Broadcasting
11	Siju Prabhakaran	43	Business Head, Zee Kannada	12,158,035	B.Tech, MBA Marketing	18	27-Sep-2004	UTV Software Communication Ltd
12	Sunil Buch	53	Chief Business Officer	13,099,644	MMS	23	3-Nov-2014	Reliance Communications Ltd
13	Syed Ali Zainul Abedeen Zaidi	45	Business Head, English Cluster	10,945,641	B.Com	19	17-Aug-2007	Star India Pvt Ltd

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

Sr. No.	Name	Age	Designation	Remuneration Total (₹)	Qualification	Exp in Yrs	Date of Joining	Last Employment
1	Atul Das	49	President - Strategy & Operations	12,832,857	B.Com, MMS	24	1-May-2016	Taj Television (India) Pvt Ltd
2	Punit Misra	46	CEO - Domestic Broadcast	26,094,934	MCA/BE	22	1-Oct-2016	Hindustan Unilever Ltd
3	Rajendra Kumar Mehta	47	Chief People Officer	22,638,311	MPM	23	1-Sep-2011	Jindal Ltd
4	Rajesh Sethi	46	CEO – Distribution Business	6,052,887	BE, PGDM	24	1-May-2016	Taj Television (India) Pvt Ltd

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2017

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L92132MH1982PLC028767
ii)	Registration Date	25/11/1982
iii)	Name of the Company	Zee Entertainment Enterprises Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered Office & Contact details	18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel Mumbai - 400 013 Tel No: +91-22-7106 1234 Fax No: +91-22-2300 2107
vi)	Whether Listed	Yes
vii)	Name, Address and Contact Details of Registrar and Transfer Agent	M/s Link Intime India Pvt. Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083 Tel No: +91-22-49186000 Fax No: +91-22- 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
A	HOLDING COMPANY		
	Nil		
B	SUBSIDIARY COMPANIES (INCLUDING STEP DOWN SUBSIDIARIES)		
Indian Subsidiaries			
1	Essel Vision Productions Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018 U74990MH2010PLC198648	100%	2(87)(ii)
2	Zee Digital Convergence Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018 U64200MH2004PLC148772	100%	2(87)(ii)
3	Sarthak Entertainment Private Limited Unit Nos. 209 to 212 2nd floor Utkal Signature Plot No. 273, N H 5 Pahala Bhubaneswar, Odisha - 752 101 U92100OR2008PTC010304	100%	2(87)(ii)
4	Zee Turner Limited B-10, Essel House, Lawrence Road Industrial Area, New Delhi 110 035 U74899DL2001PLC113501	74%	2(87)(ii)

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
5	India Webportal Private Limited Continental Building, 135, Dr. Annie Besant Road Worli, Mumbai 400 018 U72900MH2010PTC201526	51%	2(87)(ii)
6	Idea Shop Web and Media Private Limited T 1/6, World Trade Centre Arcade, Cuffe Parade, Mumbai 400 005 U72900MH2011PTC220973	51%	2(87)(ii)
7	Zee Unimedia Limited 16th floor, A wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013 U74120MH2016PLC274857	100%	2(87)(ii)
Overseas Subsidiaries			
8	ATL Media Ltd. 2nd Flr, Ebene House, 33 Cybercity Ebene, Mauritius	100%	2(87)(ii)
9	Expand Fast Holdings (Singapore) Pte. Limited 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
10	TAJ TV Limited St. Louis Business Centre, Cnr Desroches & St Louis street, Port Louis, Mauritius	100%	2(87)(ii)
11	Asia Today Limited 2nd Floor, Ebene House, 33, Cybercity Ebene, Mauritius	100%	2(87)(ii)
12	Zee Studios International Limited Suite 2600, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver BC V7X 1L3, Canada	100%	2(87)(ii)
13	Zee Multimedia Worldwide (Mauritius) Limited Suite 308, St. James Court, St. Denis Street, Port Louis, Mauritius	100%	2(87)(ii)
14	Zee TV USA. Inc. 1999 Bryan St., Ste.900, Dallas/TX/75201-3136	100%	2(87)(ii)
15	Zee Entertainment Middle East FZ-LLC Office 202 & 204, Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
16	ATL Media FZ-LLC Office 202 & 204, Zee Tower, DMC, Dubai, UAE	100%	2(87)(ii)
17	Asia Today Singapore Pte. Ltd. 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 0494315	100%	2(87)(ii)
18	Zee Technologies (Guangzhou) Limited Unite 306, 26th Floor, No.103, B Tower, Tianhe Sports West Road, Guangzhou, GuangDong, P.R. China 510620	100%	2(87)(ii)
19	Zee Radio Network Middle East FZ-LLC Studio Office 1A , 1st Floor, Zee Tower, Dubai United Arab Emirates	67%	2(87)(ii)
20	Asia TV Limited 1st Flr, 41 Chalton Street, London NW1 1JD	100%	2(87)(ii)
21	Z5X Global FZ-LLC Studio Office 1B, 1st Floor, Zee Tower, Dubai United Arab Emirates	100%	2(87)(ii)
22	Zee TV South Africa (Proprietary) Limited 2nd Floor, Building B, Ballyoaks Office Park 35 Ballyclare Drive, Bryanston, Johannesburg, South Africa, 2021	100%	2(87)(ii)
23	Asia Multimedia Distribution Inc 693 Queen Street East, Toronto, Canada M4M1G6	100%	2(87)(ii)
24	Asia TV USA Ltd. Wyoming 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
25	Asia TV GmbH Nymphenburger Str.86 Munich 80636	100%	2(87)(ii)

Sl. No.	Name, Address & CIN of the Company	% of shares held	Applicable Section
26	OOO Zee CIS Holding LLC Nizhnyaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
27	OOO Zee CIS LLC Nizhnyaya Krasnosel'skaya St. Build. 40/12, Korp.2 Office 330, Moscow Russia, 105066	100%	2(87)(ii)
28	EEVEE Multimedia, Inc 200 Middlesex Essex Turnpike Suite 202, Iselin, NJ 08830	100%	2(87)(ii)
C	**ASSOCIATE COMPANIES**		
Indian			
1	Aplab Limited Aplab House, Plot No. A-5, Wagale Industrial Estate, Thane 400 604 CIN - L99999MH1964PLC013018	26.42%	2(6)
2	Media Pro Enterprise India Private Limited 7th Floor, Blue Wave, Behind Kuber Chamber, Andheri (West), Mumbai 400 053 CIN - U92412MH2006PTC164446	50.00%	2(6)
3	Fly-By Wire International Private Limited 83, 11th Main, 14th Cross, Sector 6 HSR Layout, Bangalore 560034 CIN - U62200KA2012PTC064650	49.00%	2(6)
Overseas			
4	Asia Today (Thailand) Co. Limited 30,32,34,36,38, K.B.S. Building Unit # 306, 3/Floor, Mahesak Road # 3, Suriyawong, Bangrak, Bangkok – 10500, Thailand	25%	2(6)

Note: CIN/GLN Not applicable for overseas entities

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

I. CATEGORY WISE SHAREHOLDING

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**PROMOTERS & PROMOTER GROUP**									
1	Indian									
A	Bodies Corporate	241403408	-	241403408	25.13	241403408		241403408	25.13	0
	Sub-total (A) (1):-	**241403408**	**-**	**241403408**	**25.13**	**241403408**		**241403408**	**25.13**	**0**
2	Foreign									
A	Bodies Corporate	172266804	-	172266804	17.94	172266804		172266804	17.94	0
	Sub-total (A) (2):-	**172266804**	**-**	**172266804**	**17.94**	**172266804**		**172266804**	**17.94**	**0**
	Total Promoter shareholding (A)	**413670212**	**-**	**413670212**	**43.07**	**413670212**		**413670212**	**43.07**	**0**
B	**PUBLIC SHAREHOLDING**									
1	Institutions						-			
A	Mutual Funds	39050762	-	39050762	4.07	40735298	-	40735298	4.24	0.17
B	Banks / FI	338174	-	338174	0.04	1338279	-	1338279	0.14	0.10
C	Insurance Companies	34250	-	34250	0.00	-	-	-	0.00	0.00

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2016				No. of Shares held at the end of the year i.e. March 31, 2017				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
D	FIIs	452683660	21900	452705560	47.13	445181582	21900	445203482	46.35	(0.78)
E	Central/State Govt.	455000	-	455000	0.05	682703	-	682703	0.07	0.02
	Sub-total (B1)	**492561846**	**21900**	**492583746**	**51.29**	**487937862**	**21900**	**487959762**	**50.80**	**(0.48)**
2	Non-Institutions									
A	Bodies Corporate – Indian	32023402	7482	32030884	3.33	33066282	-	33066282	3.44	0.11
B	Bodies Corporate – Overseas	91893	-	91893	0.01	57322	-	57322	0.01	0
C	Individual shareholders holding nominal share capital upto ₹ 1 lakh	15854552	654012	16508564	1.72	17211015	641681	17852696	1.86	0.14
D	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1733187	-	1733187	0.18	1572504	-	1572504	0.16	(0.02)
E	Others – Foreign National	1500	-	1500	0.00	2643	-	2643	0.00	0
F	Others – NRI	1575605	808860	2384465	0.25	1624365	791245	2415610	0.25	0.00
G	Others – Trust	1402015	42254	1444269	0.15	3851689	0	3851689	0.40	0.25
	Sub-total (B2)	**52682154**	**1512608**	**54194762**	**5.64**	**57385820**	**1432926**	**58818746**	**6.12**	**0.48**
	Total Public Shareholding (B)	**545244000**	**1534508**	**546778508**	**56.93**	**545323682**	**1454826**	**546778508**	**56.93**	**0**
C	**SHARES HELD BY CUSTODIAN FOR GDRS & ADRS (C)**	-	-	-	-	-	-	-	-	
	Grand Total (A+B+C)	**958914212**	**1534508**	**960448720**	**100.00**	**958993894**	**1454826**	**960448720**	**100.00**	**0.00**

II. PROMOTER & PROMOTER GROUP SHAREHOLDING

Sl. No.	Name of Promoter	Shareholding at the beginning of the year i.e. April 1, 2016			Shareholding at the end of the Year i.e. March 31, 2017			% change
		Number of Shares	%	% of shares/ pledged encumbered to Capital	Number of Shares	%	% of shares/ pledged encumbered to Capital	
1	Veena Investment Pvt. Ltd.	100	0.00		0	0.00		0.00
2	Essel Infraprojects Ltd.	100	0.00		100	0.00		0.00
3	Sprit Textiles Pvt. Ltd.	300	0.00		400	0.00		0.00
4	Cyquator Media Services Pvt. Ltd.	241402908	25.13	18.24	241402908	25.13	16.94	0.00
5	Essel Media Ventures Limited	102888286	10.71		102888286	10.71		0.00
6	Essel Holdings Limited	46378518	4.83		46378518	4.83		0.00
7	Essel International Ltd.	23000000	2.39		23000000	2.39		0.00
	Total	**413670212**	**43.07**	**18.24**	**413670212**	**43.07**	**16.94**	**0.00**

III. CHANGE IN PROMOTER SHAREHOLDING - During the year 100 equity shares held by M/s. Veena Investment Private Limited were transferred inter se to another Promoter M/s. Sprit Textiles Private Ltd

IV. CHANGE IN SHAREHOLDING OF TOP TEN PUBLIC SHAREHOLDERS

Name of Shareholder		Shareholding at the beginning of the year i.e. April 1, 2016		Shareholding at the end of the year i.e. March 31, 2017	
		No. of Shares	% Equity Share Capital	No. of Shares	% Equity Share Capital
Oppenheimer Developing Markets Fund	$	77,074,068	8.02	65,978,899	6.87
Government of Singapore	$	16,004,993	1.67	13,617,385	1.42
Oppenheimer Global Fund	$	13,094,125	1.36	9,536,044	0.99
Vanguard International Growth Fund	$	12,828,104	1.34	13,318,141	1.39
Columbia Acorn International	$	11,596,611	1.21	10,025,681	1.04
Goldman Sachs (Singapore) PTE	@	11,238,797	1.17	NA	NA
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	$	8,420,675	0.88	9,151,253	0.95
ICICI Prudential Life Insurance Company Ltd	$	7,925,573	0.83	7,115,104	0.74
Schroder International Selection Fund Asian Opportunities	$	7,343,746	0.76	7,812,121	0.81
Ishares India Index Mauritius Company	$	6,780,774	0.71	6,974,849	0.73
Nomura India Investment Fund Mother fund	#	NA	NA	8,149,902	0.85

Notes:

1. The shares of the Company are substantially held in dematerialised form and are traded on a daily basis and hence date wise increase/decrease in shareholding is not indicated.
2. $ denotes common top 10 shareholders as on April 1, 2016 and March 31, 2017.
   # denotes top 10 shareholders only as on March 31, 2017.
   @ denotes top 10 shareholders only as on April 1, 2016.
3. NA denotes that the Shareholder was not amongst top 10 shareholders during relevant date.

V. **CHANGE IN SHAREHOLDING OF DIRECTORS & KMP** – Apart from Mr Adesh Kumar Gupta none of the Directors/ KMP held any Equity Shares of the Company either at the beginning of the year or during the year or at end of the year. Details of Shareholding of Mr Adesh Kumar Gupta is as mentioned herein:

Name of Director	Shareholding at the beginning of the year i.e. April 1, 2016		Shareholding at the end of the Year i.e. March 31, 2017		% Change
	No. of Shares	% Equity Share Capital	No. of Shares	% Equity Share Capital	
Adesh Kumar Gupta	218	0	300	0	0

V. INDEBTEDNESS

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

(₹ Millions)

Particulars	Secured Loan excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
INDEBTEDNESS AT BEGINNING OF FY 16-17				
Principal Amount (at Fair value as on April 1, 2016)	18	17,140	0	17,158
Interest Due but not paid	0	0	0	
Interest accrued but not due	0	1,458	0	1,458
Total	**18**	**18,598**	**0**	**18,616**
CHANGE IN INDEBTEDNESS DURING FY 16-17				
Addition / (Fair value Change)	7	1,937	0	1,944
Reduction	10	1,458	0	1,468
Net Change	**(3)**	**479**	**0**	**476**
INDEBTEDNESS AT THE END OF FY 16-17				
Principal Amount (at Fair value as on March 31, 2017)	15	19,077	0	19,092
Interest due but not paid	0	0	0	0
Interest accrued but not due	0	1,211	0	1,211
Total	**15**	**20,288**	**0**	**20,303**

Notes:

1. Secured Loans comprise of Vehicle Loans.
2. Unsecured Loans comprise of 6% Non-Cumulative Redeemable Preference Shares which are considered as Debt, and have been accounted at Fair Value, as per Indian Accounting Standards prescribed under the Companies Act, 2013. The amount of interest/reduction represents Preference dividend..

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(₹ Millions)

Particulars of Remuneration	Total Amount
Gross salary (As per Income tax act)	
Salary	69.79
Perquisites	7.39
Profits in lieu of salary	-
Stock Option	-
Sweat Equity	-
Commission (as % of profit and/or otherwise)	-
Others (Contribution to Provident Fund)	4.51
Total (A)	**81.69**
Ceiling as per the Act: 5% of the Profits as per Section 198 of the Companies Act, 2013 is ₹ 850 million	

B. REMUNERATION TO OTHER DIRECTORS:

(₹ Millions)

Name of Directors	Sitting Fees	Commission	Others	Total
Sunil Sharma	0.45	2.20	-	2.65
Neharika Vohra	0.30	2.20	-	2.50
Manish Chokhani	0.39	2.20	-	2.59
Adesh Kumar Gupta	0.60	2.20	-	2.80
Subhash Chandra	0.12	2.20	-	2.32
Ashok Kurien	0.45	2.20	-	2.65
Subodh Kumar	0.45	2.20	-	2.65
Total	**2.76**	**15.40**	**-**	**18.16**
Overall Ceiling as per Act	1% of Net Profits as per Section 198 of the Companies Act, 2013 is ₹ 170 Million			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

(₹ Millions)

Particulars of Remuneration	Key Managerial Personnel		
	CFO	Company Secretary	Total
Gross salary (As per Income Tax Act)			
Salary	16.16	14.83	30.99
Perquisites	0.04	0.04	0.08
Profits in lieu of salary	-	-	
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission (as % of profit or otherwise)	-	-	-
Others (Contribution to Provident Fund)	0.88	0.76	1.64
Total	**17.08**	**15.63**	**32.71**

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

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2017

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

To,
The Members,
Zee Entertainment Enterprises Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company ("Books and Papers"), and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2016 to March 31, 2017 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and Companies Act, 1956 (to the extent applicable) the rules made thereunder including any re-enactment thereof;

2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');

    d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;

    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments;

6. Specific laws applicable as mentioned hereunder:

    a. Uplinking / downlinking policy / guidelines issued by Ministry of Information and Broadcasting;

    b. The Cable Television Network (Regulation) Act, 1995 and rules framed thereunder;

    c. The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 (repealed w.e.f. 03.03.2017);

    d. The Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017 (w.e.f. 03.03.2017);

    e. Standard of Quality of Service (Duration of Advertisements in Television Channels) Amendment Regulations 2013 issued by Telecom Regulatory Authority of India.

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

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

MANAGEMENT RESPONSIBILITY

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

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

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

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

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

We further report that:

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

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

Resolutions have been approved with unanimous consent.

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

We further report that during the Audit Period, the Company has not incurred any specific event / action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. **Composite Scheme of Arrangement**

During the Audit period, the Board of Directors of the Company approved the Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited, Big Magic Limited, Azalia Broadcast Private Limited and the Company and their respective shareholders and creditors. In accordance with the directions issued by Hon'ble National Company Law Tribunal, Mumbai Bench vide order dated March 15, 2017, at the meetings of equity and preference shareholders of the Company held on May 9, 2017 the Company has obtained approval of the Scheme from its Equity and Preference Shareholders.

For **Vinod Kothari & Company**
Practising Company Secretaries
Firm Registration No. P1996WB042300

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

Place: Mumbai
Date: May 10, 2017

REPORT ON CORPORATE GOVERNANCE

COMPANY'S GOVERNANCE PHILOSOPHY

The convergence of governance practices brings to the fore the critical role played by the Board to ensure governance framework enjoins higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interests of all stakeholders. Corporate Governance, which assumes great deal of importance at Zee Entertainment Enterprises Limited (ZEE), is intended to ensure consistent value creation for all its stakeholders. ZEE believes that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. ZEE Board has approved and implemented a comprehensive Corporate Governance Manual, containing guidelines covering decision making, authority levels, the policies and processes, which provide an effective and flexible governance framework in the Company realizing the need to ensure an effective mechanism of checks and balances with transparency and accountability as the hallmark.

POLICIES

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and Companies Act, 2013, Board of Directors of the Company has approved various policies, as detailed herein:

WHISTLE BLOWER & VIGIL MECHANISM POLICY

As per Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization.

CODE OF CONDUCT

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

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

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2017.

Punit Goenka
Managing Director & CEO
Mumbai, May 10, 2017

RELATED PARTY TRANSACTION POLICY

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

POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS

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

Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary of the Company is Compliance Officer for the purposes of Insider Trading Code, while Mr Mihir Modi, Chief Finance & Strategy Officer of the Company has been appointed as Chief Investor Relations Officer for the purpose of Fair Disclosure Policy.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company are taken up detailed presentation covering *inter alia* economy and industry overview, key regulatory developments, strategy and performance of individual channels / profit centres is made to the Board.

Apart from the above policies, the Board has in accordance with the requirements of Companies Act, 2013 and Listing Regulations approved and adopted Policy for determining Material Subsidiary, Remuneration Policy, Material Events Determination and Disclosure Policy, Document Preservation Policy, Corporate Social Responsibility Policy and Dividend Distribution Policy. These policies can be viewed on Companies Website at www.zeetelevision.com

BOARD OF DIRECTORS

COMPOSITION AND CATEGORY OF DIRECTORS

ZEE has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of Listing Regulations. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

Composition of the Board as at March 31, 2017

Category of Directors	No of Directors	Percentage to total no of Directors
Executive Director	1	12.50%
Non-Executive Independent Directors	4	50.00%
Other Non-Executive Directors	3	37.50%
Total	**8**	**100.00%**

During the financial year under review, 8 (Eight) meetings of the Board were held on May 10, 2016, July 26, 2016, August 31, 2016, October 25, 2016, November 23, 2016, January 24, 2017, February 17, 2017, and March 15, 2017. The annual calendar of meetings for consideration of quarterly financial results is broadly determined at the beginning of each financial year.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2016-17 and also their other Directorships/Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2017 are as under:

Name of Director	Board Meeting (Total 8 Meetings)	Attendance at 34th AGM held on July 26, 2016	No of Directorship in other public Companies as		No of Committee positions held in other public Companies as	
			Member	Chairman	Member	Chairman
Non-Executive Independent Director						
Sunil Sharma	7	No	-	-	-	-
Neharika Vohra	6	No	1	-	-	-
Manish Chokhani	7	No	4	-	7	2
Adesh Kumar Gupta	8	Yes	1	-	1	-
Promoter Non-Executive Director						
Subhash Chandra	4	Yes	1	-	-	-
Ashok Kurien	8	Yes	1	-	2	1
Subodh Kumar	8	Yes	4	-	-	-
Executive Director						
Punit Goenka	8	Yes	5	-	3	-

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

None of the Non-Executive Directors of the Company, except Mr. Adesh Kumar Gupta, hold any securities of the Company. As at March 31, 2017, Mr. Adesh Kumar Gupta held 300 Equity Shares of the Company.

BOARD PROCEDURE

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

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

BRIEF PROFILE OF THE DIRECTORS PROPOSED TO BE APPOINTED/ REAPPOINTED AT THE ANNUAL GENERAL MEETING

Mr Subodh Kumar (DIN 02151793) 65, Non-Executive Director of the Company, retired IAS officer from 1977 batch, had one of the most illustrious careers in the Indian Administrative Service spanning 35 years, heading various key government agencies with stellar integrity and transparency. Prior to joining the Board, he held the position of Municipal Commissioner of Greater Mumbai Municipal Corporation as his last assignment and has earlier served in the Departments of Telecommunication, Ministry of Industry, Ministry of Textile in the Government of India and also served as Commissioner of Sales Tax, Commissioner of State Excise as well as Principal Secretary - Finance Department in the Government of Maharashtra.

Mr. Kumar has had many noticeable contributions to the areas of his work and most notably making modifications to the Development Control Regulations thereby drastically reducing the manipulation in building industry. Mr Kumar holds M.Sc in Physics and several diplomas and management certificates from IIM-A, IIM-B, IIM-C, Harvard Business School, IDS Sussex, IMF amongst other Ivy League institutions.

Apart from the Company, Mr Subodh Kumar held directorship in Essel Finance Home Loans Limited, Essel Finance Business Loans Limited, Essel Finance Capstar Advisory Limited, Essel Finance Portfolio Managers Private Limited and Essel Finance VKC Forex Limited and had resigned from the Board of these entities with effect from April 19, 2017. Mr Subodh Kumar does not hold any securities of the Company in his name as at March 31, 2017.

Mr Manish Chokhani, (DIN 00204011) 50, Chartered Accountant and MBA from London Business School, is one of India's most respected investors and financial experts. He started his career in the financial markets in 1990, rose to become MD & CEO of Enam Securities and in 2011 led Enam's $400 million merger with Axis Bank to create Axis Capital Limited (ACL) wherein he held the position of MD & CEO until November 2013.

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

Apart from the Company Mr Chokhani serves as an Independent director on the board of Westlife Development Limited (McDonalds India licensee), Shoppers Stop Limited (leading retailer), Axis Capital Limited, Laxmi Organics Industries Limited. He is also a director in Enam Securities Private Limited, Alliance Holdings Private Limited, Sears Securities and Investments Private Limited and Quadrillion Capital Private Limited. As on March 31, 2017, Mr. Manish Chokhani does not hold any securities of the Company in his name.

BOARD COMMITTEES

Particulars of Meetings of Board Committees held during FY 2016-17 along with particulars of attendance of the Members at such Committee Meeting(s) are detailed herein:

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

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

In compliance with the requirements of Regulation 25 of the Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on March 15, 2017 to review performance of the Chairman, Managing Director and other Non-Independent Directors, evaluate performance of the Board and review flow of information between the management and the Board.

Details of Board Committees are as mentioned herein:

a) Audit Committee

Constitution:

As at March 31, 2017, the Audit Committee of the Board comprised of four (4) Directors including Mr Adesh Kumar Gupta, Independent Director as Chairman and Prof. Sunil Sharma, Independent Director, Mr Manish Chokhani, Independent Director and Mr Ashok Kurien, Non-Executive Director as its Members. During the year under review, the Audit Committee was reconstituted by nomination of Mr Adesh Kumar Gupta as Chairman of the Committee in place of Mr Manish Chokhani with effect from July 25, 2016.

During the year under review, seven (7) meetings of the Audit Committee were held on May 10, 2016, July 18, 2016, July 26, 2016, October 25, 2016, November 23, 2016, January 23, 2017 and March 15, 2017.

Terms of reference

The Terms of reference and role of the Audit Committee are as per Listing Regulations and provisions of Section 178 of Companies Act, 2013. The Committee meets periodically and *inter alia*:

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

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

Audit Committee meetings are generally attended by the Managing Director & CEO, Chief Finance & Strategy Officer and representative of Statutory Auditors of the Company. Internal Auditors attend Audit Committee Meetings wherein the Internal Audit reports are considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

B) NOMINATION AND REMUNERATION COMMITTEE

Constitution

As at March 31, 2017 the Nomination and Remuneration Committee comprised of Prof. (Mrs) Neharika Vohra, Independent Director as Chairperson and Mr Adesh Kumar Gupta, Independent Director and Mr Subodh Kumar, Non-Executive Director as Members.

During the year under review four (4) meetings of the Nomination & Remuneration committee were held on April 27, 2016, October 25, 2016, January 24, 2017 and March 15, 2017.

Terms of reference

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

- Formulation of guidelines for evaluation of candidature of individuals for nominating and/or appointing as a Director on the Board including but not limited to recommendation on the optimum size of the Board, age / gender / functional profile, qualification / experience, retirement age, number of terms one individual can serve as Director, suggested focus areas of involvement in the Company, process of determination for evaluation of skill sets, etc.

- Formulation of the process for evaluation of functioning of the Board – individually and collectively;

- Recommending nominations / appointments to the Board, including Executive Directors / Independent Directors and/or Members of Board Committees, and suggest the terms of such appointments;

- Recommending all elements of remuneration package of Whole-time Directors including increment / incentives payable to them within the limits approved by the Board / Members; and

- Deciding and approving issuance of Stock Options, including terms of grant etc under the Company's Employee Stock Option Scheme

Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire Board with respect to various factors like personal traits which include business understanding, communicate skills, ability to exercise objective judgement in the best interests of the Company and on specific criteria which include commitment, guidance to Management, deployment of knowledge and expertise, management of relationship with various stakeholders, independence of behaviour and judgment, maintenance of confidentiality and contribution to corporate governance practices within the Company.

Remuneration Policy

The guiding principle of the remuneration policy of the Company is that the remuneration and other terms of engagement / employment shall be competitive enough to ensure that the Company is in position to attract, retain and motivate right kind of human resource(s) for achieving the desired growth set by the Company's management year on year thereby creating long-term value for all stakeholders of the Company.

Remuneration payable to Executive Directors

The details of the remuneration paid to Mr Punit Goenka, Managing Director & CEO of the Company during the year ended March 31, 2017 is as under:

(₹ million)

Particulars	Mr Punit Goenka (Managing Director & CEO)
Salary & Allowances	69.79
Perquisites	7.39
Provident Fund Contribution	4.51
Total	**81.69**

Remuneration payable to Non-Executive Directors

During financial year 2016-17 Non-Executive Directors were paid sitting fee of ₹ 30,000/- for attending each meeting(s) of the Board and Committees thereof, other than Stakeholders Relationship Committee.

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

Details of the Sitting fees paid and Commission payable to the Non-Executive Directors of the Company for Financial year 2016-2017 are as under:

(₹ million)

Name of Director	Sitting Fees Paid	Commission Payable	Total
Subhash Chandra	0.12	2.20	2.32
Ashok Kurien	0.45	2.20	2.65
Subodh Kumar	0.45	2.20	2.65
Sunil Sharma	0.45	2.20	2.65
Neharika Vohra	0.30	2.20	2.50
Manish Chokhani	0.39	2.20	2.59
Adesh Kumar Gupta	0.60	2.20	2.80
Total	**2.76**	**15.40**	**18.16**

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

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution

As at March 31, 2017, the Stakeholders Relationship Committee of the Board comprised of Mr Ashok Kurien, Non-Executive Director as Chairman and Mr Punit Goenka, Managing Director & CEO as the Member.

During the year under review, Stakeholders Relationship Committee met Six (6) times on April 27, 2016, May 26, 2016, July 26, 2016, October 5, 2016, January 5, 2017 and January 23, 2017.

Terms of reference

Terms of reference of the Stakeholders Relationship Committee is to supervise and ensure efficient transfer of equity and preference shares of the Company and proper and timely attendance of investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, and dematerialization etc of shares of the Company to the executives in the Secretarial Department of the Company.

Details of number of requests/complaints received from investors and resolved during the year ended March 31, 2017, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend Warrant(s)	9	9	-
Letter received from SEBI/ Stock Exchanges	12	11	1
Non-receipt of Annual Report	3	3	-
Total	**24**	**23**	**1**

D) RISK MANAGEMENT COMMITTEE

Constitution

The Risk Management Committee of the Board comprises of Mr Subodh Kumar, Non-Executive Director as Chairman and Mr Adesh Kumar Gupta, Independent Director, Mr Punit Goenka, Managing Director & CEO, Mr Mihir Modi, Chief Finance & Strategy Officer and Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary as its Members.

During the year under review the Committee met once on March 2, 2017.

Terms of reference

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

OTHER BOARD COMMITTEES

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

I) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirements of Section 135 read with Schedule VII of the Companies Act 2013, the Board has constituted Corporate Social Responsibility Committee comprising of Mr Subodh Kumar, Non-Executive Director as its Chairman, Prof Sunil Sharma, Independent Director and Mr Punit Goenka, Managing Director & CEO as its Members. A detailed report on CSR activities undertaken by the Company during FY 2016-17 forms part of this Annual Report. The CSR Committee met twice during FY 2016-17 on March 15, 2017 and March 31, 2017.

II) FINANCE SUB-COMMITTEE

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities that may be offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee comprising of Mr Ashok Kurien, Non-Executive Director and Mr Punit Goenka, Managing Director & Chief Executive Officer as its Members.

III) CORPORATE MANAGEMENT COMMITTEE

The Board has also constituted a Corporate Management Committee comprising of Senior Management Personnel of the Company to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the powers delegated by the Board.

The Finance Sub-Committee and Corporate Management Committee meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

GENERAL MEETINGS

The 35th Annual General Meeting of the Company for the Financial Year 2016-17 will be held on Wednesday July 12, 2017 at 11.00 a.m. at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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

Year	Date and Time	Special Resolutions passed	Venue
2015-16	26.07.2016 – 11 a.m.	Re appointment of Prof. Sunil Sharma as Independent Director for second term. Re appointment of Prof. (Mrs.) Neharika Vohra as Independent Director for second term. Maintenance of register of members at the office of Registrar and Share Transfer Agent instead of Registered Office of the Company	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
2014-15	15.07.2015 – 11 a.m.	Payment of commission to Non-Executive Directors for a period of 5 financial years	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.
2013-14	18.07.2014 - 11 a.m.	None	Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

All the above resolutions were passed with requisite majority.

No Special Resolution was passed through Postal Ballot during the financial year 2016-17. None of the resolutions proposed in the ensuing Annual General Meeting need to be passed by Postal Ballot.

DISCLOSURES

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

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

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

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company has complied with all mandatory requirements of the Listing Regulations and the status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

Audit Qualification - The financial statements of the Company are unqualified.

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

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

MEANS OF COMMUNICATION

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

Official press releases, presentations made to institutional investors or to the analysts and transcripts of Con-call are displayed on Company's corporate website www.zeetelevision.com.

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

AUDITORS' CERTIFICATE

To
The Members,

Zee Entertainment Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by **Zee Entertainment Enterprises Limited** ('the Company'), for the year ended 31 March, 2017 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For **MGB & Co. LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Place: Mumbai
Date: May 10, 2017

GENERAL SHAREHOLDER INFORMATION

1.	Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date : Wednesday the 12th day of July, 2017 Time : 11 a.m. Venue : Nehru Auditorium, Nehru Centre Dr. Annie Besant Road, Worli, Mumbai– 400 018
2	Financial Year	2016-2017
3.	Record Date	July 6, 2017
4.	Dividend Payment Date	On or after July 18, 2017
5.	Registered office	18th Floor A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013, India Tel: +91-22-7106 1234 Fax: +91-22-2300 2107 Website : www.zeetelevision.com
6.	Corporate Identification Number	L92132MH1982PLC028767
7.	Listing on Stock Exchanges	BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra East Mumbai 400 051 Company has paid requisite Listing Fees to the Stock Exchanges
8.	Stock Code	BSE 505537(Equity) 717503 (Preference) NSE ZEEL EQ (Equity) ZEEL-P2(Preference) Reuters - ZEE.BO (BSE) / ZEE.NS (NSE) Bloomberg - Z IN (BSE) / NZ IN (NSE)
9.	ISIN No.	Equity - INE256A01028 Preference Shares –INE256A04022
10.	Registrar & Share Transfer Agent	Link Intime India Pvt Ltd C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 India Tel: +91-22-4918 6000 Fax: +91-22-4918 6060 E.Mail: rnt.helpdesk@linkintime.co.in

11. DIVIDEND

As per terms of issue of 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 each, on April 13, 2017, the Company had paid Dividend @ ₹ 0.60 per Preference Share for the Financial Year 2016-17 to Preference Shareholders at the close of March 31, 2017.

As required under the Listing Regulations, the Board of Directors had approved a Dividend Distribution Policy effective May 10, 2017 and in accordance with the said policy, the Board of Directors have recommended payment of Equity Dividend @ ₹ 2.50 per share on paid up value of ₹ 1 per share i.e. 250% on the paid up equity capital of the Company and such Equity Dividend shall be payable upon approval by the Members of the Company on the outstanding capital as at the Record Date.

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before July 6, 2017 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on July 6, 2017.

Interim Dividend declared on April 20 2010 and Final Dividend for the Financial Year ended March 31, 2010, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund on completion of seven years in June 2017 and December 2017 respectively. Members who have not encashed their dividend warrant(s) issued by the Company for any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

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

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2010 (Interim)	20.04.2010	21.05.2017	20.06.2017
31.03.2010 (Final)	29.10.2010	30.11.2017	29.12.2017
31.03.2011	10.08.2011	09.09.2018	08.10.2018
31.03.2012	20.07.2012	21.08.2019	20.09.2019
31.03.2013	25.07.2013	30.08.2020	28.09.2020
31.03.2014	18.07.2014	23.08.2021	22.09.2021
31.03.2015	15.07.2015	20.08.2022	19.09.2022
31.03.2016	26.07.2016	31.08.2023	30.09.2023

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the Company will be arranging to transfer the corresponding shares to IEPF, where the dividends for the last seven consecutive years have not been claimed by the concerned shareholders. The concerned shareholders, however, may claim the dividend and shares from IEPF.

12. CHANGE OF ADDRESS

Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share in dematerialized form are requested to submit their PAN, notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN, notify the change of address/dividend mandate, if any, to the Company/Registrar & Share Transfer Agent.

13. SHARE TRANSFER SYSTEM

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

14. DEMATERIALIZATION OF SHARES & LIQUIDITY

To facilitate trading of Equity and Preference shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2017, 99.85% of the equity shares of the Company is held by 95,594 equity shareholders in the dematerialized form and the balance 0.15% is held by 791 equity shareholders in physical form and 99.84% of the preference shares of the Company is held by 82,971 preference shareholders in the dematerialized form and the balance 0.16% held by 848 preference shareholders in physical form. Entire equity and preference shareholding of the promoters in the Company is held in dematerialized form.

15 SUB-DIVISION/ CONSOLIDATION OF SHARES

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

For the shareholders who were holding Equity shares in physical form, the Company had sent intimation to seek exchange of the old certificates of face value of ₹ 10 each with new certificate of face value of ₹ 1 each. For the shareholders holding shares in demat form, the depositories automatically gave the effect of splitting of face value of shares by way of a Corporate action dated December 23, 1999.

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

Consolidation of Preference Shares: In accordance with the approval accorded by the Equity and Preference Shareholders, the face value of Listed Preference Shares of the Company was consolidated from ₹ 1 each to ₹ 10 each vide Corporate Action dated April 1, 2016. Accordingly all Listed Preference Shares of ₹ 1 each held in demat mode as at record date of March 31, 2016 were cancelled and replaced with Preference Shares of ₹ 10 post consolidation. The Preference Share Certificates of ₹ 1 each held in physical mode as at the Record Date of March 31, 2016 stood cancelled and fresh Preference Share Certificates of ₹ 10 each were issued to the registered Preference Shareholder upon consolidation.

Fractions arising out of the consolidation were aggregated and issued to Mr. Punit Goenka, Managing Director & CEO of the Company appointed as Trustee by the Company and the net sale proceeds of such Preference Shares were distributed by the Company to entitled shareholders.

16. UNCLAIMED SHARES

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

Description	Equity Shares		Preference Shares	
	Number of shareholders	Number of Shares	Number of shareholders	Number of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2016	340	1,76,567	261	9,82,849
Fresh undelivered cases during the financial year 2016-17	1	100	-	-
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2017	2	1190	1	4,599
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2017	2	1190	1	4,599
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	339	1,75,477	260	978,250

The voting rights on the equity shares outstanding in the suspense account as on March 31, 2017 shall remain frozen till the rightful owner of such shares claims the shares.

17. SHAREHOLDERS' CORRESPONDENCE

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

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

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

18. OUTSTANDING CONVERTIBLE SECURITIES

There are no outstanding Securities issued by the Company and convertible into equity shares of the Company as at March 31, 2017. During Financial year 2016-17, the Company had in accordance with the ESOP Scheme, granted 9,800 Stock Options convertible into equivalent number of Equity Shares of the Company after completion of vesting period and upon payment of exercise price by the Option grantee.

19. SHARE CAPITAL BUILD-UP

a) Equity Shares

Particulars	No. of shares issued	Date of issue
Initial shareholding at the time of change of name of the Company from Empire Holdings Ltd to Zee Telefilms Ltd	744,000	08.09.1992
Right Issue	8,928,000	15.06.1993
Public Issue	9,000,000	10.09.1993
Allotment under ESOP	160,000	09.06.1999
Allotment under ESOP	190,000	10.07.1999
Allotment under ESOP	396,880	30.09.1999
Issued for acquisition of stake in overseas Company by way of Share Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to ₹ 1 each	388,377,600	23.12.1999
Issued for acquisition of stake in Indian and overseas Company, partly, by way of Share Swap	16,127,412	24.01.2000
Allotment on Preferential basis	4,100,000	31.03.2000
Allotment on Preferential basis	3,900,000	24.04.2000
Allotment on conversion of FCCB	111,237	29.03.2006
Allotment on conversion of FCCB	111,237	10.04.2006
Allotment on conversion of FCCB	222,475	17.04.2006
Allotment on conversion of FCCB	1,288,131	15.05.2006
Allotment on conversion of FCCB	309,240	05.06.2006
Allotment on conversion of FCCB	273,645	01.08.2006
Allotment on conversion of FCCB	355,959	30.08.2006
Allotment on conversion of FCCB	7,731,027	12.09.2006
Allotment on conversion of FCCB	2,658,581	26.09.2006

Particulars	No. of shares issued	Date of issue
Allotment on conversion of FCCB	2,431,656	09.10.2006
Allotment on conversion of FCCB	1,793,154	17.10.2006
Allotment on conversion of FCCB	709,697	08.11.2006
Allotment on conversion of FCCB	2,542,897	25.11.2006
Allotment on conversion of FCCB	391,557	07.12.2006
Allotment on conversion of FCCB	131,260	05.02.2007
Allotment on conversion of FCCB	386,018	15.05.2008
Allotment on conversion of FCCB	54,328	14.06.2008
Issued to ZNL shareholders pursuant to Scheme	50,476,622	20.04.2010
Issued to ETC shareholders pursuant to the Scheme	4,413,488	23.09.2010
Issued to 9X shareholders pursuant to the Scheme	140,844	08.11.2010
Bonus Issue in ratio of 1:1	489,038,065	15.11.2010
Allotment under ESOP 2009	20,000	01.06.2011
Allotment under ESOP 2009	46,800	13.06.2011
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2011-12	(19,372,853)	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2012-13	(4,812,357)	Various dates
Allotment under ESOP 2009	2,770,250	08.04.2013
Allotment under ESOP 2009	980,200	17.04.2013
Allotment under ESOP 2009	1,394,400	02.05.2013
Allotment under ESOP 2009	303,850	20.05.2013
Allotment under ESOP 2009	99,700	18.06.2013
Allotment under ESOP 2009	73,400	11.07.2013
Allotment under ESOP 2009	255,000	23.07.2013
Allotment under ESOP 2009	70,200	27.08.2013
Allotment under ESOP 2009	86,080	16.09.2013
Allotment under ESOP 2009	211,850	11.10.2013
Allotment under ESOP 2009	10,400	31.10.2013
Allotment under ESOP 2009	29,470	19.11.2013
Allotment under ESOP 2009	14,600	09.12.2013
Allotment under ESOP 2009	16,000	06.01.2014
Allotment under ESOP 2009	21,000	28.01.2014
Allotment under ESOP 2009	124,900	20.02.2014
Allotment under ESOP 2009	29,700	28.02.2014
Issued and Paid-up Capital as at March 31, 2017	960,448,720	

b) **Preference Shares**

Particulars	No. of shares issued	Date of issue
Issued to equity shareholders pursuant to Scheme as Bonus Preference Shares	20,169,423,120	06.03.2014
Consolidation of Preference Shares from ₹ 1 to ₹ 10	2016,942,312	01.04.2016

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

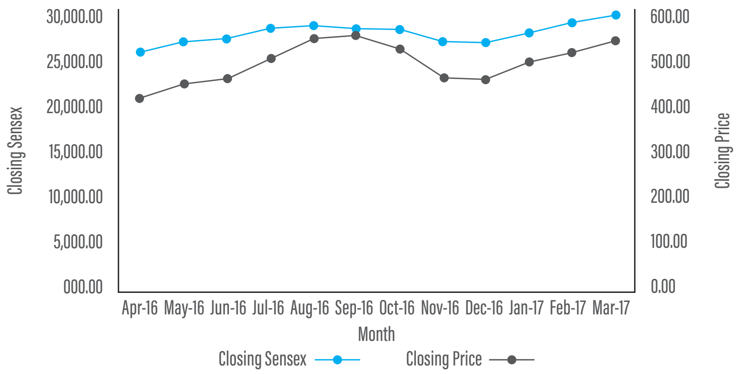
Equity Shares of ₹ 1 each	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2016	416.55	382.15	1851402	416.80	382.50	26797134
May 2016	459.20	396.30	3688151	458.95	396.30	53267867
June 2016	466.50	434.00	1377814	466.40	433.50	35353460
July 2016	499.30	446.30	2308973	500.35	446.50	34988206
August 2016	543.85	476.00	1940307	543.95	483.80	36989578
September 2016	558.35	507.15	1589566	558.75	507.40	38417834
October 2016	588.80	498.10	2702537	589.90	497.25	53482707
November 2016	524.85	430.10	2713458	522.45	429.25	59750698
December 2016	467.40	428.50	2797098	467.90	427.65	42181425
January 2017	510.90	450.70	2578389	511.00	450.00	41536803
February 2017	532.50	487.50	1610052	532.85	487.40	34287036
March 2017	550.00	494.15	1922633	541.00	493.65	31808053

Preference Shares

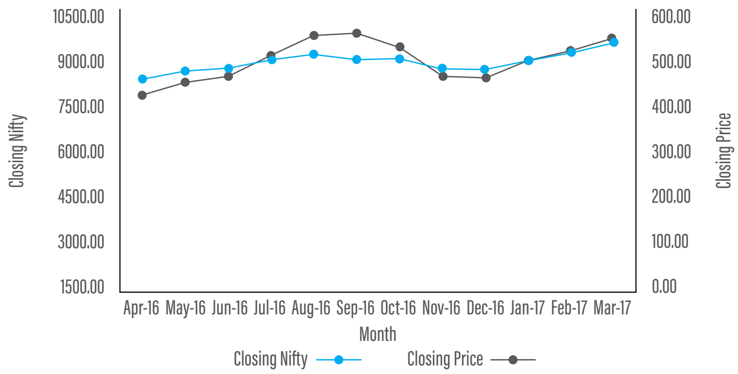
Preference Shares of ₹ 10 each	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Shares Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2016	8.80	8.35	51910776	9.30	8.50	12573387
May 2016	9.00	8.72	109055038	9.00	8.70	13779718
June 2016	9.20	8.90	82830684	9.10	8.90	4307743
July 2016	10.60	9.06	3413401	10.00	9.05	4264399
August 2016	9.40	9.16	14039516	9.35	9.10	11773856
September 2016	9.46	9.20	4770622	9.95	9.15	3297243
October 2016	9.99	9.42	1476396	10.00	9.35	1027696
November 2016	9.75	9.55	10973464	9.75	9.55	1374844
December 2016	10.69	9.65	4759720	10.10	9.65	1003384
January 2017	9.97	9.74	38430480	10.20	9.70	6327433
February 2017	10.44	9.85	20216442	10.05	9.85	10761135
March 2017	10.00	9.32	6434382	11.95	8.00	3059542

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

ZEE ENTERTAINMENT ENTERPRISES LIMITED
Closing Monthly Price Vs Closing Monthly Sensex



ZEE ENTERTAINMENT ENTERPRISES LIMITED
Closing Monthly Price Vs Closing Monthly Nifty



22. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

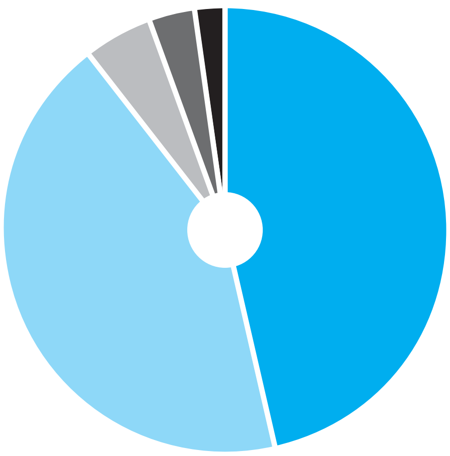
No. of Equity Shares	Equity			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Capital
Up to 5000	94,983	98.55	16,318,312	1.70
5001 – 10000	299	0.31	2,149,720	0.22
10001-20000	219	0.23	3,074,837	0.32
20001-30000	110	0.11	2,722,991	0.28
30001-40000	70	0.07	2,464,398	0.26
40001-50000	43	0.04	1,959,058	0.20
50001-100000	155	0.17	11,141,086	1.16
100001 and Above	506	0.52	920,618,318	95.86
Total	**96,385**	**100.00**	**960,448,720**	**100.00**

No. of Preference Shares	Preference			
	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	81,685	97.45	25,295,548	1.25
5001 – 10000	573	0.68	4,317,252	0.21
10001-20000	330	0.39	4,648,668	0.23
20001-30000	176	0.21	4,315,908	0.21
30001-40000	95	0.11	3,358,294	0.17
40001-50000	95	0.11	4,390,927	0.22
50001-100000	181	0.22	13,649,844	0.68
100001 and Above	684	0.83	1,956,965,871	97.03
Total	**83,819**	**100.00**	**2,016,942,312**	**100.00**

23. CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2017

Category	Equity		Preference	
	% of shareholding	No. of shares held	% of shareholding	No. of shares held
Promoters	43.07%	413,670,212	12.07%	243,471,850
Individuals	2.02%	19,425,200	19.16%	386,420,458
Domestic Companies	3.51%	33,748.985	32.53%	656,150,157
FIs, Mutual funds, trust and Banks	4.78%	45,925,266	8.28%	167,090,991
FIIs, OCBs & NRI	46.62%	447,679,057	27.96%	563,808,856
Total	**100.00%**	**960,448,720**	**100.00%**	**2,016,942,312**

EQUITY SHARES



46.62% FIIS, OCBS & NRI

43.07% PROMOTERS

4.78% FIS, MUTUAL FUNDS, TRUST AND BANKS

3.51% DOMESTIC COMPANIES

2.02% INDIVIDUALS

PREFERENCE SHARES

32.53% DOMESTIC COMPANIES

27.96% FIIS, OCBS & NRI

19.16% INDIVIDUALS

12.07% PROMOTERS

8.28% FIS, MUTUAL FUNDS, TRUST AND BANKS

24. PARTICULARS OF SHAREHOLDING

a) Promoter Shareholding as on March 31, 2017

Sr	Name of Shareholder	Equity	
		No of Shares held	% of shareholding
1	Essel Media Ventures Ltd, Mauritius	102,888,286	10.71%
2	Essel International Ltd, Mauritius	23,000,000	2.39%
3	Sprit Textiles Pvt. Ltd.	400	0.00%
4	Essel Infraprojects Ltd	100	0.00%
5	Essel Holdings Limited, Mauritius	46,378,518	4.83%
6	Cyquator Media Services Pvt. Ltd	241,402,908	25.13%
	Total	**413,670,212**	**43.07%**

Sr	Name of Shareholder	Preference	
		No of Shares held	% of shareholding
1	Sprit Textiles Pvt. Ltd.	34,400,630	1.71%
2	Essel Infraprojects Ltd	210	0.00%
3	Veena Investment Pvt. Ltd	210	0.00%
4	Cyquator Media Services Pvt. Ltd	62,160,000	3.08%
5	Essel Landmark Private Limited	146,910,800	7.28%
	Total	**243,471,850**	**12.07%**

b) **Top ten (10) Public Shareholding as on March 31, 2017**

Sr	Name of Shareholder	Equity Shares of ₹ 1 each	
		No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	65,978,899	6.87%
2	Government of Singapore	13,617,385	1.42%
3	Vanguard International Growth Fund	13,318,141	1.39%
4	Columbia Acorn International	10,025,681	1.04%
5	Oppenheimer Global Fund	9,536,044	0.99%
6	Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index X Fund	9,151,253	0.95%
7	Nomura India Investment Fund Mother Fund	8,149,902	0.85%
8	Schroder International Selection Fund Asian Opportunities	7,812,121	0.81%
9	ICICI Prudential Life Insurance Co Ltd	7,115,104	0.74%
10	Ishares India Index Mauritius Company	6,974,849	0.73%
	Total	**151,679,379**	**15.79%**

Sr	Name of Shareholder	Preference Shares of ₹ 10 each	
		No of Shares held	% of shareholding
1	Shree Cement Ltd	199,861,622	9.91%
2	Oppenheimer Developing Markets Fund	189,591,305	9.40%
3	ICICI Prudential Life Insurance Company Ltd	141,599,758	7.02%
4	American Funds Developing World Growth and Income Fund	78,949,000	3.91%
5	Capital Group Emerging Market Total Opportunities (LUX)	59,498,000	2.95%
6	IIFL Cash Opportunities Fund	48,866,532	2.42%
7	SBI Life Insurance Company Ltd	37,766,607	1.87%
8	Ambit Alpha Fund - Scheme 1	32,561,642	1.61%
9	Reliance Nippon Life Asset Management Ltd	29,860,000	1.48%
10	Oppenheimer Global Fund	29,407,492	1.46%
	Total	**847,961,958**	**42.03%**

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	**Corporate Identity Number (CIN)**	:	L92132MH1982PLC028767
2.	**Name of the Company**	:	Zee Entertainment Enterprises Limited
3.	**Registered Address**	:	18th Floor, A Wing, Marathon Futurex N M Joshi Marg, Lower Parel, Mumbai- 400013
4.	**Website**	:	www.zeetelevision.com
5.	**Email id**	:	shareservice@zee.esselgroup.com
6.	**Financial Year reported**	:	April 1, 2016 – March 31, 2017

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
The Company is mainly engaged in the business of Broadcasting of General Entertainment Television Channels i.e. Non-News & Current Affairs Television Channels falling into 'Television Programming & Broadcasting Services – NIC code (2004) -92132.

8. **Three key products/services that the Company manufactures/provides (as in balance sheet):**
The Company mainly provides Broadcasting Services and is engaged in the business of Broadcasting of various National and Regional General Entertainment, Music and Niche Television Channels.

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

9. **Total number of locations where business activity is undertaken by the Company:**
   i) **Number of International locations:** Company's international business operations are carried out by various direct and in-direct subsidiaries overseas through their offices in 13 International locations (including representative offices and/or distribution arrangement) and the major ones are Singapore, Mauritius, United Kingdom, UAE, China, South Africa, Canada, USA, Thailand, Germany, Russia etc.

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

10. **Markets served by the Company:**
Company's television channels reach out to a little over 1 Billion viewers across 171 countries.

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

1.	**Paid up Capital**	:	₹ 21,130 Million
2.	**Total Revenue**	:	₹ 49,284 Million
3.	**Total Profit after taxes**	:	₹ 10,340 Million

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)**
During the year under, the Company has spent approx 2.54% of its current profits towards CSR activities.

5. **List of activities in which expenditure in 4 above has been incurred.**
The CSR spends of the Company during the year is mainly in the area of education, health care and rural development as detailed in the report on CSR activities contained in this Annual Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/Companies?**
As at March 31, 2017, the Company has 28 subsidiaries, including 21 direct and indirect subsidiaries overseas.

2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).**
BR Policies / initiatives adopted by the Company are implemented across all Indian and Overseas subsidiaries subject to compliance of local laws for subsidiaries in overseas territories.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity /entities (Less than 30 %, 30-60%, More than 60%)**
Though Company's BR Policies / initiatives does not apply to vendors / suppliers, the Company follows zero tolerance on any acts of bribery, corruption etc by such agencies during their dealings with the Company and or with any of its employees

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR:**
   a) **Details of the Director/Directors responsible for implementation of the BR policy/ policies:**
   All Corporate Policies including the Business Responsibility Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR Policies of the Company is ultimately shouldered by Mr. Punit Goenka (DIN - 00031263) Managing Director & CEO of the Company.

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

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

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

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

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

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

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

3. **Governance related to BR:**
   - **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –**
     The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1. **Does the policy relating to ethics, bribery and corruption apply only the Company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/ Others?**
   Yes. The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website: www.zeetelevision.com. Additionally, as part of HR policy the Company has framed/circulated policies which deal with (i) Ethics at work place; and (ii) restraining giving and receiving of gifts and other benefits in the course of business relationship etc. These policies are applicable to the employees at all levels, including subsidiaries.

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

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
   As mentioned in the Corporate Governance Report, 24 complaints were received from investors during the FY 2016-17, of which 23 have been resolved. Additionally, on an ongoing basis the complaints/grievances/views from viewers and other stakeholders are dealt with by respective functions within the Company.

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

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**
   The Company's broadcasting services and distribution of contents thereof are in compliance with applicable regulations/advisories, issued by Ministry of Information and Broadcasting and the self-regulatory guidelines / advisories issued by Indian Broadcasting Federation (IBF) and its arm Broadcasting Content Complaints Council (BCCC) from time to time.

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

3. **Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?**
   The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor. Further various events / programs broadcast on Company's television channels' are designed to offer opportunities to talents from all strata of society.

4. **Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors**
   Most of the business operations of the Company are carried out from commercial hubs of the country and the content provider and other goods and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth. Additionally, the Company encourages local talent in production of contents for its television channels.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste. (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**
   As the Company is a service provider, it does not discharge any effluent or waste. However mindful of the need for recycling products and waste, the Company has been directing its efforts in reducing use of plastic bottles, recycling used plastic bottles and has been using rechargeable batteries / other products.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. **Please indicate the total number of employees:** 1,931
2. **Please indicate the total number of employees hired on temporary/ contractual /casual basis:** 308
3. **Please indicate the number of permanent women employees:** 337

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

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

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

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.** Except in the case of one complaint on Sexual harassment, which was being investigated and pending as at the year end, no other complaint in respect of any other subject has been received during the financial year.

8. **What percentage of your above mentioned employees were given safety and skill up-gradation training in the last year?**
   The Company organizes various training sessions in-house on a regular basis and also sponsors its employees to attend training sessions organized by external professional

bodies to facilitate upgradation of skill, of employees handling relevant functions, basic fire and safety training. These trainings are generally attended by majority of employees.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT INTEREST OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

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

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

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

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

   Yes

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

   CSR initiatives of the Company include engaging with disadvantaged, vulnerable and marginalised Stakeholders.

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

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

   Zee believes that an organization rests on a foundation of business ethics and valuing of human rights. Zee adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc. Zee promotes awareness of the importance of human rights within its value chain and discourage instances of any abuse. Such policies and practices apply to the Company and its Subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   There were no complaints reported on violation of any Human rights during the financial year 2016-17.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to principle 6 cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOS/ Others?**

   Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company, on standalone basis, has undertaken several green initiatives at all its office locations during the year.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc**

   No

3. **Does the company identify and assess potential environmental risks? Y/N**

   No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

5. **Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.**

   No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

6. **Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/ SPCB for the financial year being reported?**

   Not applicable, since the Company being in the business of Broadcasting, does not involve any manufacturing activity

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   Nil

PRINCIPLE 7: BUSINESS, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.**

   The Company is a Member *inter alia* of:

   A. Indian Broadcasting Federation
   B. Indian Film & TV Producer Council
   C. Indian Motion Pictures Distributor Association
   D. Broadcast Audience Research Council
   E. Indian Council of Arbitration

2. **Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas**

   The Company has been active in various business associations and supports / advocates on various issues for better viewer experience.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

   Requisite details of CSR initiatives are included in the Annual Report on CSR forming part of this Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?**
   The Company generally undertakes CSR projects in partnership with various agencies. Requisite details of entities through whom CSR initiatives were undertaken are included in the Annual Report on CSR forming part of this Annual Report.

3. **Have you done any impact assessment of your initiative?**
   The CSR team of the Company regularly does impact assessment of various initiatives undertaken by the Company.

4. **What is Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**
   Refer details of CSR contributions in the Annual report on CSR forming part of this Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**
   Yes

PRINCIPLE 9: BUSINESS SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/ consumer cases are pending as on the end of financial year?**
   There are no material consumer cases / customer complaints outstanding as at the end of financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**
   Not applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?**
   None

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**
   Apart from television ratings signifying popularity and viewership of various Television channels/Program, the marketing department on a regular basis carries out surveys (either web-based or otherwise) for identifying consumers viewing behavior and emerging trends on consumer preferences. The Company also carries out studies from time to time on process requirement areas through consulting firms.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Punit Goenka, Managing Director & CEO and Mihir Modi, Chief Finance and Strategy Officer of Zee Entertainment Enterprises Limited ('the Company'), certify that:

a) We have reviewed the financial statements and cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards (IND AS), applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2017 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d) During the year:

   i) there has not been any significant change in internal control over financial reporting;

   ii) there have not been any significant changes in accounting policies; and

   iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Punit Goenka
Managing Director & CEO

Mihir Modi
Chief Finance and Strategy Officer

Mumbai, May 9, 2017

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Zee Entertainment Enterprises Limited

1. REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of **Zee Entertainment Enterprises Limited** ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (" the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

5. OTHER MATTERS

The comparative financial information of the Company for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March, 2016 and 31 March, 2015 dated 10 May, 2016 and 21 May, 2015 respectively expressed an unmodified opinion on those standalone financial statements as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.

II. As required by Section143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management. Refer Note 42 to the standalone Ind AS financial statements.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 10 May, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 6(I) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March, 2017.

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets, except Integrated Receiver Decoders (IRD) boxes lying with third parties, have been physically verified by the management, as per the phased program designed to cover all the fixed assets over a period, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets have been physically verified by the management during the year. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of account.

   (c) According to the information and explanations given to us and on the basis of our examination of records, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified (copyrights of media content verified with reference to title documents/agreements) by the management at reasonable intervals during the year. As explained to us, no discrepancies were noticed on physical verification as compared to book records.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans and investments made and guarantees provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii. According to the records of the Company, examined by us and information and explanations given to us:

   a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March, 2017 for a period of more than six months from the date they became payable.

b) There are no amounts on account of sales tax, duty of customs, duty of excise and value added tax which are yet to be deposited on account of any dispute. The disputed dues of service tax and income tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount (₹/million)	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Service Tax	314	F.Y. 2006-2007	Customs, Central Excise and Service Tax Appellate Tribunal
		148	F.Y. 2007-2008	
		5	F.Y. 2011-2012 F.Y. 2012-2013	Additional Commissioner of Service Tax, Mumbai
		38	F.Y. 2012-2013 F.Y. 2013-2014 F.Y. 2014-2015	
The Income Tax Act, 1961	Tax Deducted at Source (including interest)	228	F.Y. 2007-2008	Commissioner of Income Tax (Appeals)
		65	F.Y. 2010-2011	
		1	F.Y. 2011-2012	
		10	F.Y. 2012-2013	
		15	F.Y. 2013-2014	
	Income Tax	0		
		(₹ 426,630)^	F.Y. 1995-1996	High Court
		18	F.Y. 2004-2005	
		5	F.Y. 2009-2010	Income Tax Appellate Tribunal
		83	F.Y. 2011-2012	
		3*	F.Y. 2008-2009	Commissioner of Income Tax (Appeals)
		30*	F.Y. 2009-2010	
	Income Tax-Penalty	173	F.Y. 2007-2008	Commissioner of Income Tax (Appeals)

^ represents absolute amount
*pertains to erstwhile ETC Networks Limited, merged with the Company

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans from Government and has not issued any debentures during the year.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year have been applied for the purposes for which they were raised.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable Indian accounting standards.

xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 10 May, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March, 2017.

We have audited the internal financial controls over financial reporting of **Zee Entertainment Enterprises Limited** ("the Company") as of 31 March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 10 May, 2017

BALANCE SHEET

as at 31 March 2017

(₹ Millions)

	Note	Mar-17	Mar-16	1 Apr-15
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	2,833	2,834	2,203
(b) Capital work-in-progress	3	987	463	879
(c) Investment property	4	1,058	870	875
(d) Intangible assets	5	173	207	274
(e) Financial assets				
(i) Investments	6	11,364	17,942	6,252
(ii) Loans	7	-	-	2,917
(iii) Other financial assets	9	820	770	644
(f) Income tax assets (net)		3,131	3,026	2,921
(g) Deferred tax assets (net)	10	452	325	319
(h) Other non-current assets	11	251	224	170
Total non-current assets		**21,069**	**26,661**	**17,454**
Current assets				
(a) Inventories	12	15,722	13,366	12,071
(b) Financial assets				
(i) Investments	13	15,029	3,400	4,611
(ii) Trade receivables	14	9,801	9,539	8,318
(iii) Cash and cash equivalents	15a	4,414	2,816	1,000
(iv) Bank balances other than (iii) above	15b	1,017	1,035	2,012
(v) Loans	7	1,542	1,750	7,595
(vi) Other financial assets	9	770	936	426
(c) Other current assets	11	5,059	2,432	2,621
Total current assets		**53,354**	**35,274**	**38,654**
Total assets		**74,423**	**61,935**	**56,108**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16a	960	960	960
(b) Other equity	16b	43,256	35,119	31,082
Total equity		**44,216**	**36,079**	**32,042**
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings				
Redeemable preference shares	17a	15,262	17,140	16,557
Others	17b	8	9	12
(b) Provisions	18	441	411	394
Total non-current liabilities		**15,711**	**17,560**	**16,963**
Current liabilities				
(a) Financial liabilities				
Trade payables	19a	4,406	3,173	2,237
Other financial liabilities	19b			
Redeemable preference shares		3,815	-	-
Others		3,880	4,011	3,999
(b) Other current liabilities	20	1,270	1,085	570
(c) Provisions	18	26	27	26
(d) Current tax liabilities (net)	18	1,099	-	271
Total current liabilities		**14,496**	**8,296**	**7,103**
Total liabilities		**30,207**	**25,856**	**24,066**
Total equity and liabilities		**74,423**	**61,935**	**56,108**
Notes forming part of the financial statements	1-53			

As per our attached report of even date

FOR MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W100035

HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
Managing Director & CEO

MIHIR MODI
Chief Finance & Strategy Officer

ADESH KUMAR GUPTA
Director

M LAKSHMINARAYANAN
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

(₹ Millions)

	Note	Mar-17	Mar-16
REVENUE			
Revenue from operations	21	49,284	42,065
Other income	22	3,471	2,260
Total		**52,755**	**44,325**
EXPENSES			
Operational cost	23	19,959	18,298
Employee benefits expense	24	2,971	3,106
Finance costs	25	1,264	1,486
Depreciation and amortisation expense	26	771	599
Fair value loss on financial instruments at fair value through profit and loss		2,189	609
Other expenses	27	9,115	8,928
Total		**36,269**	**33,026**
Profit before exceptional item and tax		**16,486**	**11,299**
Add: Exceptional item	28	470	-
Profit before tax		**16,956**	**11,299**
Less : Tax expense	29		
Current tax - current year		6,678	4,719
- earlier years		54	-
Deferred tax benefit		(116)	(2)
Profit for the year (A)		**10,340**	**6,582**
OTHER COMPREHENSIVE INCOME			
A. Items that will not be reclassified to profit or loss			
(a) (i) Re-measurement of defined benefit obligation		(30)	(11)
(ii) Income tax relating to items that will not be reclassified to the profit or loss		11	4
(b) Fair value changes of equity instruments through other comprehensive income		142	63
Total other comprehensive income (B)		**123**	**56**
Total comprehensive income for the year (A+B)		**10,463**	**6,638**
Earnings per equity share (face value ₹ 1 each)			
Basic	45	10.77	6.85
Diluted		10.77	6.85
Notes forming part of the financial statements	1-53		

As per our attached report of even date

FOR MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W100035

HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
Managing Director & CEO

MIHIR MODI
Chief Finance & Strategy Officer

ADESH KUMAR GUPTA
Director

M LAKSHMINARAYANAN
Company Secretary

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2017

a. EQUITY SHARE CAPITAL

(₹ Millions)

	Note	
As at 1 April, 2015		**960**
Changes in equity share capital	16a	-
As at 31 March, 2016		**960**
Changes in equity share capital	16a	-
As at 31 March, 2017		**960**

b. OTHER EQUITY

(₹ Millions)

	Other Equity					
	Reserves and surplus				Other comprehensive income	Total other equity
	Capital redemption reserve	Share based payment reserve	General Reserves	Retained earnings	Equity instruments	
As at 1 April, 2015	**-**	**-**	**3,996**	**26,860**	**226**	**31,082**
Profit for the year	-	-	-	6,582	-	6,582
Other comprehensive income (Refer note 16b)	-	-	-	(7)	63	56
Total comprehensive income for the year	**-**	**-**	**-**	**6,575**	**63**	**6,638**
	-	-	3,996	33,435	289	37,720
Transferred on redemption of preference shares	22	-	-	(22)	-	-
Dividend on Equity Shares	-	-	-	(2,161)	-	(2,161)
Tax on dividend on Equity Shares	-	-	-	(440)	-	(440)
As at 31 March, 2016	22	-	3,996	30,812	289	35,119
Profit for the year	-	-	-	10,340	-	10,340
Other comprehensive income (Refer note 16b)	-	-	-	(19)	142	123
Total comprehensive income for the year	-	-	-	10,320	142	10,462
	22	-	3,996	41,133	431	45,582
Dividend on Equity Shares	-	-	-	(2,161)	-	(2,161)
Tax on dividend on Equity Shares	-	-	-	(167)	-	(167)
Shared based payments (Refer note 16b)	-	2	-	-	-	2
	-	2	-	(2,328)	-	(2,326)
As at 31 March, 2017	22	2	3,996	38,805	431	43,256
Notes forming part of the financial statements		1-53				

As per our attached report of even date

FOR MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W100035

HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
Managing Director & CEO

MIHIR MODI
Chief Finance & Strategy Officer

ADESH KUMAR GUPTA
Director

M LAKSHMINARAYANAN
Company Secretary

STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

(₹ Millions)

		Mar-17	Mar-16
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	16,486	11,299
	Adjustments for :		
	Depreciation and amortisation expense	771	599
	Allowances / (reversal) for credit losses on trade receivables, advances and investments written back	200	(235)
	Liabilities / excess provision written back	219	-
	Unrealised loss / (gain) on exchange adjustments (net)	231	(277)
	Loss on sale / impairment / discard of property, plant and equipment / Intangibles / Capital work-in-progress (net)	166	171
	Interest expenses	52	27
	Fair value loss on financial instruments at fair value through profit and loss	2,189	609
	Net gain on investments carried at fair value through profit and loss	(91)	(194)
	Dividend on redeemable preference shares	1,211	1,458
	Dividend income	(1,866)	(36)
	Interest income	(1,033)	(1,384)
	Operating profit before working capital changes	**18,535**	**12,037**
	Adjustments for :		
	(Increase) / Decrease in inventories	(2,357)	(1,294)
	(Increase) / Decrease in trade and other receivables	(2,996)	(1,492)
	Increase / (Decrease) in trade and other payables	1,490	1,342
	Cash generated from operations	**14,672**	**10,593**
	Direct taxes paid (net)	(5,788)	(5,095)
	Net cash flow from operating activities (A)	**8,864**	**5,498**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, intangible assets, investment property / capital work-in-progress	(1,720)	(1,259)
	Sale of property, plant and equipment, intangible assets	22	362
	Decrease in deposit accounts	20	980
	Payment towards acquisition of subsidiary company	(200)	(968)
	Payment towards acquisition of associate company	(13)	-
	Purchase of non current investments	(2,161)	(2,630)
	Sale of non current investments	487	-
	Purchase of current investments	(55,600)	(35,020)
	Sale of current investments	53,014	35,061
	Loans repaid by others	250	2,500
	Dividend received from subsidiary company	1,365	-
	Dividend received from others	130	3
	Interest received	908	1,393
	Net cash flow from / (used in) investing activities (B)	**(3,498)**	**422**

STATEMENT OF CASH FLOWS

for the year ended 31 March 2017

(₹ Millions)

		Mar-17	Mar-16
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Redemption of redeemable preference shares	-	(22)
	Proceeds from long-term borrowings	7	8
	Repayment of long-term borrowings	(10)	(12)
	Dividend paid (including dividend tax)	(3,783)	(4,051)
	Interest paid	(2)	(27)
	Net cash flow from / (used in) financing activities (C)	**(3,788)**	**(4,104)**
	Net cash flow during the year (A+B+C)	**1,598**	**1,816**
	Cash and cash equivalents at the beginning of the year	2,816	1,000
	Net cash and cash equivalents at the end of the year	**4,414**	**2,816**

Notes:

1. Previous year's figures have been regrouped, recast wherever necessary.
2. During the previous year, loan of ₹ Million 6,766 has been converted into 100,500,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1/- each, being non-cash, has not been considered in the above cash flow statement.

As per our attached report of even date

FOR MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W100035

HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
Managing Director & CEO

MIHIR MODI
Chief Finance & Strategy Officer

ADESH KUMAR GUPTA
Director

M LAKSHMINARAYANAN
Company Secretary

NOTES

forming part of the Financial Statements

1 CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ("ZEEL" or "the Company") is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Mumbai 400013, India. The Company is mainly in the following businesses:

(a) Broadcasting of Satellite Television Channels;

(b) Space Selling agent for other satellite television channels;

(c) Sale of Media Content i.e. programs / film rights / feeds / music rights

2 SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31 March 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accural basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

Reconciliations and descriptions of the effect of the transition has been summarized in note 51.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

b Property, plant and equipment

(i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

(ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

c Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets - channels includes expenses incurred on development of new television channels till the time it is ready for commercial launch.

d Depreciation / amortisation on property, plant and equipment / intangible assets

Depreciable amount for property, plant and equipment / intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

(i) Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed lower than the life prescribed in Schedule II, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Furniture and Fixtures	- 5 years
Gas Plant	- 20 years
Equipment	- 3 - 5 years
Plant and Machinery	- 5-10 years
Vehicles	- 5 years
Aircraft	- 15 years

(ii) Premium on Leasehold Land and Leasehold Improvements are amortised over the period of Lease.

(iii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

e Impairment of Property, plant and equipment / intangible assets

The carrying amounts of the Company's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset.

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forming part of the Financial Statements

An impairment loss for an individual asset or cash generating unit are reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the statement of profit and loss.

f **Investment property**

Investment property are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment, if any.

Derecognition of property, plant and equipment / intangibles / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / intangibles / investment property is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the statement of profit and loss when the item is derecognised.

g **Leases**

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating Lease payments / revenue are recognised on straight line basis over the lease period in the statement of profit and loss account unless increase is on account of inflation.

h **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

i **Inventories**

(i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as impairment. Programs, film rights, music rights are expensed / amortised as under :

1 Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.

2 Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.

3 Film rights are amortised on a straight-line basis over the licensed period or sixty months from the commencement of rights, whichever is shorter.

4 Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

(ii) Raw Stock : Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

j **Financial Instruments**

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

(ii) Subsequent Measurement

Financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.

NOTES

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b The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through Profit and Loss (FVTPL)
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity investments
The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payment is established.

Investment in subsidiaries, joint ventures and associates
Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with IND AS 27 on “”Separate Financial Statements””. Refer note 6 for list of investments.

Derivative financial instruments
Derivative financial instruments are classified and measured at fair value through profit and loss.

Derecognition of financial assets
A financial asset is derecognised only when

i) The Company has transferred the rights to receive cash flows from the asset or the rights have expired or

ii) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Impairment of financial assets
The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities and equity instruments
Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
Subsequent Measurement
Financial liabilities measured at amortised cost

Financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the statement of profit and loss.

Financial liabilities measured at fair value through profit or loss (FVTPL)
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the statement of profit and loss.

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Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Determination of fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

k Borrowings and Borrowing costs
Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised as finance costs in the Statement of Profit and Loss.

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

l Provisions, contingent liabilities and contingent assets
The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

m Revenue recognition
Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

(i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

(ii) Sales - Media content is recognised, when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

(iii) Services

Commission-Space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

(iv) Revenue from other services is recognised as and when such services are completed / performed.

(v) Interest income from debt instruments is recognised using the effective interest rate (EIR) method.

(vi) Dividend income is recognised when the Company's right to receive dividend is established.

(vii) Rent income is recognised on accural basis as per the agreed terms on straight line basis.

n Retirement and other employee benefits
(i) The Company operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding

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interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the statement of profit and loss, in the subsequent periods.

(ii) Other long term employee benefits: The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(iii) Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

o Transactions in foreign currencies

(i) The functional currency of the Company is Indian Rupees (“Rs.”).

Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items are carried at historical cost and translated at the exchange rate prevelant at the date of the transaction.

p Accounting for taxes on income

Tax expense comprises of current and deferred tax.

(i) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognized in the statement of profit and loss except to the extent that the tax relates to items recognized directly in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except to the extent they relate to items are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

(iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

q Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

r Share based payments

The Company recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

s Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The

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cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred."

t Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

u Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v Exceptional items

Certain occassions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

b Useful lives and residual values

The Company reviews the useful lives and residual values of property, plant and equipment, investment property and intangible assets at each financial year end.

c Impairment testing

i Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d Tax

i The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

ii Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

iii The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.

e Fair value measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

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-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

f **Media Content**

The Company has several types of programming inventory: movies, sports and general entertainment. The key area of accounting for inventory requiring judgment is the assessment of the appropriate nature over which programming inventory should be amortised. The key factors considered by the Company are as follows:

i Reality shows, chat shows, events, current affairs, game shows and sports rights: are fully expensed on telecast which represents best estimate of the benefits received from the acquired rights.

ii The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii Cost of movie rights - The Company's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast. Hence, it is amortised on a straight line basis over the license period or 60 months from the date of acquisition, whichever is shorter.

iv Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

g **Defined benefit obligation**

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 24, 'Employee benefits'.

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

Amendment to Ind AS 7

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The Company is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated."

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3. PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of Assets	Leasehold land	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Equipments	Computers	Leasehold improvements	Aircraft	Total
I. Cost										
As at 1 April, 2015	19	185	2,421	97	127	241	226	126	368	3,810
Additions	-	395	393	79	30	160	92	334	-	1,483
Disposal	-	-	113	0	25	3	5	1	368	515
As at 31 March, 2016	**19**	**580**	**2,701**	**176**	**132**	**398**	**313**	**459**	**-**	**4,778**
Additions	0	-	394	33	95	78	190	74	-	864
Transfer to investment property	-	198	-	-	-	-	-	-	-	198
Disposal	-	-	42	2	19	1	35	-	-	99
As at 31 March, 2017	**19**	**382**	**3,053**	**207**	**208**	**475**	**468**	**533**	**-**	**5,345**
II. Depreciation										
As at 1 April, 2015	4	35	1,083	50	62	104	118	85	66	1,607
Depreciation charge for the year	0	6	266	19	21	52	51	57	14	486
Disposal	-	-	48	0	15	2	3	1	80	149
Upto 31 March, 2016	**4**	**41**	**1,301**	**69**	**68**	**154**	**166**	**141**	**-**	**1,944**
Depreciation charge for the year	0	7	295	28	31	75	71	139	-	646
Transfer to investment property	-	2	-	-	-	-	-	-	-	2
Disposal	-	-	40	2	14	1	19	-	-	76
Upto 31 March, 2017	**4**	**46**	**1,556**	**95**	**85**	**228**	**218**	**280**	**-**	**2,512**
Net book value										
As at 31 March, 2017	15	336	1,497	111	123	247	250	253	-	2,833
As at 31 March, 2016	15	539	1,400	107	64	244	147	318	-	2,834
As at 1 April, 2015	15	150	1,338	47	65	137	108	41	302	2,203

(₹ Millions)

Net book value	31 March, 2017	31 March, 2016	1 April, 2015
Property, plant and equipment	2,833	2,834	2,203
Capital work-in-progress (Refer note 4 below)	987	463	879

1 "0" (zero) denotes amounts less than a million.
2 Buildings include ₹/Millions 0 (2016: 0, 2015: 0) (2016: ₹114,100, 2015:₹ 114,100) the value of share in a co-operative society.
3 Part of Property, plant and equipment have been given on operating lease.
4 Capital work-in-progress is net of impairment loss of ₹/Millions 328 (2016: ₹ 164) (2015: Nil). Amount charged to the Statement of Profit and Loss is ₹/Millions 164 (2016: ₹ 164) (2015: Nil)
5 Certain vehicles have been hypothecated against borrowings for vehicles aggregating to ₹/Millions 15 (2016: ₹ 18) (2015: 22).

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4 INVESTMENT PROPERTY

(₹ Millions)

Description of Assets	Land and building	Total
I. Cost		
As at 1 April, 2015	907	907
As at 31 March, 2016	**907**	**907**
Transfer from property, plant and equipment	198	198
As at 31 March, 2017	**1,105**	**1,105**
II. Depreciation		
As at 1 April, 2015	32	32
Depreciation charge for the year	5	5
Upto 31 March, 2016	**37**	**37**
Depreciation charge for the year	8	8
Transfer from property, plant and equipment	2	2
Upto 31 March, 2017	**47**	**47**
Net book value		
As at 31 March, 2017 (Fair Value ₹/Million 1,779)	1,058	1,058
As at 31 March, 2016 (Fair Value ₹/Million 1,526)	870	870
As at 1 April, 2015 (Fair Value ₹/Million 1,658)	875	875

- The fair value of the Company's investment property has been arrived at on the basis of a valuation carried out at that date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.The fair value measurement is categorised as Level 2.

- The rental income from the Investment property for the year is ₹/Millions 114 (2016 ₹/Millions 109).

5 INTANGIBLE ASSETS

(₹ Millions)

Description of Assets	Trademark	Software	Channels	Total
I. Cost				
As at 1 April, 2015	0	402	133	535
Additions	-	44	-	44
Disposal	-	5	-	5
As at 31 March, 2016	**0**	**441**	**133**	**574**
Additions	-	84	-	84
Disposal	-	1	-	1
As at 31 March, 2017	**0**	**524**	**133**	**657**
II. Amortisation				
As at 1 April, 2015	0	255	6	261
Amortisation for the year	-	81	27	108
Disposal	-	2	-	2
Upto 31 March, 2016	**0**	**334**	**33**	**367**
Amortisation for the year	-	90	27	117
Disposal	-	-	-	-
Upto 31 March, 2017	**0**	**424**	**60**	**484**
Net book value				
As at 31 March, 2017	0	100	73	173
As at 31 March, 2016	0	107	100	207
As at 1 April, 2015	0	147	127	274

"0" (zero) denotes amounts less than a million.

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6 NON-CURRENT INVESTMENTS

(₹ Millions)

		Mar-17	Mar-16	1-Apr-15
a	**INVESTMENTS CARRIED AT COST**			
	Investment in Equity Instruments			
	Wholly owned subsidiaries - unquoted			
	56,796,292 (2016: 56,796,292) (2015: 56,796,292) Ordinary shares of USD 1/- each of Zee Multimedia Worldwide (Mauritius) Limited	2,584	2,584	2,584
	583 (2016: 583) (2015: 583) Ordinary shares of USD 1/- each of ATL Media Ltd.	2,515	2,515	2,515
	30,000,000 (2016: 30,000,000) (2015: 50,000) Equity shares of ₹ 10/- each of Zee Digital Convergence Limited	300	300	1
	Less : Impairment in value of Investments	-	-	1
		300	**300**	-
	Nil (2016: 10,000) (2015: 10,000) Equity shares of ₹ 100/- each of Taj Television (India) Private Limited	-	37	37
	13,009,997 (2016: 13,009,997) (2015: 3,010,000) Equity shares of ₹ 10/- each of Essel Vision Productions Limited	330	330	30
	450,000 (2016: 450,000) (2015: Nil) Equity shares of ₹10/- each of Sarthak Entertainment Private Limited	1,068	1,068	-
	10,000,000 (2016: Nil) (2015: Nil) Equity shares of ₹ 10/- each of Zee Unimedia Limited	100	-	-
	In Subsidiaries - Others - unquoted			
	74,000 (2016: 74,000) (2015: 74,000) Equity shares of ₹ 10/- each of Zee Turner Limited (Extent of holding 74%)	1	1	1
	In Associate - Quoted			
	1,321,200 (2016: 1,321,200) (2015: 1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47	47
	Less : Impairment in value of Investments	20	20	20
		27	**27**	**27**
	In Associate - Unquoted			
	980,000 (2016: Nil) (2015: Nil) Equity Shares of ₹ 10/- each of Fly by wire International Private Limited (Extent of holding 49%)	13	-	-
	In Joint Venture - Unquoted			
	126,990,000 (2016: 126,990,000) (2015: 123,039,613) Equity shares of ₹ 1/- each of India Webportal Private Limited (Extent of holding 51%)	316	316	254
b	**INVESTMENTS AT AMORTISED COST**			
	Investment in preference shares			
	Wholly owned subsidiaries - unquoted			
	110,500,000 (2016: 100,500,000) (2015: Nil) 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1/- each of ATL Media Ltd *	7,411	6,561	-
	Less: Amount disclosed under the head "Current Investments" (Refer note 13)	(7,411)	-	-
		-	**6,561**	-
	Investment in redeemable debentures			
	Others - quoted			
	50 (2016: 50) (2015: 50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited (Tenure - 10 years)	52	52	52
	Others - unquoted			
	50,000 (2016: 50,000) (2015: 50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	61	57	52
	50,000 (2016: 50,000) (2015: 50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	51	51	51
	12,500 (2016: 12,500) (2015: 12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Tenure - 2 years)	1,543	1,469	1,363
	Less: Amount disclosed under the head "Current Investments" (Refer note 13)	(1,543)	-	(1,363)
		-	**1,469**	-

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(₹ Millions)

		Mar-17	Mar-16	1-Apr-15
c	**INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**			
	Investments in equity instruments - quoted			
	1,822,000 (2016: 1,822,000) (2015: 1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	433	291	228
	Investment in equity instruments - unquoted			
	30,000 (2016: 30,000) (2015: 30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited ₹ 300,000 (2016: 300,000) (2015: 300,000)	0	0	0
	Less: Impairment in value of investment ₹ 300,000 (2016: 300,000) (2015: 300,000)	0	0	0
		-	-	-
d	**INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS**			
	Investment in debentures - unquoted			
	Wholly owned subsidiaries-unquoted			
	1,900,000,000 (2016: 1,218,000,000) (2015: Nil) 0% Optionally Convertible Debentures of ₹ 1/- each of Essel Vision Productions Limited **	2,246	1,424	-
	80,000,000 (2016: Nil) (2015: Nil) 0% Optionally Convertible Debentures of ₹ 10/- each of Zee Digital Convergence Limited ***	821	-	-
	Others - Unquoted			
	1,069.6 (2016: 1,069.6) (2015: 419.6) units of ₹ 1,000,000/- each of Morpheus Media Fund	446	859	421
	Total	**11,364**	**17,942**	**6,252**

(All the above securities are fully paid up)

* 40,000,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1/- each of ATL Media Ltd. are redeemable on 31 August, 2017, 10,000,000 preference shares are redeemable on 27 December, 2017 and balance 60,500,000 preference shares are redeemable on 28 February, 2018.

** Optionally Convertible Debentures (OCD) have a tenure of 5 years. The Company has an option to convert the OCD at any time after initial period of 3 years from the date of allotment, into Equity Shares at a price of ₹ 30/- per share or net asset value at the time of conversion, whichever is higher. OCD's not converted into equity shares shall be redeemable at par at the end of the tenure.

*** Optionally Convertible Debentures (OCD) have a tenure of 5 years. The Company has an option to convert the OCD at any time after initial period of 18 months from the date of allotment, into Equity Shares in the ratio of 1:1. OCD's not converted into equity shares shall be redeemable at par at the end of the tenure.

	Mar-17	Mar-16	1-Apr-15
Aggregate amount of quoted Investments and market value thereof	532	390	327
Aggregate amount of unquoted Investments	10,852	17,572	5,946
Aggregate impairment in value of investments	20	20	21

7 LOANS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1 Apr-15	Mar-17	Mar-16	1 Apr-15
Loans (Unsecured and considered good)						
- Subsidiaries	-	-	2,917	-	-	3,345
- Others	-	-	-	1,542	1,750	4,250
Total	**-**	-	2,917	**1,542**	1,750	7,595

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8 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

a) Loans given

(₹ Millions)

	Mar-16	Given	Repaid	Mar-17
i) To Wholly Owned Subsidiary	-	-	-	-
* (includes foreign currency realignment of ₹/Millions Nil (595))	(6,262)	(595)*	(6,857) $	-
ii) In the form of unsecured short-term inter corporate deposits (excluding roll over) #	1,750	42^	250	1,542
	(4,250)	(-)	(2,500)	(1,750)
Total	**1,750**	**42**	**250**	**1,542**
	(10,512)	(595)	(9,357)	(1,750)

Notes:

$ In FY 2016, Loan has been converted into 100,500,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1 each.

^ Represents interest receivable.

Inter Corporate Deposits are given as a part of treasury operations of the Company on following terms :

1 Loans given to unrelated corporate entities at an interest ranging from 12.5% to 15% and loan given to subsidiary company at LIBOR 0.88 plus BPS 5.50%.

2 All loans are short-term in nature.

3 All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

4 Figures in bracket denote previous year numbers.

b) Investments made

There are no investments by the Company other than those stated under Note 6 and Note 13 in the Financial Statements.

c) Guarantees given

(₹ Millions)

	Mar-17	Mar-16
(a) Performance guarantees		
I To secure obligations of Wholly Owned Subsidiary- Guarantees to Banks and Sports Administrators	2,390	11,506
II To Banks to secure obligations of other Related Parties:		
- Guarantees	170	170
- Commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers	869	630

d) Securities provided

There are no securities provided during the year.

9 OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1 Apr-15	Mar-17	Mar-16	1 Apr-15
Advances and deposits - unsecured and considered good						
- to related parties	523	401	364	91	89	34
- to others	297	369	280	45	67	87
Unbilled revenue	-	-	-	54	-	20
Interest accrued on Bank deposits	-	-	-	15	6	32
Other receivables - Subsidiaries	-	-	-	239	558	324
Less: Alowances for credit losses	-	-	-	-	46	89
	-	-	-	**239**	512	235
Other receivables - Related parties	-	-	-	282	258	17
- Others *	-	-	-	44	4	1
Total	**820**	**770**	**644**	**770**	**936**	**426**

* Includes ₹/Million 19 (2016 : Nil) (2015 : Nil) receivable against sale of non-current Investments

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10 DEFERRED TAX ASSETS (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Deferred tax assets			
Employee retirement benefits obligation	161	152	144
Depreciation and amortisation	38	5	-
Allowances for credit losses	236	168	248
Other disallowances	17	-	-
	452	**325**	**392**
Deferred tax liabilities			
Depreciation and amortisation	-	-	73
	-	-	**73**
Deferred tax assets (net)	**452**	**325**	**319**

11 OTHER ASSETS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1 Apr-15	Mar-17	Mar-16	1-Apr-15
Capital advances (unsecured)	159	157	104	-	-	-
Other advances (unsecured)						
- Considered good	-	-	-	4,582	1,718	1,918
- Considered doubtful	-	-	-	177	251	251
	-	-	-	**4,759**	**1,969**	**2,169**
Less: Allowances for credit losses	-	-	-	177	251	251
	-	-	-	**4,582**	**1,718**	**1,918**
Prepaid expenses	91	67	66	109	89	128
Balance with Government authorities						
- Advance indirect taxes	1	-	-	368	625	575
Total	**251**	**224**	**170**	**5,059**	**2,432**	**2,621**

12. INVENTORIES#

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Raw stock - tapes	10	10	10
Media content *	15,685	13,306	11,998
Under production - programs	27	50	63
Total	**15,722**	**13,366**	**12,071**

valued at lower of cost / unamortised cost or realisable value.

* Includes rights ₹/Millions 3,721 (2016 : 2,400) (2015 : 2,197), which will commence at a future date.

Inventories expected to be recovered post 12 months is 63% (2016: 63%) (2015: 67%)

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13. CURRENT INVESTMENTS

(Rs. Millions)

		Mar-17	Mar-16	1-Apr-15
A	Investment at amortised cost			
	Investment in preference shares			
	Wholly owned subsidiaries - unquoted			
	110,500,000 (2016: Nil) (2015: Nil) 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1/- each of ATL Media Ltd (Refer note 6)	7,411	-	-
	Investment in redeemable debentures - unquoted			
	12,500 (2016: 12,500) (2015: 12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of Rs. 100,000/- each of SGGD Projects Development Private Limited (Refer Note 6)	1,543	-	1,363
	Others			
	Commercial Paper - Quoted			
	Nil (2016: Nil) (2015: 2,500) units of Rs. 500,000/- each of Axis Finance Limited (Tenure - 12 days)	-	-	1,248
	Certificate of Deposit (Non-Transferable) - Unquoted			
	10% (2016: 11.25%) (2015: 11.75%) SICOM Limited (Tenure - 1 year)	1,000	1,000	1,000
	10% (2016: 11.25%) (2015: 12%) SICOM Limited (Tenure - 1 year)	1,000	1,000	1,000
	10% (2016: 11.25%) (2015: Nil) SICOM Limited (Tenure - 1 year)	1,000	1,000	-
	(A)	**11,954**	**3,000**	**4,611**
B	Investments carried at fair value through Profit and loss			
	Mutual Funds - Quoted			
	Nil (2016: 126,881) (2015: Nil) units of Rs. 1,000/- each of HDFC Cash Management Fund - Savings plan	-	400	-
	305,118 (2016: Nil) (2015: Nil) units of Rs. 1000/- each of Peerless Liquid Fund - Daily Dividend	306	-	-
	5,989,991 (2016: Nil) (2015: Nil) units Rs 100/- each of ICICI Prudential Savings Fund- Daily Dividend	608	-	-
	2,800,381 (2016: Nil) (2015: Nil) units of Rs 100/- each of Birla Sun Life Savings Fund -Daily Dividend	281	-	-
	38,746,264 (2016: Nil) (2015: Nil) units of Rs 10/- each of JM High Liquidity Fund - Daily Dividend	404	-	-
	24,928,512 (2016: Nil) (2015: Nil) units of Rs 10/- each of Reliance Medium Term Fund - Daily Dividend	425	-	-
	499,330 (2016: Nil) (2015: Nil) units of Rs 1000/- each of Tata Money Market Fund- Daily Dividend	500	-	-
	400,353 (2016: Nil) (2015: Nil) units of Rs 1000/- each of Invesco India Liquid Fund- Daily Dividend	401	-	-
	137,061 (2016: Nil) (2015: Nil) units of Rs 1000/- each of LIC MF Liquid Fund - Direct Dividend	150	-	-
	(B)	**3,075**	**400**	**-**
	Total (A+B)	**15,029**	**3,400**	**4,611**

	Mar-17	Mar-16	1-Apr-15
(All the above securities are fully paid up)			
Aggregate amount of quoted Investments and market value thereof	3,075	400	1,248
Aggregate amount of unquoted Investments	11,954	3,000	3,363

14. TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
- Considered good	9,801	9,539	8,318
- Considered doubtful	505	186	378
	10,306	**9,725**	**8,696**
Less: Allowances for credit losses	505	186	378
Total	**9,801**	**9,539**	**8,318**

For transactions relating to related party receivables, refer note 52

Trade receivables are non-interest bearing and credit period extended to them is 0 to 180 days.

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15. CASH AND BANK BALANCES

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
a. CASH AND CASH EQUIVALENTS			
Balances with banks -			
In Current accounts	1,046	990	480
In Deposit accounts	2,452	1,730	517
Cheques in hand / remittance in transit	915	94	-
Cash in hand	1	2	3
	4,414	**2,816**	**1,000**
b. OTHER BALANCES WITH BANKS			
Balances with banks			
In Deposit accounts	1,000	1,020	2,000
In Unclaimed dividend accounts	17	15	12
	1,017	**1,035**	**2,012**
Total	**5,431**	**3,851**	**3,012**

16a EQUITY SHARE CAPITAL

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Authorised*			
2,000,000,000 (2016: 2,000,000,000) (2015: 2,000,000,000) Equity Shares of ₹ 1 each	2,000	2,000	2,000
	2,000	**2,000**	**2,000**
Issued, subscribed and paid up			
960,448,720 (2016: 960,448,720) (2015: 960,448,720) Equity Shares of ₹ 1 each fully paid up	960	960	960
Total	**960**	**960**	**960**

* Authorised capital of 2,100,000,000 (2016 : 21,000,000,000) (2015 : 21,000,000,000) Redeemable Preference Shares of Rs. 10 (2016 : Re. 1) (2015 : Re. 1) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. Refer Note 17 for other details.

a) RECONCILIATION OF NUMBER OF EQUITY SHARES AND SHARE CAPITAL

	Mar-17		Mar-16		1-Apr-15	
	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions
At the beginning of the year	960,448,720	960	960,448,720	960	960,448,720	960
Outstanding at the end of the year	**960,448,720**	**960**	**960,448,720**	**960**	**960,448,720**	**960**

b) TERMS / RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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c) DETAILS OF AGGREGATE NUMBER OF BONUS SHARES ISSUED, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH AND SHARES BOUGHT BACK DURING FIVE YEARS PRECEDING 31 MARCH, 2017

	Mar-17	Mar-16
Equity Shares bought back and cancelled	24,185,210	24,185,210

d) DETAILS OF EQUITY SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE EQUITY SHARES

Name of the Shareholders	Mar-17		Mar-16	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Cyquator Media Services Private Limited	241,402,908	25.13%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	65,978,899	6.87%	77,074,068	8.02%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) EMPLOYEES STOCK OPTION SCHEME (ESOP)

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Company as at 31 March, 2009 i.e. up to 21,700,355 equity shares of ₹ 1 each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Company as well as that of its subsidiaries. The said ESOP 2009 was amended during the year under review to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

During FY 2017, the Nomination and Remuneration Committee of the Board granted 9,800 stock options convertible at ₹ 1/- each to an employee of the Company . The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1, 2 and 3 respectively. These options would be exercisable at any time within a period of four years from each vesting date and the equity shares arising on exercise of options shall not be subject to any lock in.

The movement in option is as follows:

Particulars	Number of options
Granted during the year:	9,800
Outstanding at the end of year	**9,800**

The weighted average exercise price is ₹ 1/- each.

During the year ended 31 March, 2017, the Company recorded an employee stock compensation expense of ₹ 2 million in the statement of profit and loss. The market price at the date of grant was ₹ 512 per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

ASSUMPTIONS	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	21%	22%	20%
Expected dividend yield on the underlying share for the expected term of the option	2.25	2.25	2.25
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year had a weighted average remaining contractual life of 444 days.

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16b OTHER EQUITY

(₹ Millions)

	Mar-17	Mar-16
RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Balance Sheet	22	-
Add: Transferred on redemption of preference shares	-	22
	22	**22**
Shared based payment reserve		
As per last Balance Sheet	-	-
Add: on options granted during the year	2	-
	2	-
GENERAL RESERVE		
As per last Balance Sheet	**3,996**	**3,996**
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	30,812	26,860
Add : Profit for the year	10,340	6,582
Re-measurement gains / (losses) on defined benefit plans	(30)	(11)
Income tax impact thereon	11	4
Less : Appropriations		
Transferred to Capital Redemption Reserve	-	22
Dividend on Equity Shares	2,161	2,161
Tax on dividend on Equity Shares	167	440
	38,805	**30,812**
Other comprehensive income - equity instruments		
As per last Balance Sheet	289	226
Gain on fair value of financial assets through other comprehensive income	142	63
	431	**289**
Total	**43,256**	**35,119**

1) Capital Redemption Reserve is created on redemption of redeemable preference shares issued. For details of redemption refer 17 ii
2) Share Based Payment Reserve is related to share options granted by the Company to its employee under its employee share option plan.
3) General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
4) Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.
5) Other comprehensive income includes reserves for equity instruments through other comprehensive income i.e. cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

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17. LONG-TERM BORROWINGS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
A. REDEEMABLE PREFERENCE SHARES - UNSECURED						
2,016,942,312 (2016: 20,169,423,120) (2015: 20,169,423,120) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- (2016: ₹ 1/-) (2015: ₹ 1/-) each fully paid up - Quoted	19,077	17,140	16,535	-	-	-
Nil (2016: Nil) (2015: 22,273,886) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each fully paid up - unquoted (Refer note ii below)	-	-	22	-	-	-
Less : Amount disclosed under the head "Other financial liabilities" (Refer note 19b)	3,815	-	-	-	-	-
Total	**15,262**	**17,140**	**16,557**	**-**	-	-
B. OTHERS - SECURED						
Vehicle loan from banks*	8	9	12	7	9	10
Less: Amount disclosed under the head "Other financial liabilities" (Refer note 19b)	-	-	-	7	9	10
Total	**8**	9	12	**-**	-	-
Total	**15,270**	**17,149**	**16,569**	**-**	-	-

* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September, 2019.

d) Terms / rights attached to Preference Shares

(i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Quoted

During FY 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each (consolidated to face value of ₹ 10 each in 2017) by way of bonus in the ratio of 21 Bonus Preference Shares of ₹ 1/- each fully paid up for every one Equity share of ₹ 1/- each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

(ii) 6% Non-Cumulative Redeemable Non-Convertible Preference Shares - Unquoted

During FY 2015, the Company had issued and alloted 22,273,886 6% Non-Cumulative Redeemable Non-Convertible Preference shares of ₹ 1 each fully paid up, pursuant to the Scheme of Arrangement. The preference shareholders would be entitled to vote only on resolutions which directly affect their rights. These Preference shares were redeemable at par at any time within three years from the date of allotment and the same have been redeemed during the FY 2016.

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18. PROVISIONS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Provision for employee benefits						
- Gratuity	215	198	190	9	10	10
- Leave benefits	226	213	204	17	17	16
Total	**441**	**411**	**394**	**26**	**27**	**26**
Others						
- Provision for taxation (net of advances)	-	-	-	1,099	-	271
Total	**-**	-	-	**1,099**	-	**271**
Total	**441**	**411**	**394**	**1,125**	**27**	**297**

19. FINANCIAL LIABILITIES

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
A. TRADE PAYABLES			
Trade payables	2,987	2,700	1,805
Due to principals	1,419	473	432
	4,406	**3,173**	**2,237**
B. OTHER FINANCIAL LIABILITIES			
Current maturities of long term borrowings - Redeemable preference shares (Refer note 17a)	**3,815**	-	-
Current maturities of long-term borrowings - Others (Refer note 17b)	7	9	10
Deposits received	132	87	50
Unclaimed dividends	17	15	12
Creditors for capital expenditure	64	147	78
Employee benefits payable	421	552	517
Dividend payable on redeemable preference shares	1,211	1,458	1,453
Cheques overdrawn	268	-	110
Other payables	1,760	1,743	1,769
	3,880	**4,011**	**3,999**
Total	**12,101**	**7,184**	**6,236**

For transactions relating to related party payables refer note 52.

Trade and other payables are non-interest bearing and credit term for same is generally in the range of 0 to 90 days.

Dividend ₹/Million 1 (2016: 1) (2015: 1) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2017.

20. OTHER CURRENT LIABILTIES

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Unearned revenue	770	371	173
Advances received from customers	193	329	29
Statutory dues payable	307	385	368
Total	**1,270**	**1,085**	**570**

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21. REVENUE FROM OPERATIONS

(₹ Millions)

	Mar-17	Mar-16
Services - Broadcasting revenue		
Advertisement	32,395	28,831
Subscription (net)	14,067	10,771
- Commission - Space selling	138	155
- Commission - subscription	223	-
- Transmission revenue	338	292
Sales - Media content	2,064	1,967
Other operating revenue	59	49
Total	**49,284**	**42,065**

22. OTHER INCOME

(₹ Millions)

	Mar-17	Mar-16
Interest received on financial assets carried at amortised cost		
- Bank deposits	103	47
- Other financial assets	802	1,362
Interest income others (including interest on income tax refunds)	128	9
Dividend Income on financial assets carried at		
- Amortised cost- Subsidiaries	1,769	33
- Fair value through Other Comprehensive Income	4	3
- Fair value through Profit and Loss	93	-
Net gain on investments carried at fair value through Profit and Loss	91	194
Foreign exchange gain (net)	-	413
Liabilities and excess provision written back	219	-
Rent Income		
- Subsidiaries	111	38
- Related parties	98	106
- others	2	1
Miscellaneous Income	51	54
Total	**3,471**	**2,260**

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23. OPERATIONAL COST

(₹ Millions)

	Mar-17	Mar-16
A) MEDIA CONTENT #		
Opening - Inventory *	13,306	11,998
- Under production - programs	50	63
Add: Commissioned / acquisition **	18,057	15,400
Add: Program Production Expenses		
- Equipment hire charges	349	480
- Professional / artist fees	1,537	1,496
- Other production expenses	1,803	1,717
Less: Closing - Inventory *	15,685	13,306
- Under production - programs	27	50
	19,390	**17,798**
B) TELECAST COST	569	500
Total (a) + (b)	**19,959**	**18,298**

* Includes cost / unamortised cost.

** Includes rights acquired ₹/Millions 2,228 (961), which will commence at a future date.

\# Media content of ₹/Millions 1,855 (817) are impaired during the year.

24. EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	Mar-17	Mar-16
Salaries and allowances	2,731	2,876
Share based payment expense	2	-
Contribution to provident and other funds	143	147
Staff welfare expenses	95	83
Total	**2,971**	**3,106**

25. FINANCE COSTS

(₹ Millions)

	Mar-17	Mar-16
Interest on - vehicle loans	2	3
- others	50	24
Dividend on redeemable preference shares	1,211	1,458
Other financial charges	1	1
Total	**1,264**	**1,486**

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26. DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	Mar-17	Mar-16
Depreciation on property, plant and equipment	646	486
Depreciation on investment properties	8	5
Amortisation of intangible assets	117	108
Total	**771**	**599**

27. OTHER EXPENSES

(₹ Millions)

	Mar-17	Mar-16
Rent	621	622
Repairs and maintenance		
- Buildings	2	1
- Plant and machinery	107	107
- Others	43	45
Insurance	10	12
Rates and taxes	140	76
Electricity and water charges	116	129
Communication charges	87	86
Printing and stationery	18	18
Travelling and conveyance expenses	271	282
Legal and professional charges	356	408
Payment to auditors (Refer note 35)	23	15
Corporate Social Responsibility expenses	265	228
Donations	20	9
Hire and Service Charges	638	455
Miscellaneous expenses	29	27
Advertisement and publicity expenses	3,372	3,835
Commission expenses	891	54
Marketing, distribution and promotion expenses	1,360	2,264
Conference expenses	104	110
Exchange fluctuation cost (net)	164	-
Allowances / (reversal) for credit losses on trade receivables, advances and investments written back	200	(235)
Bad debts and advances written off	112	209
Loss on sale / impairment / discard of property, plant and equipment / intangibles / capital work-in-progress (net)	166	171
Total	**9,115**	**8,928**

28. EXCEPTIONAL ITEM

(₹ Millions)

	Mar-17	Mar-16
Profit on disposal of Subsidiary *	470	-
Total	**470**	-

* Represents gain on transfer of entire equity stake held in, wholly owned subsidiary viz. Taj Television (India) Private Limited.

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29. TAX EXPENSE

The Major components of income tax for the year are as under:

(₹ Millions)

		Mar-17	Mar-16
Income tax related to items recognised directly in the statement of profit and loss			
Current tax	- current year	6,678	4,719
	- earlier years	54	-
Deferred tax charge / (benefit)		(116)	(2)
Total		**6,616**	**4,717**
Effective tax rate		**39%**	**42%**

A reconciliation of the income tax expense applicable to the profit before income tax at statutory rate to the income tax expense at the Company's effective income tax rate for the year ended 31 March, 2017 and 31 March, 2016 is as follows:

	Mar-17	Mar-16
Profit before tax	16,956	11,299
Income tax		
Statutory income tax rate of 34.608% (34.608%) on profit	5,868	3,910
Tax effect on non-deductible expenses	1,368	918
Additional allowances for tax purposes	(37)	(110)
Effect of exempt income and income tax at lower rates	(637)	(1)
Tax effect for earlier years	54	-
Tax expense recognised in the statement of profit and loss	6,616	4,717

Deferred tax recognised in statement of other comprehensive income

For the year ended 31 March	Mar-17	Mar-16
Employee retirement benefits obligation	(11)	(4)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% (34.608%) for the year ended 31 March, 2017. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 10

The Company does not have any temporary differences in respect of unutilised tax losses.

Deferred tax recognised in statement of profit and loss

For the year ended 31 March	Mar-17	Mar-16
Employee retirement benefits obligation	1	(4)
Allowances for credit losses	(68)	80
Depreciation and amortisation	(32)	(78)
Other disallowances	(17)	-
Total	**(116)**	**(2)**

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Reconciliation of deferred tax assets / (liabilities) net:	Mar-17	Mar-16
Opening balance	325	319
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	116	2
- Recognised in other comprehensive income	11	4
Total	**452**	325

30. LEASES

A. Operating Leases:

(a) The Company has taken office, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally ranging from 7 months to 120 months.

(₹ Millions)

	Mar-17	Mar-16
Lease rental charges for the year	1,556	1,223
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1,274	1,042
Later than one year but not later than five years	1,505	1,124
Later than five years	-	16

(b) The Company has given part of its buildings / investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 24 months. The lease rental revenue for the year is ₹/Millions 123 (118).

(c) The Company has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

(₹ Millions)

	Mar-17	Mar-16
Sub lease rent income (₹/Millions 167 (59) netted against rent expenses)	255	85
Future sub lease rental receivable (under non-cancellable lease)		
Not later than one year	-	191

31. CONTINGENT LIABILITIES

(₹ Millions)

		Mar-17	Mar-16	1-Apr-15
a)	Corporate Guarantees			
	- For subsidiaries^	2,390	11,506	11,049
	- For other related parties ^^	1,039	800	791
b)	Disputed Indirect Taxes	467	468	468
c)	Disputed Direct Taxes *	3,339	3,995	4,873
d)	Claims against the Company not acknowledged as debts #	499	833	626
e)	Legal cases against the Company @	Not ascertainable	Not ascertainable	Not ascertainable

^ Guarantees aggregating to Rs./Million 578 for the FY 2017 have been cancelled post balance sheet.

^^ Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.

* Income tax demands mainly include appeals filed by the Company before various appellate authorities (including Dispute Resolution panel) against the disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

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The amount represents the best possible estimate arrived at on the basis of available information. The Company has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

32. The Company has preferred a legal case against The Board of Control for Cricket in India (BCCI) for prematured termination of Media Rights contract for telecast of cricket matches between India and other countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November, 2012 has passed an Arbitral award of ₹/Millions 1,236 (plus interest) in favour of the Company. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

33. CAPITAL AND OTHER COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/Millions 133 (2016: 55) (2015: 394).

(b) Other commitments as regards media content and others are ₹/Millions 4,960 (2016: 5,825) (2015: 8,410).

(c) Uncalled liability on investments committed ₹/Millions 3,063 (2016: 1,462) (2015: 380).

(d) The Company has committed to provide continued financial support to various subsidiaries - Amount not ascertainable.

34. MANAGERIAL REMUNERATION

(a) Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to Managing Director and Executive Vice Chairman, included in Note 24 "Employee benefits expense" is as under:

(₹ Millions)

	Managing Director		Executive Vice Chairman#	
	Mar-17	Mar-16	Mar-17	Mar-16
Salary and allowances	70	55	-	24
Contribution to provident fund	5	4	-	-
Perquisites (₹ Nil (₹ 21,397))	7	8	-	0

Upto 15 October, 2015.

Note: Salary and Allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

(b) Commission payable to Non-Executive Directors of ₹/Millions 15 (13) based on profits for the year ended 31 March, 2017 is included in Legal and Professional charges under Note 27 "Other expenses".

35. PAYMENT TO AUDITORS

(₹ Millions)

	Mar-17	Mar-16
Audit fees	8	8
Tax audit fees	1	1
Certification and tax representation	14	6
Reimbursement of expenses (₹ 486,785 (₹ 395,824))	0	0
Total	23	15

36. The Company has been deploying its surplus funds by way of inter-corporate deposits, debt instruments etc. and the parties are generally regular in the payment of interest and hence considered good.

37. Operational cost, Employee benefits expense and other expenses are net off recoveries ₹/Millions 707 (438).

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38. The financial statements of the Company for the year ended 31 March 2017, were authorised for issue by the Audit Committeee at their meeting held on 9 May 2017 and by the Board of Directors at their meeting held on 10 May 2017.

39. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31 March, 2017, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

40. DISCLOSURES AS REQUIRED BY SCHEDULE V (A) (2) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(a) Loans and advances given to Subsidiary (Loanee)

(₹ Millions)

	Balance as at		Maximum amount outstanding during the year	
	Mar-17	Mar-16	Mar-17	Mar-16
ATL Media Ltd. *	-	-	-	6,857

* Loan has been converted into 100,500,000 6% Cumulative Redeemable Non-Convertible Preference Shares of USD 1 each.

(b) The loanee has not made investments in the shares of the Company.

41. During the year, the Company has made Political Contribution of Rs./Million 20 (2016: Nil).

42. Disclosure on specified bank notes in accordance with notification dated on 30 March, 2017 from Ministry of Corporate Affairs:

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 8 November, 2016 (₹ 274,101/-)	2	0	2
(+) Permitted receipts	-	3	3
(-) Permitted payments	-	(2)	(2)
(-) Amount deposited in Banks (₹ 119,548/-)	(2)	(0)	(2)
Closing cash in hand as on 30 December, 2016	-	1	1

43. The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March, 2016. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

44. ACQUISITIONS

a) The Board of Directors in the meeting held on 23 November, 2016 have approved acquisition of "General Entertainment Television Broadcasting Undertakings" from Reliance Big Broadcasting Private Limited (RBBPL), Big Magic Limited (BML) and Azalia Broadcast Private Limited (ABPL).

The proposed acquisition shall be by way of Demerger of Undertakings to the Company through Composite Scheme of Arrangement drawn under Section 230 to Section 233 and other applicable provisions of the Companies Act, 2013.

The proposed Scheme provides for the Demerger of demerged Undertakings (as defined in the Scheme) of RBBPL, BML and ABPL which inter alia includes 5 (five) General Entertainment Television channels owned by RBBPL and 1 (one) General Entertainment Television Channel owned by BML and the Media business of ABPL and vesting of the same with the Company along with all assets, liabilities and employees of the Demerged Undertakings as going concern with effect from the Appointed date of close of 31 March, 2017

The consideration for the said Demerger is proposed to be discharged by the Company by issuing 6% Unlisted Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each ('Preference Share') to the Equity and Preference Shareholders of RBBPL, BML and ABPL.

Pending receipts of various regulatory / statutory approvals including approval of Hon'ble National Company Law Tribunal, effect has not been given in these financial statements.

b) During the year, the Company has acquired 49% of equity shares of Fly By Wire International Private Limited (FBW) which is engaged in providing Aircraft Charter services. The balance 51% equity shares in FBW shall be acquired by the Company upon receipt of requisite regulatory approvals.

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45. EARNINGS PER SHARE (EPS)

		Mar-17	Mar-16
a.	Profit after Tax (₹/Millions)	10,340	6,582
b.	Weighted average number of equity shares for basic EPS (in numbers)	960,448,720	960,448,720
	Nominal value of equity shares (₹)	1	1
c.	Basic EPS (₹)	10.77	6.85
	Weighted average number of equity shares for diluted EPS (in numbers)	960,452,962	960,448,720
	Nominal value of equity shares (₹)	1	1
	Diluted EPS (₹)	10.77	6.85

46 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR Committee has been formed by the Company. The Company is required to spend Rs./Millions 265 for the year against which Rs./Millions 265 has been spent on activities specified in Schedule VII of the Companies Act, 2013.

47 SEGMENT INFORMATION

The Company has presented Segment information on the basis of the consolidated financial statements as permitted by Ind AS 108 - Operating Segments.

48 DIVIDEND

Dividend on equity shares is approved by the Board of Directors in their meeting held on 10 May 2017, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including DDT thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders.
Final dividend on equity shares for the year ended on 2017: Rs 2.50 per share (Rs 2.25 per share) which aggregates to Rs 2,401 million (Rs 2,161 million)

49. FINANCIAL INSTRUMENTS

i) Financial risk management objective and policies

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, other financial instruments.

1) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations to its preference share holders.

Interest rate sensitivity

The borrowing of the Company includes redeemable preference shares and vehicle loans which carries fixed coupon rate and hence the Company is not exposed to interest rate risk.

2) Foreign Currency risk

The Company enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Company analyses currency risk as to which balances outstanding in currency other than the functional currency of that Company. The management has taken a position not to hedge this currency risk.

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

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The following table sets forth information relating to foreign currency exposure:

(₹ Millions)

Currency	Assets as at			Liabilities as at		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
United States Dollar (USD)	7,936	8,051	6,999	287	493	188
UAE Diahrams (AED)	-	-	-	-	0	-
Euro (EURO)	3	39	-	0	0	1
Canadian Dollar(CAD)	-	-	-	-	6	-
Hongkong Dollar (HKD)	-	-	-	-	-	0
Singapore Dollar (SGD)	-	-	-	1	0	1
Great Britain Pound (GBP)	-	-	-	-	-	8

Foreign Currency sensitivity analysis

The following table demonstrates the sensitivity to a 10% increase / decrease in foreign currencies with all other variable held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date.

Currency	Sensitivity analysis			
	Mar-17		Mar-16	
	₹ Decrease by 10%	₹ Increase by 10%	₹ Decrease by 10%	₹ Increase by 10%
United States Dollar (USD)	(765)	765	(756)	756
UAE Diahrams (AED)	-	-	0	(0)
Euro (EURO)	(0)	0	(4)	4
Canadian Dollar(CAD)	-	-	1	(1)
Hongkong Dollar (HKD)	-	-	-	-
Singapore Dollar (SGD)	0	(0)	0	(0)
Great Britain Pound (GBP)	-	-	-	-

3) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, deposits and loans given, investments and balances at bank.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business enviornment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Trade Receivables (Unsecured)			
Over six months	467	1,055	746
Less than six months	9,839	8,670	7,950
Total	**10,306**	**9,725**	**8,696**

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(₹ Millions)

	Mar-17	Mar-16
Movement in allowance for credit loss during the year was as follows :		
Balance at 1 April	186	378
Add :- Provided during the year	321	-
Less :- Reversal during the year	(2)	(192)
Balance as at 31 March	505	186
Net Trade receivable	9,801	9,539

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, non convertible debentures, certificates of deposit and other debt instruments.

The Company has diversified revenue streams and based on market practices and past trends of credit losses, the impact of concentration of credit risk is limited / insignificant.

b) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Company consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other financial liabilities	12,101	-	-
Borrowings*	-	15,270	-
Total	**12,101**	**15,270**	**-**

* Current maturities of borrowings aggregating ₹ Millions 3,822 form part of other financial liabilities hence the same is not considered seperately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other financial liabilities	7,184	-	-
Borrowings*	-	13,721	3,428
Total	**7,184**	**13,721**	**3,428**

* Current maturities of borrowings aggregating ₹ Millions 9 form part of other financial liabilities hence the same is not considered seperately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other financial liabilities	6,236	-	-
Borrowings*	-	9,946	6,623
Total	**6,236**	**9,946**	**6,623**

* Current maturities of borrowings aggregating ₹ Millions 10 form part of other financial liabilities hence the same is not considered seperately in borrowings.

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ii) **Capital Management**

For the purpose of the Company' s capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

iii) **Categories of financial instruments and fair value thereof**

(₹ Millions)

Particulars	Mar-17		Mar-16		1-Apr-15	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets						
i) Measured at amortised cost						
Trade Receivables	9,801	9,801	9,539	9,539	8,318	8,318
Cash and cash equivalents and bank balances	5,431	5,431	3,851	3,851	3,012	3,012
Other financial assets	3,132	3,132	3,456	3,456	11,582	11,582
Investment at amortized cost	12,118	12,118	11,190	11,190	4,766	4,766
ii) Measured at Fair value through profit and loss account						
Investment	6,588	6,588	2,683	2,683	421	421
iii) Measured at Fair value through other comprehensive income						
Investment	433	433	291	291	228	228
B) Financial liabilities						
i) Measured at amortised cost						
Trade Payable	4,406	4,406	3,173	3,173	2,237	2,237
Other financial liabilities *	7,695	7,695	4,011	4,011	3,999	3,999
Borrowings (non current portion)	8	8	9	9	12	12
ii) Fair value through profit and loss						
Borrowings (non current portion)	15,262	15,262	17,140	17,140	16,557	16,557

* Other financial liabilities includes current maturities of long term borrowings carried at fair value through profit and loss / amortised cost.

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments. Difference between carrying amount and fair value of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the year presented.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iv) **Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2017

(₹ Millions)

Financial assets	Fair Value as at			Fair Value hierarchy	Valuation Technique(s) & key inputs used
	Mar-17	Mar-16	1-Apr-15		
Investment in Mutual funds	3,075	400	-	Level 1	Quoted in an active market
Investment in Equity shares	433	291	228	Level 1	Quoted in an active market
Investment in debentures / funds	3,513	2,283	421	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.

Investments measured at fair value are tabulated above. All other financial assets and liabilities at amortised cost are in Level 3 of fair value hierarchy and have been considered

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at carrying amount .

The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 category of financial assets:

	Mar-17	Mar-16
Opening balance	2,283	421
Funds invested	1,486	1,862
Net Gain / (loss) recognised	(255)	0
Closing balance	**3,513**	**2,283**

50. EMPLOYEE BENEFITS

The Disclosures as per Ind AS 19 - Employee Benefits is as follows:

A **Defined Contribution Plans**

"Contribution to provident and other funds" is recognised as an expense in note 24 "Employee benefit expenses" of the Statement of Profit and Loss.

B **Defined Benefit Plans**

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

(₹ Millions)

		Mar-17	Mar-16
		Gratuity (Non Funded)	
I.	**EXPENSES RECOGNISED DURING THE YEAR**		
1	Current Service Cost	39	43
2	Interest Cost	16	16
3	Actuarial Losses / (Gains)	-	-
4	Past Service cost	-	-
	Total Expenses	**55**	**58**
II.	**AMOUNT RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)**		
1	Opening amount recognised in OCI	11	-
2	Remeasurment during the period due to		
	Experience adjustments	-	-
	- Changes in financial assumptions	21	(3)
	- Changes in experience charges	9	14
	Closing amount recognised in OCI	**41**	**11**
III.	**NET (ASSET) / LIABILITY RECOGNISED IN THE BALANCE SHEET AS AT 31 MARCH**		
1	Present value of defined benefit obligation	224	208
2	Net (Asset) / Liability	224	208
IV.	**RECONCILIATION OF NET (ASSET) / LIABILITY RECOGNISED IN THE BALANCE SHEET AS AT 31 MARCH**		
1	Net (Asset) / Liability at the beginning of year	208	201
2	Expense as per I above	55	59
3	Other comprehensive income as per II above	30	11
4	Liabilities transferred on divestiture	(46)	(45)
5	Benefits paid	(24)	(18)

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(₹ Millions)

		Mar-17	Mar-16
		Gratuity (Non Funded)	
	Net (Asset) / Liability at the end of the year	**224**	**208**
V.	**THE FOLLOWING PAYMENTS ARE EXPECTED TO DEFINED BENEFIT PLAN IN FUTURE YEARS :**		
1	Expected benefits for year 1	9	10
2	Expected benefits for year 2 to year 5	48	48
3	Expected benefits beyond year 5	647	672

VI. ACTUARIAL ASSUMPTIONS

(₹ Millions)

		Mar-17	Mar-16	Mar-15
1	Discount rate	7.25%	8.05%	7.95%
2	Expected rate of salary increase	9.50%	9.50%	9.50%
3	Mortality	IAL (2006-08)	IAL (2006-08)	IAL (2006-08)

VII. SENSITIVITY ANALYSIS

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

(₹ Millions)

	Discount Rate	Salary Escalation rate
Impact of increase in 50 bps on DBO	210	232
Impact of decrease in 50 bps on DBO	239	216

Notes:

(a) The current service cost recognised as an expenses included in the note 24 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

C Other long-term benefits

The obligation for leave benefits (non-funded) is also recognised using the projected unit credit method and accordingly the long-term paid absences have been valued. The leave encashment expense is included in Note 24 'Employee benefits expense'.

51 FIRST TIME ADOPTION OF IND AS

For all periods upto and including the year ended 31 March 2016, the Company had prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP.

51.1 Exceptions and exemptions availed on first time adoption of Ind-AS 101

1 Investment in Subsidiary, Joint Ventures and Associates

The Company has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1 April, 2015 in its separate financial statements.

2 Business Combinations

The Company has elected to apply Ind AS 103 Business Combinations prospectively from 1 April, 2015.

3 Investments in equity instruments:

An entity may make an irrevocable election at initial recognition of a financial asset to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'Fair value through Other Comprehensive Income'.

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The Company has accordingly designated certain equity instruments as at 1 April 2015 as fair value through other comprehensive income.

4 **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

5 **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

6 **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

51.2 Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101

a Balance Sheet and equity Reconciliation

b Profit and Loss and Other comprehensive income reconciliation

c Adjustment to Statement of Cash Flows

51.2.1 Effect of Ind AS adoption on Balance Sheet

(₹ Millions)

		Balance Sheet as at 1 April, 2015			Balance Sheet as at 31 March, 2016		
	Note	Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
NON-CURRENT ASSETS							
(a) Property, plant and equipment	a,h	2,661	(458)	2,203	3,210	(376)	2,834
(b) Capital work-in-progress		879	-	879	463	-	463
(c) Investment Property	b	-	875	875	-	870	870
(d) Intangible assets		274	-	274	207	-	207
(e) Financial Assets			-	-		-	-
(i) Investments	e	6,593	(341)	6,252	17,968	(26)	17,942
(ii) Loans		2,917	-	2,917	-	-	-
(iii) Other financial assets	f	701	(57)	644	1,026	(256)	770
(f) Income tax assets (net)		2,921	-	2,921	3,026	-	3,026
(g) Deferred tax assets (net)	i	266	53	319	297	28	325
(h) Other non-current assets	f	114	56	170	162	62	224
Total non-current assets		**17,327**	**127**	**17,454**	**26,359**	**302**	**26,661**
CURRENT ASSETS							
(a) Inventories		12,071	-	12,071	13,366	-	13,366
(b) Financial assets							
(i) Investments	e	4,495	116	4,611	3,400	-	3,400
(ii) Trade receivables		8,318	-	8,318	9,539	-	9,539
(iii) Cash and cash equivalents		1,000	-	1,000	2,816	-	2,816
(iv) Bank balances other than (iii) above		2,012	-	2,012	1,035	-	1,035

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(₹ Millions)

	Note	Balance Sheet as at 1 April, 2015			Balance Sheet as at 31 March, 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
(v) Loans		7,595	-	7,595	1,750	-	1,750
(vi) Other financial assets	e,f	544	(118)	426	1,006	(70)	936
(c) Other current assets		2,621	-	2,621	2,432	-	2,432
Total current assets		**38,656**	**(2)**	**38,654**	**35,344**	**(70)**	**35,274**
Total assets		**55,983**	**125**	**56,108**	**61,703**	**232**	**61,935**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	c	21,152	(20,192)	960	21,130	(20,170)	960
(b) Other equity	c,d,h,i	24,723	6,359	31,082	29,264	5,854	35,119
		45,875	**(13,833)**	**32,042**	**50,394**	**(14,315)**	**36,079**
Liabilities							
Non-current Liabilities							
(a) Financial liabilities							
(i) Borrowings						-	-
Redeemable preference shares	c	-	16,557	16,557	-	17,140	17,140
Others		12	-	12	9	-	9
(b) Provisions		394	-	394	411	-	411
Total non-current liabilities		**406**	**16,557**	**16,963**	**420**	**17,140**	**17,560**
CURRENT LIABILITIES							
(a) Financial liabilties							
Trade payables		2,237	-	2,237	3,173	-	3,173
Other financial liabilities	c	2,545	1,454	3,999	2,552	1,459	4,011
(b) Other current liabilities		570	-	570	1,085	-	1,085
(c) Provisions	d	4,079	(4,053)	26	4,079	(4,052)	27
(d) Current tax liabilities (Net)		271	-	271	-	-	-
Total current liabilities		**9,702**	**(2,599)**	**7,103**	**10,889**	**(2,593)**	**8,296**
Total liabilities		**10,108**	**13,958**	**24,066**	**11,309**	**14,547**	**25,856**
Total equity and liabilities		**55,983**	**125**	**56,108**	**61,703**	**232**	**61,935**

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51.22 Effect of Ind AS adoption on Total Comprehensive Income

	Note	For the year ended 31 March, 2016 Previous GAAP	Effect of transition to Ind AS	Ind AS
REVENUE				
Revenue from operations		42,065	-	42,065
Other income	f	2,227	33	2,260
Total		**44,292**	**33**	**44,325**
EXPENSES				
Operational cost		18,298	-	18,298
Employee benefits expense	g	3,116	(10)	3,106
Finance costs	c	28	1,458	1,486
Depreciation and amortisation expense	a	676	(77)	599
Fair value loss on financial instruments at fair value through profit and loss	c,e		609	609
Other expenses	f	8,893	35	8,928
		31,011	**2,015**	**33,026**
PROFIT BEFORE TAX		**13,281**	**(1,982)**	**11,299**
Less : Tax expense				
Current tax - current year		4,719	-	4,719
Deferred tax benefit	i.	(31)	29	(2)
Profit for the year	(A)	**8,593**	**(2,011)**	**6,582**
Other comprehensive income				
A. ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS				
(a) (i) Re-measurement of defined benefit obligation			(11)	(11)
(ii) Income tax relating to items that will not be reclassified to the profit or loss		0	4	4
(b) Fair value changes of equity instruments through other comprehensive income			63	63
	Total		**56**	**56**
Total other comprehensive income for the year	**(B)**	**-**	**56**	**56**
Total comprehensive income for the year	**(A+B)**	**8,593**	**(1,955)**	**6,638**

51.23 Effect of Ind AS adoption on equity

Reconciliation of equity as of 31 March, 2016 and 1 April, 2015

Particulars	Notes	Mar-16	1-Apr-15
Total equity (shareholders' funds under Previous GAAP		**50,394**	**45,875**
Reclassification of redeemable preference shares as debt		(20,170)	(20,192)
Dividend and dividend tax thereon	f.	2,594	2,601
Fair valuation of preference shares	c.	3,029	3,635
Fair valuation of investments	d.	286	226
Depreciation and amortisation	h.	(54)	(103)
Total equity as per Ind AS		**36,079**	**32,042**

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Reconciliation of total comprehensive income for the year ended 31 March, 2016

Nature of adjustments	Notes	Mar-16
Net Profit as per Previous GAAP		8,593
Loss on fair valuation of preference shares	c.	(605)
Preference dividend and taxes thereon considered to be finance cost	c.	(1,458)
Re-measurement gain / loss on defined benefit obligation	g.	7
Profit on fair valuation of financial instruments / investments	e.	(6)
Depreciation and amortisation	h.	50
Net Profit as per Ind AS		6,582
Other comprehensive income (net of tax)		56
Total Comprehensive income as per Ind AS		6,638

51.2.4 Cash flow statement

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

Explanations for reconciliation of Balance Sheet and Statement of Profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

a. **Property, plant and equipment**
The Company elected to apply Ind AS 16 from the date of acquisition of Property, plant and equipment and the impact there on has been taken into retained earnings.

b. **Investment Property**
Land and building of the Company given for rental / capital appreciation purposes has been considered as investment property, accordingly the same has been reclassified as per the Ind AS requirements.

c. **Borrowings**
Under previous GAAP, 6% cumulative redeemable preference shares were classified as a part of total equity. These have been reclassified as debt and have been recorded at fair value as at 1 April 2015 with the resultant gain has been recognised in the retained earnings.

For subsequent measurement, preference shares have been valued based on fair value through profit and loss (FVTPL). Dividend and distribution tax thereon has been charged as finance cost.

d. **Provisions**
Under previous GAAP, the Company had recognised liability on account of dividend proposed by the Board of directors pending approval from the shareholders. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting.

e. **Investments**
Certain financial instruments / investments have been recorded at amortised cost compared to being carried at cost under Previous GAAP.

Certain financial instruments / investments have been recorded at fair value as at 1 April 2015 with the resultant gain / loss in the retained earnings. For subsequent measurement, these instruments / investments have been valued at amortized cost / fair value through profit and loss (FVTPL) / fair value through other comprehensive income.

f. **Deposits**
The Company has discounted the lease deposit to consider whereever the fair value is different from the market.

g. **Defined benefit obligations**
As per Ind AS-19 Employee Benefits, actuarial gains and losses are recognised in other comprehensive income and not reclassified to Statement of profit and loss in a subsequent period.

h. **Depreciation and amortisation**
Under Ind AS, the Company has elected to apply Ind AS 16-Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly depreciation has been retrospectively calculated and the resultant change has been adjusted in retained earnings.

i. **Tax adjustments**
Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

52 RELATED PARTY DISCLOSURES

(i) List of Parties where control exists

Subsidiary Companies

(a) Wholly owned (Direct and indirect subsidiaries)

Sarthak Entertainment Private Limited; Taj Television (India) Private Limited*; Asia Multimedia Distribution Inc.;Zee Unimedia Limited; ATL Media Ltd (Formerly Asia Today Limited); Asia TV Limited; ATL Media FZ-LLC; Eevee Multimedia Inc.; Essel Vision Productions Limited; Expand Fast Holdings (Singapore) Pte. Limited; OOO Zee CIS LLC; OOO Zee CIS Holding LLC; Taj TV Limited; Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited); Zee Multimedia Worldwide (Mauritius) Limited; Zee Digital Convergence Limited (Formerly Zee Sports Limited); Zee Technologies (Guangzhou) Limited; Zee Entertainment Middle East FZ-LLC; Zee TV South Africa (Proprietary) Limited; Zee TV USA Inc.; Asia Today Singapore Pte Limited; Asia TV USA Limited; Z5X Global FZ-LLC**; Zee Studios International Limited**; Asia TV Gmbh**

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(b) Other subsidiaries

Zee Turner Limited (extent of holding 74%),Zee Radio Network Middle East FZ-LLC ** (extent of holding 67%)

*Upto 28th February 2017, **Incorporated during the year

(ii) Associates

Aplab Limited (extent of holding 26.42%); Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited) (extent of holding 25%); Fly by Wire International Private Limited (extent of holding 49% w.e.f. 7 May 2016)

(iii) Joint Venture

Media Pro Enterprise India Private Limited (held through Zee Turner Limited) (extent of holding 50%), India Webportal Private Limited (extent of holding 51%); Idea Shop Web and Media Private Limited (held through India Webportal Private Limited) (extent of holding 26.04%)

(iv) Other Related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Axom Communication and Cable Private Limited; Broadcast Audience Research Council; Bombay Mobile Software Private Limited; Cyquator Media Services Private Limited; Cyquator Technologies Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Dr Subhash Chandra Foundation; Essel Business Excellence Services Limited; Essel Propack Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel InfraProjects Limited; Essel Shyam Communication Private Limited; Essel Finance Portfolio Managers Private Limited; Essel Finance Wealth Zone Private Limited; Essel Solar Energy Private Limited; Indian Cable Net Company Limited; Intrex India Limited; ITZ Cash Card Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Pan India Paryatan Private Limited; Pri Media Services Private Limited; Procall Infra & Utilities Private Limited; Real Media FZ-LLC; SITI Networks Limited (Formerly Siti Cable Network Limited); Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communications Private Limited;Siti Karnal Digital Media Network Private Limited;Siti Maurya Cable Net Private Limited; Siti Prime Uttranchal Communications Private Limited; Siti Siri Digital Network Private Limited; Siti Vision Digital Media Private Limited; Siti Bhatia Network Entertainment Private Limited; Smart Wireless Private Limited; Tapasvi Mercantile Private Limited; Veria International Limited; Zee Akash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited, Zee Foundation

Directors / Key Management Personnel

Dr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director & CEO), Mr. Subodh Kumar (Executive Vice Chairman) (Upto 15 October 2015).

Sr. No.	Particulars	Mar-17	Mar-16
v.	**Transaction with related parties during the year**		
A)	**Fixed Assets**		
I)	**Assets purchased**		
	Subsidiaries	10	4
II)	**Assets sold**		
	Subsidiaries	14	-
B)	**Non-Current Investments**		
(i)	**Investments purchase/ subscribed**		
	Subsidiaries	2,261	8,345
	Joint Venture	-	61
C)	**Revenue from operations**		
I)	**Advertisement Income**		
	Subsidiaries	34	19
	Other Related Parties	109	60
II)	**Subscription income**		
	Subsidiaries	1,279	10,771
	Other Related Parties	2,602	-
III)	**Share of subscription income**		-
	Subsidiaries	1,798	-
	Other Related Parties	603	-
IV)	**Commission Space Selling**		
	Subsidiaries	138	155
V)	**Transmission income**		
	Subsidiaries	273	248

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Sr. No.	Particulars	Mar-17	Mar-16
	Other Related Parties	57	44
VI)	**Sales - Media Content**		
	Subsidiaries	1,300	1,379
	Joint Venture	147	23
VII)	**Other Operating Income**		
	Other Related Parties (2017: ₹ 151,100)	0	1
D)	**Other Income**		
I)	**Interest Income**		
	Subsidiaries	-	381
II)	**Dividend Income**		
	Subsidiaries	1,769	33
	Other Related Parties	4	3
III)	**Rent/ Miscellaneous Income**		
	Subsidiaries	144	80
	Joint Venture (2017: ₹ 71,808)	0	1
	Other Related Parties	100	107
E)	**Provision written back (Investments/Advances)**		
	Subsidiaries	-	34
F)	**Sale of digital division**		
	Subsidiaries	-	93
G)	**Purchase - Media Content**		
	Subsidiaries	3,553	2,826
	Other Related Parties	-	6
H)	**Purchase of services**		
	Subsidiaries	22	12
	Other Related Parties	1,874	1,900
	Associate (2016: ₹ 75,870)	267	0
	Joint Venture (2016: ₹ 25,000)	1	0
I)	**Commission expense**		
	Subsidiaries	811	11
J)	**Bad debts written off**		
	Subsidiaries	-	22
K)	**Provision for doubtful debts and advances**		
	Subsidiaries	-	12
L)	**Advances and Deposits received**		
	Subsidiaries	25	6
	Other Related Parties (2017: 341,130)	0	24
M)	**Advances and Deposits repaid**		
	Subsidiaries	6	1
N)	**Recoveries/(Reimbursement) (net)**		
	Subsidiaries	378	153
	Joint Venture (2017: ₹ 140,807)	0	1
	Other Related Parties	329	284
O)	**Loans, Advances and Deposits given**		
	Other Related Parties	-	86
	Associates	40	-
P)	**Loans, Advances And Deposits Repayment received**		
	Subsidiaries	-	6,171
Q)	**Corporate Social Responsibility**		
	Other Related Parties	216	200

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Sr. No.	Particulars	Mar-17	Mar-16	1-Apr-15
vi)	**Balances with related parties as at 31 March**			
A)	**Investment**			
	Subsidiaries	17,008	14,580	5,167
	Associates	60	47	47
	Joint Venture	316	316	255
	Other Related Parties	2	2	2
B)	**Provision for Diminuition in value of investments**			
	Subsidiaries	-	-	1
	Associate	20	20	20
C)	**Trade Receivable**			
	Subsidiaries	390	2,078	2,611
	Joint Venture	255	784	788
	Other Related Parties (2015: ₹ 61,400)	561	-	0
D)	**Loans, Advances And Deposits Given**			
	Subsidiaries	-	-	6,171
	Associates	175	-	-
	Other Related Parties	471	510	455
E)	**Other Receivables**			
	Subsidiaries	239	558	324
	Joint Venture (2017: ₹ 213,400; 2015: ₹ 268,257)	0	-	0
	Other Related Parties	282	258	17
F)	**Trade Advances Received**			
	Subsidiaries	26	6	1
	Other Related Parties	24	24	-
G)	**Interest Accrued**			
	Subsidiaries	-	-	91
H)	**Trade/Other Payables**			
	Subsidiaries	648	499	142
	Other Related Parties	243	200	189
I)	**Due To Principals**			
	Subsidiaries	656	473	432
J)	**Corporate Gurantees given**			
	Subsidiaries	2,390	11,506	11,049
	Other Related Parties	1,039	800	791

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Sr. No.	Particulars	Mar-17	Mar-16
vii.	**Transaction with related parties during the year**		
A)	**Fixed Assets**		
I)	**Assets Purchased**		
	Taj Television (India) Private Limited	10	-
	Zee Digital Convergence Limited	-	4
II)	**Assets Sold**		
	Zee Unimedia Limited	14	-
B)	**Non-Current Investments**		
	Investment Purchase/ Subscribed		
	Preference shares of ATL Media Ltd	679	6,527
	Debentures- Zee Digital Convergence Limited	800	-
	Debentures - Essel Vision Production Limited	682	1,218
	Others	100	661

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Sr. No.	Particulars	Mar-17	Mar-16
C)	**Revenue from operations**		
I)	**Advertisement income**		
	Zee Digital Convergence Limited	34	18
	Dish TV India Limited	89	50
	Living Entertainment Enterprises Private Limited	14	8
	Others	6	3
II)	**Subscription income**		
	Taj Television (India) Private Limited	1,279	10,772
	Dish TV India Limited	1,687	-
	SITI Networks Limited	707	-
	Others	208	-
III)	**Share of subscription expense**		
	Taj Television (India) Private Limited	890	-
	ATL Media Ltd	908	-
	Zee Media Corporation Limited	380	-
	Others	223	-
IV)	**Commission Space Selling**		
	ATL Media Ltd	114	155
	Asia Today Limited	24	-
V)	**Transmission income**		
	Asia Today Limited	192	-
	ATL Media Ltd	11	249
	Zee Media Corporation Limited	45	37
	Taj TV Limited	71	-
	Others	11	7
VI)	**Sales - Media Content**		
	Asia Today Limited	1,251	-
	ATL Media Ltd	-	1,278
	India Webportal Private Limited	147	22
	Others	49	101
VII)	**Other operating income**		
	Dish TV India Limited (2017: ₹ 144,100)	0	1
	Others (2017: ₹ 7,000)	0	-
D)	**Other income**		
I)	**Interest income**		
	ATL Media Ltd	-	381
II)	**Dividend income**		
	ATL Media Ltd	404	33
	Taj Television (India) Private Limited	1,365	-
	Others	4	3
III)	**Rent/ Miscellaneous income**		
	Taj TV Limited	32	43
	Zee Unimedia Limited	74	-
	Zee Digital Convergence Limited	31	15
	Zee Media Corporation Limited	57	57
	Taj Television (India) Private Limited	8	22
	Others	42	49
E)	**Provision written back (Investments/Advances)**		
	Zee Digital Convergence Limited	-	34
F)	**Sale of digital division**		
	Zee Digital Convergence Limited	-	94

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Sr. No.	Particulars	Mar-17	Mar-16
G)	**Purchase of Media Content**		
	Essel Vision Productions Limited	1,642	1,280
	Zee Entertainment Middle East FZ - LLC	183	343
	Taj TV Limited	1,563	1,133
	Others	165	76
H)	**Purchase of services**		
	Broadcast Audience Research Council	273	290
	Digital Subscriber Management and Consultancy Services Private Limited	528	503
	SITI Networks Limited	261	356
	Essel Corporate Resources Private Limited	200	240
	Fly by Wire International Private Limited	267	-
	Others	635	523
I)	**Commission expense**		
	Zee Unimedia Limited	811	-
	Taj Television (India) Private Limited	-	11
J)	**Bad debts written off**		
	Taj Television (India) Private Limited	-	22
K)	**Provision for doubtful debts and advances**		
	Taj Television (India) Private Limited	-	12
L)	**Advances and Deposits received**		
	Zee Unimedia Limited	18	-
	Zee Digital Convergence Limited	7	-
	Taj Television (India) Private Limited	-	6
	Essel Corporate Resources Private Limited	-	10
	Essel Infra Projects Limited	-	12
	Others (2017: ₹ 341,130)	0	2
M)	**Advances and Deposits repaid**		
	Taj Television (India) Private Limited	6	-
	Asia TV Limited	-	1
N)	**Recoveries/(Reimbursement) (net)**		
	ATL Media Ltd	172	222
	Taj Television (India) Private Limited	89	12
	Zee Digital Convergence Limited	153	-
	Living Entertainment Enterprises Private Limited	-	95
	Essel Corporate Resources Private Limited	124	16
	Zee Media Corporation Limited	131	74
	Others	38	19
O)	**Loans, Advances and Deposits given**		
	Essel Corporate Resources Private Limited	-	21
	SITI Networks Limited	-	65
	Fly by Wire International Private Limited	40	-
P)	**Loans, Advances and Deposits Repayment received**		
	ATL Media Ltd	-	6,171
Q)	**Corporate Social Responsibility**		
	Zee Foundation	-	200
	Dr. Subhash Chandra Foundation	216	-

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Sr. No.	Particulars	Mar-17	Mar-16	1-Apr-15
viii)	**Balances with related parties as at 31 March**			
A)	**Investment**			
	Equity Shares of Zee Multimedia Worldwide Limited, BVI	2,584	2,584	2,584
	Equity Shares of ATL Media Ltd	2,515	2,515	2,515
	Debentures - Essel Vision Production Limited	1,900	1,218	-
	Preference Shares- ATL Media Ltd	7,411	6,527	-
	Others	2,976	2,101	372
B)	**Provision for Diminuition in value of investments**			
	Aplab Limited	20	20	20
	Others	-	-	1
C)	**Trade Receivables**			
	Asia Today Limited	359	-	-
	ATL Media Ltd	31	793	483
	Taj Television (India) Private Limited	-	1,285	2,071
	India Webportal Private Limited	169	38	46
	Media Pro Enterprises India Private Limited	86	746	788
	SITI Networks Limited	534	-	-
	Others	27	-	11
D)	**Loans, Advances And Deposits Given**			
	ATL Media Ltd	-	-	6,171
	Fly by Wire International Private Limited	175	-	-
	Digital Subscriber Management and Consultancy Services Private Limited	340	340	340
	SITI Networks Limited (2015: ₹ 254,100)	1	66	0
	Others	130	104	115
E)	**Other Receivables**			
	ATL Media Ltd	53	319	171
	Taj TV Limited	-	96	51
	Taj Television (India) Private Limited	-	52	61
	Zee Unimedia Limited	119	-	-
	Living Entertainment Enterprises Private Limited	118	106	-
	Zee Digital Convergence Limited	66	91	33
	Zee Media Corporation Limited	48	96	8
	Essel Infra Projects Limited	71	32	-
	Others	46	24	17
F)	**Trade Advances Received**			
	Asia TV Limited	1	1	1
	Taj Television (India) Private Limited	-	6	-
	Zee Unimedia Limited	18	-	-
	Zee Digital Convergence Limited	7	-	-
	Essel Corporate Resources Private Limited	10	10	-
	Essel Infra Projects Limited	12	12	-
	Others	2	1	-
G)	**Interest Accrued**			
	ATL Media Ltd	-	-	91
H)	**Trade/Other Payables**			
	ATL Media Ltd	421	127	120
	Essel Vision Productions Limited	152	154	22
	Zee Entertainment Middle East FZ - LLC	3	177	-
	Dish TV India Limited	-	56	119
	Indian Cable Net Company Limited	178	27	19
	Others	137	158	51

NOTES

forming part of the Financial Statements

Sr. No.	Particulars	Mar-17	Mar-16	1-Apr-15
I)	**Due To Principals**			
	Asia Today Limited	53	-	-
	ATL Media Ltd	603	473	432
J)	**Corporate Gurantees given**			
	Taj TV Limited	2,390	11,506	11,049
	SITI Networks Limited	869	630	610
	Others	170	170	181

Note:

Details of Remuneration to Directors are disclosed in Note 34

"0" (zero) denotes amounts less than a million.

53 PRIOR YEAR COMPARATIVES

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous years.

LAST FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ending March 31	Consolidated					Standalone				
	2017*	2016*	2015	2014	2013	2017*	2016*	2015	2014	2013
REVENUE ACCOUNT										
Income from Operations	64,342	58,125	48,837	44,217	36,996	49,284	42,065	34,262	30,757	25,659
Total Expenses	45,073	42,989	36,299	32,174	27,453	32,045	30,332	23,815	20,442	17,036
OPERATING PROFIT	**19,269**	**15,136**	**12,538**	**12,043**	**9,543**	**17,239**	**11,733**	**10,447**	**10,315**	**8,623**
% to Income from Operations	30%	26%	26%	27%	26%	35%	28%	30%	34%	34%
Other Income	2,240	1,951	2,278	1,807	1,461	3,471	2,260	2,273	1,845	1,189
PBIDT AND FAIR VALUE ADJUSTMENTS	**21,509**	**17,087**	**14,816**	**13,850**	**11,004**	**20,710**	**13,993**	**12,720**	**12,160**	**9,812**
Financial Expenses	1,372	1,598	103	158	86	1,264	1,486	18	72	13
Fair value through profit and loss	2,205	673				2,189	609			
Depreciation / Amortisation	1,152	777	673	501	399	771	599	580	338	280
Add: Share of Results of Associates	(5)	19	-	-	-	-	-	-	-	-
PROFIT BEFORE TAX & EXCEPTIONAL ITEMS	**16,775**	**14,059**	**14,040**	**13,191**	**10,519**	**16,486**	**11,299**	**12,122**	**11,750**	**9,519**
Exceptional Items	12,234	(331)	-	-	-	470	-	-	-	-
Taxation	6,804	5,491	4,285	4,291	3,337	6,616	4,717	3,804	4,027	3,112
PROFIT AFTER TAX BEFORE NON CONTROLLING INTEREST	**22,205**	**8,237**	**9,755**	**8,900**	**7,182**	**10,340**	**6,582**	**8,318**	**7,723**	**6,407**
Add: Share of Results of Associates	-	-	(37)	2	(10)					
Less: Minority Interest	(12)	5	(57)	(19)	(24)					
PROFIT AFTER TAX FOR THE YEAR	**22,217**	**8,232**	**9,775**	**8,921**	**7,196**	**10,340**	**6,582**	**8,318**	**7,723**	**6,407**
% to Total Income	33%	14%	19%	19%	19%	20%	15%	23%	24%	24%
Dividend	2,401	2,161	2,161	1,921	1,919	2,401	2,161	2,161	1,921	1,919
Dividend Rate	250%	225%	225%	200%	200%	250%	225%	225%	200%	200%
CAPITAL ACCOUNT										
Share Capital - Equity	960	960	960	960	954	960	960	960	960	954
Share Capital - Preference	-	-	20,192	20,170	-	-	-	20,192	20,170	-
Reserves & Surplus	65,607	47,079	34,346	26,247	38,161	43,256	35,119	24,723	18,551	32,574
Deferred Tax Balances	(903)	(648)	(531)	(298)	(288)	(452)	(325)	(266)	(172)	(128)
Minority Interest	10	22	4	61	33					
Loan Funds**	15,273	17,149	12	17	17	15,270	17,149	12	16	15
CAPITAL EMPLOYED	**80,947**	**64,562**	**54,983**	**47,157**	**38,877**	**59,034**	**52,903**	**45,621**	**39,525**	**33,415**
Eff. Capital Employed	81,850	65,210	55,514	47,455	39,165	59,486	53,228	45,887	39,697	33,543
Eff. Networth	66,567	48,039	55,498	47,377	39,115	44,216	36,079	45,875	39,681	33,528
Tangible and intangible assets	10,871	15,409	12,254	11,730	9,975	5,051	4,374	3,814	3,625	2,329
Investments (Including Current Investments)	13,431	10,499	9,755	8,290	7,916	26,393	21,342	11,088	10,080	10,692
Net Assets	56,645	38,654	32,974	27,137	20,986	27,590	27,187	30,719	25,820	20,394
CAPITAL DEPLOYED	**80,947**	**64,562**	**54,983**	**47,157**	**38,877**	**59,034**	**52,903**	**45,621**	**39,525**	**33,415**
Closing market price per share of ₹ 1	534.65	386.40	341.75	271.35	210.00	534.65	386.40	341.75	271.35	210.00
Market capitalisation	513,504	371,117	328,233	260,618	200,760	513,504	371,117	328,233	260,618	200,760

"0" (Zero) denotes amounts less than a million

PERFORMANCE RATIOS - AN ANALYSIS

Year Ending March 31		Consolidated					Standalone				
		2017*	2016*	2015	2014	2013	2017*	2016*	2015	2014	2013
FINANCIAL PERFORMANCE											
Advertisement Income/Income from Operations	(%)	57.1%	57.9%	54.5%	53.8%	53.1%	65.7%	68.5%	65.0%	65.1%	63.4%
Subscription Income/Income from Operations	(%)	35.2%	35.4%	36.7%	40.8%	43.9%	28.5%	25.6%	27.6%	28.3%	30.6%
Operating Profit/Income from Operations	(%)	29.9%	26.0%	25.7%	27.2%	25.8%	35.0%	27.9%	30.5%	33.5%	33.6%
Other Income/Total Income	(%)	3.4%	3.2%	4.5%	3.9%	3.8%	6.6%	5.1%	6.2%	5.7%	4.4%
Programming Cost/Income from Operations	(%)	40.9%	42.4%	41.2%	38.6%	37.7%	39.3%	42.3%	38.1%	41.2%	40.2%
Personnel Cost/Income from Operations	(%)	9.4%	8.6%	9.2%	8.8%	9.4%	6.0%	7.4%	8.2%	7.3%	7.4%
Selling and Admin Expenses/Income from Operations	(%)	17.4%	20.7%	21.3%	17.1%	17.7%	18.5%	21.2%	21.9%	16.6%	17.3%
Total Operating Cost/Income from Operations	(%)	70.1%	74.0%	74.3%	72.8%	74.2%	65.0%	72.1%	69.5%	66.5%	66.4%
Financial Expenses/Income from Operations	(%)	2.1%	2.7%	0.2%	0.4%	0.2%	2.6%	3.5%	0.1%	0.2%	0.1%
Tax/Income from Operations	(%)	10.6%	9.4%	8.8%	9.7%	9.0%	13.4%	11.2%	11.1%	13.1%	12.1%
PAT for the year/Total Income	(%)	33.3%	13.7%	19.1%	19.3%	18.7%	19.6%	14.8%	22.8%	23.7%	23.9%
Tax/PBT	(%)	23.5%	40.0%	30.5%	32.5%	31.7%	39.0%	41.8%	31.4%	34.3%	32.7%
Dividend Payout/PAT for the year	(%)	10.8%	26.2%	22.1%	21.5%	26.7%	23.2%	32.8%	26.0%	24.9%	30.0%
Dividend Payout/Effective Networth	(%)	3.6%	4.5%	3.9%	4.1%	4.9%	5.4%	6.0%	4.7%	4.8%	5.7%
BALANCE SHEET											
Debt-Equity ratio (Total loans/Eff. Networth)	(%)	22.9%**	35.7%**	0.0%	0.0%	0.0%	34.5%**	47.5%**	0.0%	0.0%	0.0%
Current ratio (Current assets/Current liabilities)	(x)	4.6	4.0	3.6	3.5	3.3	3.7	4.3	4.0	4.0	4.4
Capital Output Ratio (Inc from Ops/Eff. Capital employed)	(x)	0.8	0.9	0.9	0.9	1.0	0.8	0.8	0.7	0.8	0.8
Tangible / intangible assets Turnover (Inc from Ops/ Tangible / intangible assets)^	(x)	7.9	8.9	11.2	10.8	13.0	9.8	9.6	9.0	8.5	11.0
Cash & cash equivalents/Total Eff.capital employed	(%)	31.9%	14.8%	13.3%	11.9%	13.6%	9.1%	7.2%	6.6%	4.1%	7.1%
RONW (PAT for the year/Eff. Networth)	(%)	33.4%	17.1%	17.6%	18.8%	18.4%	23.4%	18.2%	18.1%	19.5%	19.1%
ROCE (PBIT/Eff. Capital employed)	(%)	37.1%	23.5%	25.5%	28.1%	27.1%	30.6%	24.0%	26.5%	29.8%	28.4%
PER SHARE DATA #											
Total Income per share	(₹)	69.4	62.6	53.2	47.9	40.3	55.0	46.2	38.1	34.0	28.1
Dividend per share	(₹)	2.50	2.25	2.25	2.00	2.00	2.50	2.25	2.25	2.00	2.00
Indebtedness per share	(₹)	15.9	17.9	0.0	0.0	0.0	15.9	17.9	0.0	0.0	0.0
Book value per share	(₹)	69.3	50.0	57.8	49.4	41.0	46.1	37.6	47.8	41.3	35.1
Earnings per share	(₹)	23.1	8.6	8.7	9.3	7.5					
PE Ratio -Price/EPS Ratio (Share Price as of March 31,)	(x)	23.1	45.1	39.4	29.2	27.9					

Note :

* Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Hence these numbers are not comparable with previous years.

** Debt represents non current portion of borrowings i.e. redeemable preference shares and vehicle loans.

^ Excludes Goodwill on consolidation of ₹ 2,676 (8,843) million for the consolidated entity.

Annualised

Figures for FY 2016 have been regrouped wherever necessary.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Zee Entertainment Enterprises Limited

1. REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of **Zee Entertainment Enterprises Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Group"), its associates and jointly controlled entities which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 5 below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

4. OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2017 and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

5. OTHER MATTER

a) We did not audit the financial statements of twenty three subsidiaries whose financial statements reflect total assets of ₹ /millions 64,509 as at 31 March 2017, total revenues of ₹ /millions 38,799, total net profit after tax of ₹ /millions 20,006, total comprehensive income of ₹ /millions 19,889 and net cash inflows of ₹ / millions 17,708 for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ /millions 1 for the year ended 31 March 2017, in respect of one associate and three jointly controlled entities, whose financial statements have not been audited by us . These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities, and our report in terms of Section 143 (3) of the Act, in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled entities is based solely on the reports of the other auditors.

b) We have relied upon the unaudited financial statements of one subsidiary, whose financial statements reflect total assets of ₹ /millions 159 as at 31 March 2017, total revenues of ₹ /millions 8, total net loss after tax of ₹ /millions 48, total comprehensive loss of ₹ /millions 48 and net cash outflows of ₹ /millions 23 for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ /millions 6 for the year ended 31 March 2017, in respect of two associates. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associates is based solely on such unaudited financial statements.

Our opinion on the consolidated Ind AS financial statements and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

c) The comparative financial information of the Group, its associates and jointly controlled entities for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 included in these consolidated Ind AS financial statements, are based on previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March, 2016 and 31 March, 2015 dated 10 May, 2016 and 21 May, 2015 respectively expressed an unmodified opinion on those consolidated financial statements and have been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

6. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of subsidiaries and jointly controlled entities incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Ind AS balance sheet, the consolidated Ind AS statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and jointly controlled entities incorporated in India, none of the Directors of the Group companies and jointly controlled entities incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in “Annexure A”, which is based on the auditor’s reports of the Holding company, its subsidiaries and jointly controlled entities incorporated in India; and

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities;

ii. The Group and jointly controlled entities did not have any long-term contracts including derivative contracts having any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled entities incorporated in India; and

iv. In the consolidated Ind AS financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016, by the Holding Company, its subsidiaries, its associates and jointly controlled entities incorporated in India has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation, we report that, the disclosures are in accordance with books of account maintained by the Holding Company, its subsidiaries and jointly controlled entities incorporated in India and as produced to us by the Management and the reports of the other auditors - Refer Note 36 to the consolidated Ind AS financial statements.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 10 May, 2017

ANNEXURE - A TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(f) under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of the Zee Entertainment Enterprises Limited on the consolidated Ind AS financial statements for the year ended 31 March 2017

We have audited the internal financial controls over financial reporting of **Zee Entertainment Enterprises Limited** ("the Company" or "the Holding Company"), its subsidiaries and jointly controlled entities, incorporated in India as of 31 March, 2017, in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its subsidiaries and jointly controlled entities incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and jointly controlled entities, incorporated in India, in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company, its subsidiaries and jointly controlled entities incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiaries and three jointly controlled entities incorporated in India, is based on corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 10 May, 2017

CONSOLIDATED BALANCE SHEET

as at 31 March 2017

(₹ Millions)

	Note	Mar-17	Mar-16	1-Apr-15
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	5,031	3,992	2,623
(b) Capital work-in-progress	3	1,270	1,104	878
(c) Investment Property	4	1,150	979	998
(d) Goodwill	5	2,676	8,843	7,887
(e) Other intangible assets	5	457	491	276
(f) Intangible assets under development	5	287	-	-
(g) Investment in associates and joint ventures	6a	171	129	84
(h) Financial Assets				
(i) Investments	6b	1,392	2,778	1,117
(ii) Other financial assets	8	1,216	1,260	1,077
(i) Income tax assets (net)		4,618	4,255	4,023
(j) Deferred tax assets (net)	9	903	648	586
(k) Other non-current assets	10	255	946	732
Total non-current assets		**19,426**	**25,426**	**20,281**
Current assets				
(a) Inventories	11	16,843	13,180	11,878
(b) Financial assets				
(i) Investments	12	11,868	7,592	8,438
(ii) Trade receivables	13	13,059	13,482	11,048
(iii) Cash and cash equivalents	14a	25,116	8,596	5,171
(iv) Bank balances other than (iii) above	14b	1,017	1,035	2,012
(v) Loans	7	1,542	1,750	4,250
(vi) Other financial assets	8	2,213	2,023	1,436
(c) Other current assets	10	9,283	6,575	5,656
Total current assets		**80,941**	**54,233**	**49,889**
Total assets		**100,367**	**79,659**	**70,170**
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	15a	960	960	960
(b) Other equity	15b	65,607	47,079	40,760
Equity attributable to shareholders		**66,567**	**48,039**	**41,720**
Non-controlling interests		10	22	17
Total equity		**66,577**	**48,061**	**41,737**
Liabilities				
Non-current Liabilities				
(a) Financial liabilities				
(i) Borrowings				
Redeemable preference shares	16a	15,262	17,140	16,557
Others	16b	11	9	12
(b) Provisions	17	767	534	468
(c) Other non-current liabilities	19	-	304	288
Total non-current liabilities		**16,040**	**17,987**	**17,325**
Current Liabilities				
(a) Financial liabilities				
Trade payables	18a	4,891	4,768	3,737
Other financial liabilities	18b			
Redeemable preference shares		3,815	-	-
Others		5,358	5,558	4,856
(b) Other current liabilities	19	1,815	2,187	1,367
(c) Provisions	17	89	77	77
(d) Current tax liabilities (net)	17	1,782	1,021	1,071
Total current liabilities		**17,750**	**13,611**	**11,108**
Total liabilities		**33,790**	**31,598**	**28,433**
Total equity and liabilities		**100,367**	**79,659**	**70,170**
Notes forming part of the consolidated financial statements	1-47			

As per our attached report of even date

FOR MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W100035

HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
Managing Director & CEO

MIHIR MODI
Chief Finance & Strategy Officer

ADESH KUMAR GUPTA
Director

M LAKSHMINARAYANAN
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2017

(₹ Millions)

	Note	Mar-17	Mar-16
REVENUE			
Revenue from operations	20	64,342	58,125
Other income	21	2,240	1,951
Total		**66,582**	**60,076**
EXPENSES			
Operational cost	22	27,825	25,984
Employee benefits expense	23	6,043	4,986
Finance costs	24	1,372	1,598
Depreciation and amortisation expense	25	1,152	777
Fair value loss on financial instruments at fair value through profit and loss		2,205	673
Other expenses	26	11,205	12,019
Total		**49,802**	**46,036**
Profit before share of profit / (loss) in associate / joint venture and exceptional items		**16,780**	**14,040**
Add / (Less) : Share of profit / (loss) in associates and joint ventures		(5)	19
Profit before exceptional items and tax		**16,775**	**14,059**
Add / (Less) : Exceptional items	27	12,234	(331)
Profit before tax		**29,009**	**13,728**
Less : Tax expense	28		
Current tax - current year		7,153	5,546
- earlier years		53	-
Deferred tax benefit		(402)	(55)
Profit for the year (A)		**22,205**	**8,237**
Other comprehensive income			
A Items that will not be reclassified to profit or loss			
(a) (i) Re-measurement of defined benefit obligation		(42)	(7)
(ii) Income tax relating to items that will not be reclassified to profit or loss		15	2
(b) Fair value changes of equity instruments through other comprehensive income		17	63
(c) Share of other comprehensive income in associates and joint ventures		1	1
Total		**(9)**	**59**
B Items that will be reclassified profit or loss			
(i) Exchange differences on translation of financial statements of foreign operations		(1,073)	629
Total		**(1,073)**	**629**
Total other comprehensive income (B)		**(1,082)**	**688**
Total comprehensive income for the year (A+B)		**21,123**	**8,925**
Profit for the year			
Attributable to:			
Shareholders of the Company		22,217	8,232
Non-controlling interests		(12)	5
		22,205	**8,237**
Total comprehensive income for the year			
Attributable to:			
Shareholders of the Company		21,135	8,920
Non-controlling interests		(12)	5
		21,123	**8,925**
Earnings per equity share (face value ₹ 1/- each)	29		
Basic		23.13	8.57
Diluted		23.13	8.57
Notes forming part of the consolidated financial statements	1-47		

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HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
Managing Director & CEO

MIHIR MODI
Chief Finance & Strategy Officer

ADESH KUMAR GUPTA
Director

M LAKSHMINARAYANAN
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2017

A. EQUITY SHARE CAPITAL

(₹ Millions)

	Note	
As at 1 April, 2015		960
Changes in equity share capital	15a	-
As at 31 March, 2016		960
Changes in equity share capital	15a	-
As at 31 March, 2017		960

B. OTHER EQUITY

(₹ Millions)

	Reserves and surplus				Other comprehensive income			
	Capital redemption reserve	Shared based payment reserve	General reserves	Retained earnings	Foreign currency translation reserve	Equity instruments	Total other equity	Attributable to non-controlling interests
As at 1 April, 2015	-	-	**2,820**	**37,714**	-	**226**	**40,760**	**17**
Profit for the year	-	-	-	8,232	629	-	8,861	5
Other comprehensive income (Refer note 15b)	-	-	-	(4)	-	63	59	-
Total comprehensive income for the year	-	-	-	8,228	629	63	8,920	5
	-	-	2,820	45,942	629	289	49,681	22
Add: Transferred on redemption of preference shares	22	-	-	(22)	-	-	-	-
Dividend on equity shares	-	-	-	(2,161)	-	-	(2,161)	-
Tax on dividend on equity shares	-	-	-	(440)	-	-	(440)	-
As at 31 March, 2016	**22**	-	**2,820**	**43,319**	**629**	**289**	**47,079**	**22**
Profit for the year	-	-	-	22,217	(1,073)	-	21,144	(12)
Other comprehensive income (Refer note 15b)	-	-	-	(26)	-	17	(9)	-
Total comprehensive income for the year	-	-	-	22,190	(1,073)	17	21,134	(12)
	22	-	2,820	65,509	(444)	306	68,213	10
Tax on dividend on equity shares by subsidiaries	-	-	-	(280)	-	-	(280)	-
Dividend on Equity Shares	-	-	-	(2,161)	-	-	(2,161)	-
Tax on dividend on Equity Shares	-	-	-	(167)	-	-	(167)	-
Share based payments (Refer note 15b)	-	2	-	-	-	-	2	-
	-	2	-	(2,608)	-	-	(2,606)	-
As at 31 March, 2017	**22**	**2**	**2,820**	**62,901**	**(444)**	**306**	**65,607**	**10**
Notes forming part of the consolidated financial statements			1-47					

As per our attached report of even date

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HITENDRA BHANDARI
Partner
Membership Number 107832

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Managing Director & CEO

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Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31 March 2017

(₹ Millions)

		Mar-17	Mar-16
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	16,780	14,040
	Adjustments for:		
	Depreciation and amortisation expense	1,152	777
	Allowances / (reversal) for credit losses on trade receivables, advances and investments written back	197	(289)
	Liabilities / excess provision written back	(365)	-
	Unrealised loss / (gain) on exchange adjustments (net)	(954)	50
	Loss on sale / impairment / discard of property, plant and equipment / intangibles / capital work-in-progress (net)	166	171
	Interest expense	73	28
	Fair value loss on financial instruments at fair value through profit and loss	2,205	673
	Net gain on investments carried at fair value through Profit and Loss	(90)	(194)
	Dividend on redeemable preference shares	1,211	1,458
	Dividend income	(99)	(3)
	Interest income	(1,106)	(1,078)
	Operating profit before working capital changes	**19,170**	**15,633**
	Adjustments for:		
	(Increase) / Decrease in inventories	(3,663)	(1,275)
	(Increase) / Decrease in trade and other receivables	(2,188)	(3,545)
	Increase / (Decrease) in trade and other payables	181	2,323
	Cash generated from operations	**13,500**	**13,136**
	Direct taxes paid (net)	(6,810)	(5,827)
	Net cash flow from operating activities (A)	**6,690**	**7,309**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment / intangible assets / investment property / capital work-in-progress	(2,768)	(3,083)
	Sale of property, plant and equipment / intangible assets	64	367
	Increase / (Decrease) in deposit accounts	20	980
	Payment towards acquisition of subsidiary company	(100)	(980)
	Payment towards acquisition of associate company	(14)	-
	Purchase of non current investments	(389)	(650)
	Proceeds received from sale of sports broadcasting business	18,417	-
	Purchase of current investments	(55,600)	(35,020)
	Sale of current investments	53,014	35,059
	Loans repaid by others	250	2,500
	Dividend received	99	3
	Interest received	975	993
	Net cash flow from investing activities (B)	**13,968**	**169**

(₹ Millions)

	Mar-17	Mar-16
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of redeemable preference shares	-	(22)
Proceeds from long-term borrowings	10	8
Repayment of long-term borrowings	(10)	(12)
Dividend paid (including dividend tax)	(4,065)	(4,051)
Contribution from minority shareholders	-	59
Interest paid	(73)	(28)
Net cash flow from / (used in) financing activities (C)	**(4,138)**	**(4,046)**
Net cash flow during the year (A+B+C)	**16,520**	**3,432**
Cash and bank balances received on acquisition of subsidiary	-	(7)
Cash and cash equivalents at the beginning of the year	8,596	5,171
Net cash and cash equivalents at the end of the year	**25,116**	**8,596**

Notes:

1. Previous year's figures have been regrouped, recast wherever necessary.

As per our attached report of even date

FOR MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W100035

HITENDRA BHANDARI
Partner
Membership Number 107832

Place: Mumbai
Date: 10 May, 2017

For and on behalf of the Board

PUNIT GOENKA
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M LAKSHMINARAYANAN
Company Secretary

NOTES

forming part of the consolidated financial statements

1 A **Corporate Information**

Zee Entertainment Enterprises Limited ("ZEEL" or "the Company") is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Mumbai 400013, India. The Company along with its subsidiaries (collectively referred as ""the Group"") is engaged in the business of media and entertainment. The Group is mainly in the following businesses:

(i) Broadcasting of Satellite Television Channels;

(ii) Space Selling agent for other satellite television channels;

(iii) Sale of Media Content i.e. programs / film rights / feeds / music rights

B **Basis of preparation of consolidated financial statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules,2015 as amended and other relevant provisions of the Act.

These financial statements for the year ended 31 March, 2017 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31 March, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April, 2015 being the date of transition to Ind AS.

These financial statements have been prepared and presented under the historical cost convention, on the accural basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below.

Reconciliations and descriptions of the effect of the transition has been summarized in note 42.

Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

Current non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

C **Principles of consolidation and equity accounting**

The consolidated financial statements incorporate the financial statements of ZEEL and entities controlled by ZEEL and its subsidiaries.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements are consolidated on a line-by-line basis and intra-group balances and transactions including unrealized gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

NOTES

forming part of the consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, associates and jointly controlled entities (as listed in the table below).

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Principal place of business
Direct Subsidiaries		
ATL Media Ltd	100 (100)	Mauritius
Essel Vision Productions Limited	100 (100)	India
Zee Unimedia Limited *	100 (Nil)	India
Taj Television (India) Private Limited $	Nil (100)	India
Zee Digital Convergence Limited	100 (100)	India
Zee Turner Limited	74 (74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100 (100)	Mauritius
Sarthak Entertainment Private Limited	100 (100)	India
Indirect Subsidiaries		
Asia TV Limited	100 (100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100 (100)	Singapore
OOO Zee CIS Holding LLC #	100 (100)	Russia
OOO Zee CIS LLC	100 (100)	Russia
Taj TV Limited	100 (100)	Mauritius
Asia Today Singapore Pte Limited	100 (100)	Singapore
Asia TV USA Limited, Wyoming	100 (100)	United States of America
Asia Today Limited	100 (100)	Mauritius
Zee Technologies (Guangzhou) Limited	100 (100)	China
Zee Entertainment Middle East FZ-LLC	100 (100)	U.A.E.
ATL Media FZ-LLC	100 (100)	U.A.E.
Zee TV South Africa (Proprietary) Limited	100 (100)	South Africa
Zee TV USA Inc.	100 (100)	United States of America
Asia Multimedia Distribution Inc.	100 (100)	Canada
Eevee Multimedia Inc.	100 (100)	United States of America
Asia TV GmbH *	100 (Nil)	Germany
ZEE Radio Network Middle East FZ -LLC *	67 (Nil)	U.A.E.
Z5X Global FZ-LLC *	100 (Nil)	U.A.E.
Zee Studios International Limited *	100 (Nil)	Canada

* Incorporated / acquired during the year

$ Upto 28 February 2017

\# Zero capital company

The Group has accounted for Investment in Associates and Joint ventures, using the "Equity Method" as per Ind AS 28 "Investments in Associates and Joint Ventures.

NOTES

forming part of the consolidated financial statements

Associate

Name of the Associates	Percentage of Holding	Principal place of business
Aplab Limited	26.42% (26.42%)	India
Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand
Fly by Wire International Private Limited $	49% (Nil)	India

$ Acquired during the year

Jointly controlled entities

Name of the jointly controlled company	Percentage of holding	Principal place of business
Media Pro Enterprise India Private Limited*	50% (50%)	India
India Webportal Private Limited	51% (51%)	India

* Through a subsidiary, Zee Turner Limited

2 SIGNIFICANT ACCOUNTING POLICIES

a Property plant and equipment

(i) Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

(ii) Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.

b Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets - channels includes expenses incurred on development of new television channels till the time it is ready for commercial launch.

c Depreciation / amortisation on property, plant and equipment / intangible assets

Depreciable amount for property, plant and equipment / intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

(i) Depreciation on property, plant and equipment is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, where the life of the assets has been assessed lower than the life prescribed in Schedule II, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Furniture and Fixtures	- 5 years
Gas Plant	- 20 years
Equipment	- 3 - 5 years
Plant and Machinery	- 5-10 years
Vehicles	- 5 years
Aircraft	- 15 years

(ii) Premium on Leasehold Land and Leasehold Improvements are amortised over the period of Lease.

(iii) Intangible assets are amortised on straight line basis over their respective individual useful lives estimated by the management.

d Impairment of property, plant and equipment / intangible assets

The carrying amounts of the Group's property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment is recognised in consolidated statement of profit and loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable

NOTES
forming part of the consolidated financial statements

amount. The recoverable amount is the higher of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and risks specific to the asset.

An impairment loss for an individual asset or cash generating unit are reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment loss are recognised in the consolidated statement of profit and loss.

e Investment property

Investment property are properties (land or a building—or part of a building—or both) held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment, if any.

Derecognition of property, plant and equipment / intangibles / investment property

The carrying amount of an item of property, plant and equipment / intangibles / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an item of property, plant and equipment / intangibles / investment property is measured as the difference between the net disposal in proceeds and the carrying amount of the item and is recognised in the consolidated statement of profit and loss when the item is derecognised.

f Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized immediately in the consolidated statement of profit and loss. Goodwill is measured at cost less accumulated impairment losses.

g Leases

(i) Finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(ii) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments / revenue are recognised on straight line basis over the lease period in the consolidated statement of profit and loss account unless increase is on account of inflation.

h Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

i Inventories

(i) Media Content :

Media content i.e. Programs, Film rights, Music rights ((completed (commissioned / acquired) and under production)) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as impairment. Programs, film rights, music rights are expensed / amortised as under:

1 Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.

2 Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.

3 Film rights are amortised on a straight-line basis over the licensed period of sixty months from the commencement of rights, whichever is shorter.

4 Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

5 Films produced and/or acquired for distribution/sale of rights :

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :

a) Satellite rights - Allocated cost of right is expensed immediately on sale.

b) Theatrical rights - 80% of allocated cost is amortized immediately on theatrical release and balance allocated cost is amortised equally in following six months.

c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

NOTES
forming part of the consolidated financial statements

(ii) Raw Stock: Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

j Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the consolidated statement of profit and loss.

(ii) Subsequent Measurement

(a) Financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Group's business model for managing the financial assets and the contractual terms of cash flows.

Debt Instrument

Amortised Cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets

b The asset's contractual cash flows represent solely payments of principle and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through Profit and Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

(b) Equity investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss. Dividends from such investments are recognised in consolidated statement of profit and loss as other income when the Group's right to receive payment is established.

Derivative financial instruments

Derivative financial instruments are classified and measured at fair value through profit and loss.

Derecognition of financial assets

A financial asset is derecognised only when

i) The Group has transferred the rights to receive cash flows from the asset have expired or

ii) The Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised."

Impairment of financial assets

The Group measures the expected credit loss associated with its assets based on historical trend, industry practices and the business enviornment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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Financial liabilities and equity instruments
Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
Subsequent measurement
Financial liabilities measured at amortised cost
Financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in consolidated statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the consolidated statement of profit and loss.

Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the financial statements at fair value with changes in fair value recognized in other income or finance costs in the consolidated statement of profit and loss.

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

Determination of fair value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

k Borrowings and Borrowing costs

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of Profit and Loss over the period of the borrowings using the EIR.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised as finance costs in consolidated statement of profit and loss.

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the assets. All other borrowing costs are expensed in the period they occur.

l Provisions, contingent liabilities and contingent assets

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

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m Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.

(i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue (net of share to broadcaster) is recognised on time basis on the provision of television broadcasting service to subscribers.

(ii) Sales - Media content is recognised, when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

(iii) Services

Commission-Space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

(iv) Revenue from other services is recognised as and when such services are completed / performed.

(v) Interest income from debt instruments is recognised using the effective interest rate (EIR) method.

(vi) Dividend income is recognised when the Group's right to receive dividend is established.

(vii) Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

n Retirement and other employee benefits

(i) The Group operates both defined benefit and defined contribution schemes for its employees.

For defined contribution schemes the amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

For defined benefit plans, actuarial valuations are carried out at each balance sheet date using the Projected Unit Credit Method. All such plans are unfunded.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Remeasurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses (excluding interest on the net defined benefit liability/ (asset)) are recognised in Other Comprehensive Income (OCI). Such remeasurements are not reclassified to the consolidated statement of profit and loss, in the subsequent periods.

(ii) Other long term employee benefits: The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(iii) Short term employee benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Group recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability.

o Transactions in foreign currencies

The functional currency of the Group is Indian Rupees ("₹").

(i) Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.

(ii) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.

(iii) Non-monetary foreign currency items which are carried at historical cost are translated at the exchange rate prevalent at the date of the transaction.

(iv) On consolidation, the assets and liabilities of foreign operations are translated into Indian Rupees at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to Consolidated Statement of Profit and Loss.

p Accounting for taxes on income

Tax expense comprises of current and deferred tax.

i) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Current tax for current and prior periods is recognized at the

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amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of transition.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the consolidated statement of profit and loss, except to the extent they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax income / expense are recognised in other comprehensive income.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

q Earnings per share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

r Share based payments

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

s Business Combinations

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

t Dividend

Provision is made for the amount of any dividend declared on or before the end of the reporting period but remaining undistributed at the end of the reporting period, where the same has been appropriately authorised and is no longer at the discretion of the entity.

u Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v Exceptional items

Certain occassions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

2A Critical accounting judgment and estimates

The preparation of financial statements requires management to exercise judgment in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities . Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that have a low probability of crystallising or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

b Useful lives and residual values

The Group reviews the useful lives and residual values of property, plant and equipment, investment property and intangible assets at each financial year end.

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c Impairment testing

i Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d Tax

i The Group's tax charge is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

ii Accruals for tax contingencies require management to make judgments and estimates in relation to tax related issues and exposures.

iii The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Group in which the deferred tax asset has been recognized.

e Fair value measurement

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of reporting year during which the change has occurred.

f Media Content

The Group has several types of programming inventory: movies, sports and general entertainment.

The key area of accounting for inventory requiring judgment is the assessment of the appropriate nature over which programming inventory should be amortised. The key factors considered by the Group are as follows:

i Reality shows, chat shows, events, current affairs, game shows and sports rights are fully expensed on telecast which represents best estimate of the benefits received from the acquired rights.

ii The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.

iii Cost of movie rights - The Group's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast. Hence, it is amortised on a straight line basis over the license period or 60 months from the date of acquisition, whichever is shorter.

iv Music rights are amortised over three financial years starting from the year of commencement of rights over which revenue is expected to be generated from exploitation of rights.

v Films produced and/or acquired for distribution/sale of rights:

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under:

a) Satellite rights - Allocated cost of right is expensed immediately on sale.

b) Theatrical rights - 80% of allocated cost is amortized immediately on theatrical release and balance allocated cost is amortised equally in following six months.

c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.

d) Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

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g **Defined benefit obligation**

The costs of providing pensions and other post-employment benefits are charged to the consolidated statement of profit and loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 23, 'Employee benefits expense'.

2B Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from 1 April 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The Group is evaluating the requirements of the amendment and the impact on the financial statements is being evaluated.

3 PROPERTY, PLANT AND EQUIPMENT

(₹ Millions)

Description of Assets	Leasehold Land	Buildings	Plant and machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Leasehold improvements	Aircraft	Total
I. Cost										
As at 1 April 2015	23	215	3,506	165	171	284	325	157	368	5,215
Additions	-	396	1,189	89	41	167	111	334	-	2,327
Transfers (Refer note 4 below)	-	-	5	2	2	35	7	-	-	51
Disposal	-	-	152	1	36	5	6	2	368	570
Translation	-	13	67	2	2	1	1	5	-	91
As at 31 March 2016	**23**	**624**	**4,615**	**257**	**180**	**482**	**438**	**494**	**-**	**7,114**
Additions	158	779	620	98	103	142	268	92	-	2,259
Transfers to Investment Property	-	(201)	-	-	-	-	-	-	-	(201)
Disposal	-	20	329	7	20	1	79	(4)	-	453
Translation	2	(13)	(34)	(4)	(1)	(3)	(5)	-		(58)
As at 31 March 2017	**183**	**1,169**	**4,871**	**344**	**262**	**620**	**622**	**589**	**-**	**8,662**
II. Depreciation and impairment										
As at 1 April 2015	4	37	1,853	91	108	136	191	106	66	2,592
Depreciation charge for the year	1	6	378	27	23	59	66	60	14	633
Transfers (Refer note 4 below)	-	-	4	1	1	31	4	-	-	41
Disposal	-	-	86	1	26	3	3	2	80	201
Translation	-	10	42	1	2	1	1	0	-	57
Upto 31 March 2016	**5**	**53**	**2,191**	**118**	**108**	**223**	**260**	**164**	**-**	**3,122**

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(₹ Millions)

Description of Assets	Leasehold Land	Buildings	Plant and machinery	Furniture and Fittings	Vehicles	Equipments	Computers	Leasehold improvements	Aircraft	Total
Depreciation charge for the year	1	10	513	44	35	91	103	142	-	939
Transfer to investment property	-	3	-	-	-	-	-	-	-	3
Disposal	0	-	305	6	16	9	53	0	-	389
Translation	-	(5)	(19)	(3)	(1)	(3)	(5)	(3)	-	(38)
Upto 31 March 2017	**5**	**55**	**2,380**	**153**	**125**	**303**	**305**	**303**	**-**	**3,631**
Net book value										
As at 31 March 2017	178	1,114	2,491	192	137	317	317	286	-	5,031
As at 31 March 2016	18	571	2,424	139	72	259	178	330	-	3,992
As at 1 April 2015	19	178	1,653	75	63	148	134	51	302	2,623

Net book value	Mar-17	Mar-16	1-Apr-15
Property, plant and equipment	5,031	3,992	2,623
Capital Work-In-Progress (Refer Note 4 below)	1,270	1,104	878

1 "0" (zero) denotes amounts less than a million.
2 Buildings include ₹ /Millions 0 (2016: 0, 2015: 0), ₹ 114,100 (2016: ₹ 114,100) (2015: ₹ 114,100) the value of share in a co-operative society.
3 Part of Property, plant and equipment have been given on operating lease.
4 During previous year, transfer on acquisition of Sarthak Entertainment Private Limited (Refer note 38c)
5 Capital work-in-progress is net of impairment loss of ₹ /Millions 328 (2016: 164) (2015: Nil). Amount charged to the Consolidated Statement of Profit and Loss is ₹ /Millions 164 (2016: 164) (2015: Nil)
6 Certain vehicles have been hypothecated against borrrowings for vehicles aggregating to ₹ /Millions 19 (2016: 19) (2015: 22).

4 INVESTMENT PROPERTY

(₹ Millions)

Description of Assets	Land and Building	Total
I. Cost		
As at 1 April, 2015	1,202	1,202
As at 31 March, 2016	**1,202**	**1,202**
Transfer from property, plant and equipment	200	200
As at 31 March, 2017	**1,402**	**1,402**
II. Depreciation		
As at 1 April, 2015	204	204
Depreciation charge for the year	19	19
Upto 31 March, 2016	**223**	**223**
Depreciation charge for the year	26	26
Transfer from property, plant and equipment	3	3
Upto 31 March, 2017	**252**	**252**
Net book value		
As at 31 March, 2017 (Fair Value ₹ /Million 2,352)	1,150	1,150
As at 31 March, 2016 (Fair Value ₹ /Million 2,578)	979	979
As at 1 April, 2015 (Fair Value ₹ /Million 2,646)	998	998

The fair value of the Group's investment property has been arrived at on the basis of a valuation carried out at that date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The fair value measurement is categorised as Level 2.

The rental income from the Investment property for the year is ₹ /Million 226 (2016 ₹ /Millions 216).

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5 INTANGIBLE ASSETS

(₹ Millions)

Description of Assets	Goodwill	Trademark	Software	Channels	Total
I. Cost					
As at 1 April, 2015	7,887	0	428	133	8,448
Additions	621	295	56	-	972
Transfers	0	-	2	-	2
Disposal	0	4	5	-	9
Translation	335	-	-	-	335
As at 31 March, 2016	**8,843**	**291**	**481**	**133**	**9,749**
Additions	-	0	90	69	159
Transfers	-	-	2	-	2
Disposal	6,146	-	23	-	6,168
Translation	(23)	-	(2)	-	(25)
As at 31 March, 2017	**2,676**	**291**	**544**	**202**	**3,713**
II. Amortisation					
As at 1 April, 2015	-	0	279	6	285
Amortisation for the year	-	19	77	34	130
Transfers	-	-	1	-	1
Disposal	-	-	2	-	2
Translation	-	-	-	-	-
Upto 31 March, 2016	**-**	**19**	**355**	**40**	**415**
Amortisation for the year	-	58	102	27	187
Transfers	-	-	-	-	-
Disposal	-	-	21	-	21
Translation	-	-	(0)	-	(0)
Upto 31 March, 2017	**-**	**77**	**436**	**67**	**581**
Net book value					
As at 31 March, 2017	2,676	214	108	135	3,132
As at 31 March, 2016	8,843	272	126	93	9,334
As at 1 April, 2015	7,887	-	149	127	8,163

Net book value	Mar-17	Mar-16	1-Apr-15
Goodwill	2,676	8,843	7,887
Other intangible assets	456	491	276
Intangibles assets under development	287	-	-

“0” (zero) denotes amounts less than a million.

6 NON-CURRENT INVESTMENTS

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
A Investments in associates and joint ventures (Refer Note 39 for details)			
Investment accounted using equity method			
Investments in equity instruments			
In Associate - Quoted			
1,321,200 (2016 : 1,321,200 2015 :1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	-	-	5
In Associate - Unquoted			
10,000 (2016 : 5,000 2015: 5,000) Equity shares of Baht 100/- each of Asia Today Thailand Limited (Extent of holding 25.00%)	1	3	1

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(₹ Millions)

		Mar-17	Mar-16	1-Apr-15
	980,000 (2016 : Nil 2015: Nil) Equity Shares of ₹ 10/- each of Fly By Wire International Private Limited	7	-	-
	In Joint venture - Unquoted			-
	2,500,000 (2016 : 2,500,000, 2015 : 2,500,000) equity shares of ₹10 each of Media Pro Enterprise India Private Limited. (Extent of holding 50%)	163	87	78
	126,990,000 (2016 : 126,990,000, 2015 : 123,039,613) Equity shares of ₹ 1/- each of India Webportal Private Limited (Extent of holding 51%)	-	39	-
	Total (A)	**171**	**129**	**84**
B	**Other non-current investments**			
	Investment at amortised cost			
	Investment in redeemable debentures			
	Others - Quoted			
	50 (2016 : 50 2015 : 50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited (Tenure - 10 years)	52	52	52
	Others - Unquoted			
	50,000 (2016: 50,000, 2015: 50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	61	57	52
	50,000 (2016: 50,000, 2015: 50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000 each of IFCI Limited (Tenure - 5 years)	51	51	51
	12,500 (2016: 12,500 2015: 12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Tenure - 2 years)	1,543	1,469	1,363
	Less: Amount disclosed under the head "Current Investments" (Refer note 12)	(1,543)	-	(1,363)
		-	**1,469**	-
	Investment at fair value through other comprehensive income			
	Investments in equity instruments - quoted			
	1,822,000 (2016: 1,822,000, 2015: 1,822,000) equity shares of ₹ 2/- each of Essel Propack Limited	433	291	228
	1,000,000 (2016:Nil 2015:Nil) equity shares of USD 5.995/- of DHX Media Ltd	269	-	-
	Others - Unquoted			
	396,715 (2016:Nil 2015:Nil) equity shares of USD 2.521/- each of Vapour Communications, Inc	65	-	-
	202,894,105 (2016: 202,894,105 ,2015: 202,894,105) Ordinary Shares of GBP 0.01 each of MirriAD Limited	-	-	313
	30,000 (2016: 30,000 2015: 30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited ₹ 300,000 (2016: ₹ 300,000, 2015: ₹ 300,000)	0	0	0
	Less: Impairment in value of investment ₹ 300,000 (2016: ₹ 300,000, 2015: ₹ 300,000)	**0**	**0**	**0**
		-	-	-
	Investment at fair value through profit and loss			
	Other Investments			
	1069.6 (2016: 1069.6, 2015: 419.6) units of ₹ 1,000,000 each of Morpheus Media Fund	446	859	421
	100 units (2016: Nil, 2015: Nil) of ₹ 2,00,000 /- each of - Exfinity Technology Fund-Series II	15	-	-
	Total (B)	**1,392**	**2,778**	**1,117**
	Total (A+B)	**1,563**	**2,907**	**1,201**
	(All the above securities are fully paid up)			
	Aggregate amount of quoted Investments and market value thereof	754	344	280
	Aggregate amount of unquoted Investments	809	2,563	921
	Diminution in value of investments ₹ 300,000 (2016: ₹ 300,000, 2015: ₹ 300,000)	0	0	0

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7 LOANS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Loans (Unsecured and considered good)	-	-	-	1,542	1,750	4,250
Total	**-**	**-**	**-**	**1,542**	**1,750**	**4,250**

8 OTHER FINANCIAL ASSETS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Advances and deposits - unsecured, considered good						
- to related parties	523	401	364	91	156	35
- to others	302	460	335	578	370	194
Unbilled revenue	-	-	-	123	1,220	1,144
Balances with banks - in deposit accounts (Refer Note 14)	2	2	2	-	-	-
Interest accrued on						
- Bank deposits	-	-	-	18	7	32
Other receivables - Related parties	-	-	-	282	259	30
- others #*	389	397	376	1,121	11	1
Total	**1,216**	**1,260**	**1,077**	**2,213**	**2,023**	**1,436**

* Includes ₹ /Million 1,069 (2016 : Nil) receivable against sale of sports business.

The Group has recognised a receivable of ₹ /Millions 389 (2016 : 397, 2015: 376) claimed from competing broadcaster for recovery of the telecast rights money relating to the sports event, which is under litigation. The management on the basis of review of the current status of this case and on the basis of opinion received from the lawyers representing in this matter, are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully realised.

9 DEFERRED TAX ASSETS (NET)

The components of deferred tax balances are as under:

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Deferred tax assets			
Employee retirement benefits obligation	265	166	158
Allowances for credit losses	313	337	418
Unabsorbed fiscal allowances	205	62	57
Depreciation and amortisation	-	7	-
Other disallowances	175	76	22
	958	**648**	**655**
Deferred tax liabilities			
Depreciation and amortisation	55	-	69
	55	**-**	**69**
Deferred tax assets (net)	**903**	**648**	**586**

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10 OTHER CURRENT ASSETS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Capital advances - unsecured	161	421	105	-	-	-
Other advances - unsecured						
- Considered good	-	455	556	8,574	5,566	4,743
- Considered doubtful	-	-	-	177	251	251
	-	-	-	**8,751**	5,817	4,994
Less: Allowances for credit losses	-	-	-	177	251	251
	-	455	556	**8,574**	5,566	4,743
Prepaid expenses	93	68	68	225	411	346
Balance with Government authorities						
- Advance indirect taxes	1	2	3	484	598	567
Total	**255**	946	732	**9,283**	6,575	5,656

11 INVENTORIES

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Raw stock - tapes	10	10	10
Media content *	16,803	12,992	11,747
Under production- Programs	30	178	121
	16,843	13,180	11,878

valued at lower of cost / unamortised cost or realisable value.

* Includes rights ₹ /Millions 2,986 (2016: 1,665) (2015: 1,462) , which will commence at a future date.

Inventories expected to be recovered post 12 months is 64% (2016: 57%) (2015: 62%)

12 CURRENT INVESTMENTS

(₹ Millions)

		Mar-17	Mar-16	1-Apr-15
A	**Investment at amortised cost**			
	Investment in redeemable debentures - Unquoted			
	12,500 (2016: 12,500, 2015: 12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Refer Note 6)	1,543	-	1,363
	Commercial Paper - Quoted			
	Nil (2016: Nil, 2015: 2,500) units of ₹ 500,000/- each of Axis Finance Limited (Tenure - 12 days)	-	-	1,248
	Certificate of Deposit (Non-Transferable) - Unquoted			
	10% (2016: 11.25%) (2015: 11.75%) SICOM Limited (Tenure - 1 year)	1,000	1,000	1,000
	10% (2016: 11.25%) (2015: 12%) SICOM Limited (Tenure - 1 year)	1,000	1,000	1,000
	10% (2016: 11.25%) (2015: Nil) SICOM Limited (Tenure - 1 year)	1,000	1,000	-
		3,000	3,000	2,000
B	**Investments carried at fair value through profit and loss**			
	Mutual Funds - Quoted			
	Nil (2016: 126,881, 2015: Nil) units of ₹ 1,000/- each of HDFC Cash Management Fund - Savings plan	-	400	-
	305,118 (2016: Nil, 2015: Nil) units of ₹ 1000/- each of Peerless Liquid Fund - Daily Dividend	306	-	-

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(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
5,989,991 (2016: Nil, 2015: Nil) units of ₹ 100/- each of ICICI Prudential Savings Fund- Daily Dividend	608	-	-
2,800,381 (2016: Nil, 2015: Nil) units of ₹ 100/- each of Birla Sun Life Saving Fund -Daily Dividend	281	-	-
38,746,264 (2016: Nil, 2015: Nil) units of ₹ 10/- each of JM High Liquidity Fund - Daily Dividend	404	-	-
24,928,512 (2016: Nil) (2015: Nil) units of ₹ 10/- each of Reliance Medium Term Fund - Daily Dividend	425	-	-
499,330 (2016: Nil, 2015: Nil) units of ₹ 1000/- of each of Tata Money Market Fund - Daily Dividend	500	-	-
400,353 (2016: Nil) (2015: Nil) units of ₹ 1000/- each of Invesco India Liquid Fund- Daily Dividend	401	-	-
137,061 (2016: Nil) (2015: Nil) units of ₹ 1000/- each of LIC MF Liquid Fund - Direct Dividend	150	-	-
Mutual Funds - unquoted			
57,989.9 (2016: 57,989.9, 2015: 57,989.9) units of USD 1,000 each of Poseidon Opportunities Fund Limited	4,250	4,192	3,827
Total	**11,868**	**7,592**	**8,438**
(All the above securities are fully paid up)			
Aggregate amount of quoted Investments and market value thereof	3,075	400	1,248
Aggregate amount of unquoted Investments	8,793	7,192	7,190

13 TRADE RECEIVABLES (UNSECURED)

(₹ Millions)

	Mar-17	Mar-17	1-Apr-15
- Considered good	13,059	13,482	11,048
- Considered doubtful	1,313	1,581	1,851
	14,372	**15,063**	**12,899**
Less: Allowances for credit losses	1,313	1,581	1,851
Total	**13,059**	**13,482**	**11,048**

For transactions relating to related party receivables, refer note 43.

Trade receivables are non-interest bearing and the credit period extended to them is 0 to 180 days.

14 CASH AND BANK BALANCES

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
a **Cash and cash equivalents**						
Balances with banks -						
In Current accounts	-	-	-	2,360	4,320	3,085
In Deposit accounts	-	-	-	21,837	2,169	614
Cheques in hand / remittance in transit	-	-	-	915	2,106	1,466
Cash in hand	-	-	-	4	1	6
				25,116	**8,596**	**5,171**
b **Other balances with banks**						
Balances with banks						
In deposit accounts	2	2	2	1,000	1,020	2,000
In unclaimed dividend accounts	-	-	-	17	15	12
	2	**2**	**2**	**1,017**	**1,035**	**2,012**
Less: Amount disclosed under "Other financial assets" (Refer note 8)	2	2	2	-	-	-
	-	**-**	**-**	**1,017**	**1,035**	**2,012**
Total	**-**	**-**	**-**	**26,133**	**9,631**	**7,183**

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15a EQUITY SHARE CAPITAL

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
Authorised*			
2,000,000,000 (2016 : 2,000,000,000) (2015 : 2,000,000,000) Equity Shares of ₹ 1/- each	2,000	2,000	2,000
	2,000	**2,000**	**2,000**
Issued, subscribed and paid up			
960,448,720 (2016 : 960,448,720) (2015 : 960,448,720) Equity Shares of ₹ 1/- each fully paid up	960	960	960
Total	**960**	**960**	**960**

* Authorised capital of 2,100,000,000 (2016: 21,000,000,000) (2015: 21,000,000,000) Redeemable Preference Shares of ₹ 10 (2016: ₹/- 1) (2015: ₹/- 1) each is not considered above. Redeemable preference shares issued have been considered as borrowings in accordance with the requirement of Ind AS. Refer Note 16a for other details.

a) Reconciliation of number of Equity shares and Share capital

	Mar-17		Mar-16		1-Apr-15	
	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions
At the beginning of the year	960,448,720	960	960,448,720	960	960,448,720	960
Outstanding at the end of the year	**960,448,720**	**960**	**960,448,720**	**960**	**960,448,720**	**960**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding 31 March, 2017

	Mar-17	Mar-16
Equity Shares bought back and cancelled	24,185,210	24,185,210

d) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the Shareholders	Mar-17		Mar-16	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Cyquator Media Services Private Limited	241,402,908	25.13%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	65,978,899	6.87%	77,074,068	8.02%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e) Employees Stock Option Scheme (ESOP)

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Company as at 31 March, 2009 i.e. up to 21,700,355 equity shares of ₹ 1/- each (enhanced to 43,400,710 Equity Shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Company as well as that of its subsidiaries. The said ESOP 2009 was amended during the year under review to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

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During FY 2017, the Nomination and Remuneration Committee of the Board granted 9,800 stock options convertible at ₹ 1 /- each to an employee of the Company.

The options granted under the above Scheme, shall vest in the ratio 50%:35%:15% at the end of year 1,2 and 3 respectively.

These options would be exercisable at any time within a period of four years from each vesting date and the equity shares arising on exercise of options shall not be subject to any lock in.

The movement in options is as follows:

Particulars	Number of options
Granted during the year:	9,800
Outstanding at the end of year	**9,800**

The weighted average exercise price is ₹ 1/- each.

During the year ended 31 March, 2017, the Company recorded an employee stock compensation expense of ₹ million 2 in the consolidated statement of profit and loss. The market price at the date of grant was ₹ 512 per share.

The fair value of each equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	₹ 1	₹ 1	₹ 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	21%	22%	20%
Expected dividend yield on the underlying share for the expected term of the option	2.25	2.25	2.25
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year had a weighted average remaining contractual life of 444 days.

15b OTHER EQUITY

(₹ Millions)

	Mar-17	Mar-16
Capital redemption reserve		
As per last balance sheet	22	-
Add: Transferred on redemption of preference shares	-	22
	22	**22**
Share based payment reserve		
As per last balance sheet	-	-
Add: Options granted during the year	2	-
	2	-
General reserve	2,820	2,820
Surplus in Statement of Profit and Loss		
As per last Balance Sheet	43,319	37,714
Add : Profit for the year	22,217	8,232
Re-measurement gains / (losses) on defined benefit plans	(41)	(6)
Income tax impact thereon	15	2
Less : Appropriations		
Transferred to capital redemption reserve	-	22
Tax on dividend on equity shares by subsidiaries	280	-
Dividend on equity shares	2,161	2,161
Tax on dividend on equity shares	167	440
	62,901	**43,319**

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(₹ Millions)

	Mar-17	Mar-16
Other comprehensive income		
Foreign currency translation reserve		
As per last balance sheet	629	0
Add / (Less): Foreign currency translation gain / (loss) for the year	(1,073)	629
	(444)	**629**
Equity instruments		
As per last Balance Sheet	289	226
Gain on fair value of financial assets through other comprehensive income	17	63
	306	**289**
Total	**65,607**	**47,080**

1) Capital Redemption Reserve is created on redemption of redeemable preference shares issued. For details of redemption refer 16 (ii).
2) Share based payment reserve is reserve related to share options granted by the Company to its employee under its employee share option plan.
3) General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
4) Retained earnings represent the accumulated earnings net of losses if any made by the Company over the years.
5) Other Comprehensive income includes:
    5.1) Exchange differences relating to translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's reporting currency are directly recognised in other comprehensive income.
    5.2) Cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

16. LONG-TERM BORROWINGS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
a. Redeemable preference shares - Unsecured						
2,016,942,312 (2016 : 20,169,423,120) (2015 : 20,169,423,120) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10 (2016 : ₹ 1/-) (2015 : ₹ 1/-) each fully paid up - Quoted	19,077	17,140	16,535	-	-	-
Nil (2016 : Nil 2015 : 22,273,886) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each fully paid up - unquoted (Refer note ii below)	-	-	22	-	-	-
Less: Disclosed under the head "Other financial liabilities" (Refer note 18b)	3,815	-	-	-	-	-
Total	**15,262**	**17,140**	**16,557**			
b. Others - Secured						
Vehicle loan from banks	11	9	12	8	10	10
Less : Amount disclosed under the head "Other financial liabilities" (Refer note 18b)	-	-	-	8	10	10
Total	**11**	**9**	**12**	**-**	**-**	**-**
Total	**15,273**	**17,149**	**16,569**	**-**	**-**	**-**

* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September 2019.

Terms / rights attached to Preference Shares

(i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Quoted

During FY 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1/- each (consolidated to face value of ₹ 10 each in FY 2017) by way of bonus in the ratio of 21 Bonus Preference Shares of ₹ 1/- each fully paid up for every one Equity share of ₹ 1/- each fully paid up and are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

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The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

(ii) **6% Non-Cumulative Redeemable Non-Convertible Preference Shares - Unquoted**
During FY 2015, the Company had issued and allotted 22,273,886 6% Non-Cumulative Redeemable Non-Convertible Preference shares of ₹ 1/- each fully paid up, pursuant to the Scheme of Arrangement. The preference shareholders would be entitled to vote only on resolutions which directly affect their rights. These Preference shares were redeemable at par at any time within three years from the date of allotment and the same have been redeemed during the FY 2016.

17. PROVISIONS

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Provision for employee benefits						
- Gratuity	407	295	252	21	23	28
- Leave benefits	360	239	216	68	54	49
	767	**534**	**468**	**89**	**77**	**77**
Others						
- Provision for taxation (net of advances)	-	-	-	**1,782**	1,021	1,071
Total	**-**	**-**	**-**	**1,782**	**1,021**	**1,071**

18 FINANCIAL LIABILITIES

(₹ Millions)

	Mar-17	Mar-16	1-Apr-15
a **Trade payables**			
Trade payables	4,115	4,301	3,133
Due to principals	776	467	604
	4,891	**4,768**	**3,737**
b **Other financial liabilities**			
Current maturities of long-term borrowings - Redeemable preference shares (Refer note 16a)	**3,815**	-	-
Current maturities of long-term borrowings - Others (Refer note 16b)	8	10	10
Deposits received	152	151	118
Unclaimed dividends	17	15	12
Creditors for capital expenditure	181	196	86
Employee benefits payable	696	715	719
Dividend payable on redeemable preference shares	1,211	1,458	1,453
Cheques overdrawn	268	31	149
Other payables	2,825	2,982	2,309
	5,358	**5,558**	**4,856**
Total	**14,064**	**10,326**	**8,593**

For transactions relating to related party payables, refer note 43.
Trade payables are non-interest bearing and credit terms for the same is generally in the range of 0 to 90 days.
Dividend ₹/Million 1 (2016: 1, 2015: 1) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2017.

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19 OTHER LIABILTIES

(₹ Millions)

	Non-Current			Current		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Unearned revenue	-	-	-	777	479	165
Advances received from customers	-	304	288	541	983	513
Statutory dues payable	-	-	-	497	725	689
Total	**-**	**304**	**288**	**1,815**	**2,187**	**1,367**

20 REVENUE FROM OPERATIONS

(₹ Millions)

	Mar-17	Mar-16
Services - Broadcasting revenue		
Advertisement	36,735	33,652
Subscription (net)	22,629	20,579
- Commission - Space selling	363	282
- Commission - Subscription	240	-
- Theatrical revenue	1,119	553
Sales - Media content	3,001	3,000
Other operating revenue	255	59
Total	**64,342**	**58,125**

21 OTHER INCOME

(₹ Millions)

	Mar-17	Mar-16
Interest received on financial assets carried at amortised cost		
- Bank deposits	172	228
- Other financial assets	801	308
Interest income- others (including interest on income tax refunds)	133	542
Dividend income		
- Carried at fair value through other comprehensive income	4	3
- Financial assets carried at fair value through profit and loss	95	-
Rent income	244	247
Foreign exchange gain (net)	48	384
Liabilities / excess provision written back	365	-
Profit on sale of investments	90	194
Insurance claim received	157	26
Miscellaneous income	131	19
Total	**2,240**	**1,951**

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22 OPERATIONAL COST

(₹ Millions)

	Mar-17	Mar-16
a) Media content#		
Opening - Inventory *	12,992	11,747
- Under production - programs	178	121
Add: Commissioned / acquisition**	24,055	19,531
Add: Production Expenses		
- Equipment hire charges	649	764
- Professional / artist fees	2,388	2,556
- Other production expenses	2,866	3,109
Less: Closing - Inventory *	16,803	12,992
- Under production - programs	30	178
	26,295	**24,658**
b) Telecast cost	1,530	1,326
Total (a) + (b)	**27,825**	**25,984**

* Includes cost / unamortised cost.

** Includes rights acquired ₹ /Millions 2,228 (961), which will commence at a future date.

Media content of ₹ /Millions 1,855 (817) are impaired during the year.

23 EMPLOYEE BENEFITS EXPENSE

(₹ Millions)

	Mar-17	Mar-16
Salaries and allowances	5,644	4,660
Share based payment expense	2	-
Contribution to provident and other funds	258	200
Staff welfare expenses	139	126
Total	**6,043**	**4,986**

24 FINANCE COSTS

(₹ Millions)

	Mar-17	Mar-16
Interest on - vehicle loans	2	4
- others	71	24
Dividend on redeemable preference shares	1,211	1,458
Other financial charges	89	112
Total	**1,372**	**1,598**

25 DEPRECIATION AND AMORTISATION EXPENSE

(₹ Millions)

	Mar-17	Mar-16
Depreciation on property, plant and equipment	939	628
Depreciation on investment properties	26	19
Amortisation of intangible assets	187	130
Total	**1,152**	**777**

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26 OTHER EXPENSES

(₹ Millions)

	Mar-17	Mar-16
Rent	813	807
Repairs and maintenance		
- Buildings	13	8
- Plant and machinery	109	109
- Others	71	63
Insurance	23	21
Rates and taxes	172	138
Electricity and water charges	158	159
Communication charges	163	158
Printing and stationery	39	39
Travelling and conveyance expenses	501	498
Legal and professional charges	636	681
Payment to auditors (Refer note 35)	50	40
Corporate Social Responsibility expenses	267	230
Donations	20	10
Hire and Service Charges	707	536
Miscellaneous expenses	81	57
Advertisement and publicity expenses	4,472	4,592
Commission expenses	258	524
Marketing, distribution and promotion expenses	2,017	3,006
Conference expenses	146	130
Allowances / (reversal) for credit losses on trade receivables, advances and investments written back	197	(289)
Bad debts and advances written off	126	333
Loss on sale / impairment / discard of property, plant and equipment / intangibles / capital work-in-progress (net)	166	171
Total	**11,205**	**12,019**

27 EXCEPTIONAL ITEMS

(₹ Millions)

	Mar-17	Mar-16
Profit on sale of sports business *	12,234	-
Provision for investment written off@	-	(331)
Total	**12,234**	**(331)**

*Represents gain on sale of major part of sports broadcasting business alongwith transfer of entire equity stake held in wholly owned subsidiary viz Taj Television (India) Private Limited.

@Represents write off of investment in MirriAD Limited, UK of ₹ /Millions 331 by ATL Media Ltd. (Formerly Asia Today Limited), a wholly owned overseas subsidiary of the Company on account of contingent losses and capital reduction / restructuring in MiriaAD Limited, UK.

28 TAX EXPENSE

The major components of income tax for the year are as under:

(₹ Millions)

	Mar-17	Mar-16
Income tax related to items recognised directly in the statement of profit and loss		
Current tax - current year	7,153	5,546
- earlier years	53	-
Deferred tax charge / (benefit)	(402)	(55)
	6,805	**5,491**
Effective tax rate	23%	40%

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Deferred tax recognized in consolidated statement of other comprehensive income

(₹ Millions)

For the year ended 31 March	Mar-17	Mar-16
Employee retirement benefits obligation	15	2
Foreign currency translation reserve	6	(10)
Total	**21**	**(8)**

A reconciliation of income tax expense applicable to profit before income tax at statutory rate to income tax expense at the Company's effective income tax rate for the year ended 31 March 2017 and 31 March 2016 is as follows:

(₹ Millions)

	Mar-17	Mar-16
Profit before tax	**29,009**	**13,728**
Income tax		
Statutory income tax rate of 34.608% (34.608%) on profit	10,040	4,751
Effect of differential tax rates for components	(4,090)	(283)
Tax effect on non-deductible expenses	1,195	897
Prior Years tax loss carry forward utilised	(43)	(31)
Non recognition of deferred tax on unabsorbed losses for the year	194	137
Additional allowances for tax purposes	(136)	(42)
Effect of exempt income and income tax at special rates	(437)	38
Tax effect for earlier years	53	-
Others	29	24
Tax expense recognised in the income statement	**6,805**	**5,491**

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 34.608% (34.608%) for the year ended 31 March 2017.

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. For analysis of the deferred tax balances (after offset) for financial reporting purposes refer note 9.

Deferred tax recognized in consolidated statement of profit and loss

(₹ Millions)

For the year ended 31 March	Mar-17	Mar-16
Profit and Loss		
Employee retirement benefits obligation	(84)	(6)
Allowances for credit losses	24	81
Unabsorbed fiscal allowances	(143)	(5)
Depreciation and amortisation	(8)	(73)
Other disallowances	(191)	(52)
Total	**(402)**	**(55)**

Refer Note 9 for components of deferred tax.

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(₹ Millions)

Reconciliation of deferred tax assets / (liabilities) net:	Mar-17	Mar-16
Opening balance	648	586
Deferred tax (charge)/credit recognised in		
- Statement of profit and loss	402	55
- Derecognition of deferred tax assets on disposal of subsidiaries	(127)	-
- Recognised in other comprehensive income	(21)	8
Total	**903**	**648**

The group has unused tax losses of ₹ /Millions 256 (2016: 604) (2015: 844) with no expiry on carry forward whereas ₹ /Millions 1,300 (2016: 906) (2015: 576) are available for offsetting over a period time till 2026-27. The losses are mainly in the nature of business losses.

29 EARNINGS PER SHARE (EPS)

		Mar-17	Mar-16
a.	Profit after Tax (₹ /Millions)	22,217	8,232
b.	Weighted average number of equity shares for basic EPS	960,448,720	960,448,720
c.	Weighted average number of equity shares for diluted EPS	960,452,935	960,448,720
	Nominal value of equity shares (₹)	1	1
d.	Basic EPS (₹)	23.13	8.57
e.	Diluted EPS (₹)	23.13	8.57

30 LEASES

A. Operating Leases:

(a) The Group has taken office, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally ranging from 7 months to 120 months.

(₹ Millions)

	Mar-17	Mar-16
Lease rental charges for the year	1,852	1,748
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	1,330	1,131
Later than one year but not later than five years	1,636	1,224
Later than five years	118	152

(b) The Group has given part of its buildings / investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 36 months. The lease rental revenue for the year is ₹ /Millions 244 (247).

(c) The Group has also sub-leased part of leased office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

(₹ Millions)

	Mar-17	Mar-16
Sub lease rent income (₹ /Millions 167 (59) netted against rent expenses)	167	59
Future sub lease rental receivable (under non-cancellable lease)		
Not later than one year	-	140

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31 A) CONTINGENT LIABILITIES

(₹ Millions)

		Mar-17	Mar-16	1-Apr-15
a)	Corporate Guarantees			
	- For subsidiaries^	4,018	21,374	11,049
	- For other related parties ^^	1,039	800	791
b)	Disputed Indirect Taxes	495	497	539
c)	Disputed Direct Taxes *	5,431	5,985	6,474
d)	Claims against the group not acknowledged as debts #	611	948	631
e)	Legal cases against the group @	Not ascertainable	Not ascertainable	Not ascertainable

^ Guarantees aggregating to ₹ /Million 2,206 for the FY 2017 have been cancelled post balance sheet date.

^^ Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.

* Disputed Direct tax demands mainly include appeals filed by the Group before various appellate authorities (including Dispute Resolution panel) against the disallowance of expenses/ claims, non-deduction/ short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

The amount represents the best possible estimate arrived at on the basis of available information. The Group has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc. in relation to the programs produced / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

B) The Group has preferred a legal case against The Board of Control for Cricket in India (BCCI) for prematured termination of Media Rights contract for telecast of cricket matches between India and other countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹ / Millions 1,236 (plus interest) in favour of the Group. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

32 CAPITAL AND OTHER COMMITMENTS

(i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ /Millions 359 (2016: 217) (2015: 394).

(ii) Other Commitments towards media content and license fees for live future broadcasting and for non-live / tape events ₹ /Millions 6,720 (2016: 35,213) (2015: 34,555).

(iii) Uncalled Liability on investments committed ₹ /Millions 880 (2016: 180) (2015: 392).

33 (a) Operational cost, Employee benefits expense and other expenses are net off recoveries ₹ /Millions 397 (332).

(b) The Company has been deploying its surplus funds by way of inter-corporate deposits, debt instruments etc. and the parties are generally regular in the payment of interest and hence considered good.

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34 SEGMENT INFORMATION

(a) Business Segment

The Group operates only in one Segment namely 'Content and Broadcasting' and hence business segment disclosure as per Ind AS-108 - Segment Reporting is not applicable.

(b) Geographical Segment

The geographical segments considered for disclosure are India and Rest of the World.

(₹ Millions)

	Segment revenue*	
	Mar-17	Mar-16
India	48,437	43,588
Rest of the world	15,905	14,537
Total	**64,342**	**58,125**

(₹ Millions)

	Carrying cost of segment assets**	
	Mar-17	Mar-16
India	60,624	50,619
Rest of the world	34,223	24,201
Total	**94,847**	**74,820**

(₹ Millions)

	Carrying cost of segment non-current assets**@	
	Mar-17	Mar-16
India	13,578	11,924
Rest of the world	2,003	8,265
Total	**15,581**	**20,189**

(₹ Millions)

	Additions to property, plant and equipment and intangible assets	
	Mar-17	Mar-16
India	2,112	3,027
Rest of the world	492	758
Total	**2,604**	**3,785**

* The revenues are attributable to countries based on location of customers.

** based on location of assets

@ Excluding financial assets, investments accounted for using equity method and deferred tax assets

Considering the nature of business of the Group in which it operates, the Group deals with various customers including multiple geographies. Consequently, none of the customers contribute materially to the revenue of the Group.

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35 PAYMENT TO AUDITORS

(₹ Millions)

For Standalone	Mar-17	Mar-16
Audit fees	8	8
Tax audit fees	1	1
Certification and tax representation	14	6
Reimbursement of expenses (₹ 486,785 (₹ 395,824))	0	0
Total	**23**	**15**

(₹ Millions)

For Subsidiaries	Mar-17	Mar-16
Audit fees	21	22
Tax audit fees	1	1
Certification and tax representation	5	2
Reimbursement of expenses (₹ 229,755 (₹ 122,713))	0	0
Total	**27**	**25**

36 DISCLOSURE ON SPECIFIED BANK NOTES IN ACCORDANCE WITH NOTIFICATION DATED 30 MARCH, 2017 FROM MINISTRY OF CORPORATE AFFAIRS:

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8 November, 2016	3	2	5
Add : Permitted receipts	-	6	6
Less : Permitted payments (₹ 268,000/-)	(0)	(5)	(5)
Less : Amount deposited in Banks (₹ 146,577/-)	(3)	(0)	(3)
Closing cash in hand as on 30 December, 2016	-	3	3

37 The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended March 31, 2016. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

38 ACQUISITIONS

a The Board of Directors in their meeting held on 23 November 2016 have approved acquisition of "General Entertainment Television Broadcasting Undertakings" from Reliance Big Broadcasting Private Limited (RBBPL), Big Magic Limited (BML) and Azalia Broadcast Private Limited (ABPL).

The proposed acquisition shall be by way of Demerger of Undertakings to the Company through Composite Scheme of Arrangement drawn under Section 230 to Section 233 and other applicable provisions of the Companies Act, 2013.

The proposed Scheme provides for the Demerger of demerged Undertakings (as defined in the Scheme) of RBBPL, BML and ABPL which inter alia includes 5 (five) General Entertainment Television channels owned by RBBPL and 1 (one) General Entertainment Television Channel owned by BML and the Media business of ABPL and vesting of the same with the Company along with all assets, liabilities and employees of the Demerged Undertakings as going concern with effect from the Appointed date of close of 31 March 2017

The consideration for the said Demerger is proposed to be discharged by the Company by issuing 6% Unlisted Cumulative Redeemable Non-Convertible Preference Shares of ₹ 10/- each ('Preference Share') to the Equity and Preference Shareholders of RBBPL, BML and ABPL.

Pending receipts of various regulatory / statutory approvals including approval of Hon'ble National Company Law Tribunal, effect has not been given in these financial statements.

b During FY 2017 the Group has acquired 49% of equity shares of Fly By Wire International Private Limited (FBW) which is engaged in providing Aircraft Charter services. The balance 51% equity shares in FBW shall be acquired by the Group upon receipt of requisite regulatory approvals.

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c During FY 2016, the Group has acquired the entire 450,000 equity shares of ₹ 10 each of Sarthak Entertainment Private Limited (Sarthak). Upon completion of acquisition of "Sarthak TV" an Odiya language general entertainment channel, Sarthak Entertainment Private Limited has become wholly owned subsidiary of the Company on and from 4 December, 2015. The effect of acquisition of subsidiaries on the financial position and results as included in the consolidated financial statements as at and for the year ended 31 March, 2016 are given below:

(₹ Millions)

Particulars	Fair Value recognised on acquisition
Assets	
Property, plant and equipment / Intangible assets	350
Trade and other receivables	205
Cash and cash equivalents	7
Deferred taxes	5
Total	**567**
Liabilities	
Trade payables, provisions and other current liabilities	(48)
Borrowings	(3)
Contingent consideration	(35)
Total	**(86)**
Total identifiable net assets at fair value	**481**
Goodwill on consolidation*	621
Purchase consideration transferred including contingent consideration	**1,102**
Revenue post acquisition	158
Impact on Profit / (loss) before tax post acquisition	47

*Goodwill comprises the fair value of expected synergies arising from acquisition. None of the goodwill recognized is deductible for income tax purposes.

As part of the purchase agreement with the previous owner of Sarthak, a contingent consideration has been agreed.This consideration is dependent on the Earnings before Interest, Depreciation and taxation of Sarthak for the FY 2016 and FY 2017.The fair value of the contingent consideration at the acquisition date was ₹ /Millions 135. The contingent consideration is due for final measurement and payment on achievement of EBITDA for the respective years.

39 DISCLOSURE IN RESPECT OF ASSOCIATES AND JOINT VENTURES

a The summarized financial information of the Group's associates and joint ventures are set out below.

b The principal place of business for all associates and joint ventures is in India, except for Asia Today Thailand Limited which operates in Thailand.

1 **Aplab Limited - Associate Company**

(₹ Millions)

Particulars	Mar-17	Mar-16	1-Apr-15
Current Assets	375	498	513
Non- Current Assets	814	839	770
Current Liabilities	(1,247)	(1,265)	(886)
Non - Current Liabilities	(122)	(116)	(266)
Equity	(180)	(44)	132
Proportion of Group ownership	26.42%	26.42%	26.42%
Carrying amount of the investment	-	-	5
Unrecognized share of loss for the year	(33)	(41)	-
Unrecognized share of cumulative losses	(74)	(41)	-
Fair value of the investment	35	29	39

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(₹ Millions)

Particulars	Mar-17	Mar-16
Total revenue	729	718
Profit /(Loss) for the year	(124)	(176)
Other comprehensive Income	-	-
Total comprehensive income	(124)	(176)
Group's Share of Profit / (loss)	-	(5)

2 Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited) - Associate Company

(₹ Millions)

Particulars	Mar-17	Mar-16	1-Apr-15
Current Assets	13	28	10
Non- Current Assets	1	0	-
Current Liabilities	(10)	(15)	(4)
Non - Current Liabilities	-	-	-
Equity	5	13	6
Proportion of Group ownership	25%	25%	25%
Carrying amount of the investment	**1**	**3**	**1**

(₹ Millions)

Particulars	Mar-17	Mar-16
Total revenue	8	11
Profit / (Loss) for the year	(12)	7
Other comprehensive Income	-	-
Total comprehensive income	(12)	7
Group's Share of Profit / (loss)	(3)	2

3 Fly by Wire International Private Limited - Associate Company

(₹ Millions)

Particulars	Mar-17
Current Assets	441
Non- Current Assets	801
Current Liabilities	(1,340)
Non - Current Liabilities	(94)
Equity	(192)
Proportion of Group ownership	49%
Carrying amount of the investment	7
Total revenue	299
Profit /(Loss) for the year	(12)
Other comprehensive Income	-
Total comprehensive income	(12)
Group's Share of Profit /(Loss)	(6)

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4 **Media Pro Enterprise India Private Limited - Joint Venture**

(₹ Millions)

Particulars		Mar-17	Mar-16	1-Apr-15
Current Assets		148	171	305
Non- Current Assets		492	1,703	1,698
Current Liabilities		(217)	(1,657)	(1,811)
Non - Current Liabilities		-	-	-
Equity		424	218	192
Proportion of Group ownership		37%	37%	37%
Proportion of Group Share	(A)	156	80	71
Adjustment for proportionate share of investment	(B)	7	7	7
Carrying amount of investment	**(A+B)**	**163**	**87**	**78**
Cash and cash equivalents		1	7	211
Current financial liabilities		16	36	39
Non current financial liabilities		-	-	-

(₹ Millions)

Particulars	Mar-17	Mar-16
Total revenue	289	57
Interest income	10	10
Depreciation and amortisation	-	-
Interest expense	-	-
Income tax expense	61	-
Profit for the year	103	13
Other comprehensive Income	-	-
Total comprehensive income	103	13
Group's Share of Profit	38	5

5 **India Webportal Private Limited -Joint Venture**

(₹ Millions)

Particulars	Mar-17	Mar-16	1-Apr-15
Current Assets	226	253	169
Non- Current Assets	39	55	24
Current Liabilities	(320)	(215)	(250)
Non - Current Liabilities	(14)	(23)	(11)
Equity	**(70)**	**70**	**(68)**
Proportion of Group ownership	51%	51%	51%
Carrying amount of investment	-	39	-
Cash and cash equivalents	7	28	52
Current financial liabilities	300	193	181
Non current financial liabilities	-	0	0

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(₹ Millions)

Particulars	Mar-17	Mar-16
Total revenue	665	723
Interest income	1	2
Depreciation and amortisation	5	5
Interest expense	0	0
Income tax expense	3	-
Profit / (Loss) for the year	(141)	21
Other comprehensive Income	2	1
Total comprehensive income	(139)	22
Group's Share of Profit / (loss)	(71)	11

The group's share of contingencies is ₹ Millions 9 (2016: ₹ Millions 0) (2015: ₹ Millions Nil) and group's share of commitments is Nil (2016 Nil) and (2015: ₹ Millions 6).

40 FINANCIAL INSTRUMENTS

i) Financial risk management objective and policies

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and other financial instruments.

1) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair value of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that future cash flows of floating interest bearing investments will vary because of fluctuations in interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations to its preference share holders.

Interest rate sensitivity

The borrowing of the Group includes redeemable preference shares and vehicle loans which carries fixed coupon rate and hence the Group is not exposed to interest rate risk.

2) Foreign Currency risk

The Group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Group analyses currency risk as to which balances outstanding in currency other than the functional currency of that Group. The management has taken a position not to hedge this currency risk.

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the insignificant impact and period involved on such exposure.

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The following table sets forth information relating to foreign currency exposure:

(₹ Millions)

Currency	Assets as at			Liabilities as at		
	Mar-17	Mar-16	1-Apr-15	Mar-17	Mar-16	1-Apr-15
Indian Rupees (INR)	186	280	395	45	24	26
United States Dollar (USD)	131	611	397	138	135	45
Euro (EUR)	3	40	-	11	25	1
Great Britain Pound (GBP)	0	91	9	6	15	8
Mauritian Rupee	2	2	2	-	-	-
Canadian Dollar (CAD)	-	-	1	-	6	0
UAE Dirhams (UAE)	-	-	-	-	0	-
Singapore Dollar (SGD)	-	-	-	0	-	0
Pakistani Rupee (PKR)	372	512	139	12	6	3

Foreign Currency sensitivity analysis

The following table demonstrates the sensitivity to a 10% increase / decrease in foreign currencies with all other variable held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liablities at balance sheet date.

(₹ Millions)

Currency	Sensitivity analysis			
	Mar-17		Mar-16	
	₹ Decrease by 10%	₹ Increase by 10%	₹ Decrease by 10%	₹ Increase by 10%
Indian Rupees (INR)	(14)	14	(26)	26
United States Dollar (USD)	1	(1)	(48)	48
Euro (EUR)	1	(1)	(2)	2
Great Britain Pound (GBP)	1	(1)	(8)	8
Mauritian Rupee	(0)	0	(0)	0
Canadian Dollar (CAD)	-	-	1	(1)
UAE Dirhams (UAE)	-	-	0	(0)
Singapore Dollar (SGD)	0	(0)	-	-
Pakistani Rupee (PKR)	(36)	36	(51)	51

3) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, deposits and loans given, investments and balances at bank.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business enviornment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

Ageing of trade receivables

(₹ Millions)

	Ma-17	Mar16	1 -Apr-15
Trade Receivables (Unsecured)			
Over six months	2,174	2,935	1,974
Less than six months	12,198	12,128	10,925
Total	**14,372**	**15,063**	**12,899**

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(₹ Millions)

	As at 31 March 2017	As at 31 March 2016
Movement in allowance for credit loss during the year was as follows:		
Balance at 1 April	1,581	1,851
Add :- Provided during the year	462	5
Less :- Reversal during the year	(721)	(323)
Add :- Impact of foreign currency translation	(8)	48
Balance as at 31 March 2017	**1,313**	**1,581**
Net Trade receivable	**13,059**	**13,482**

Credit risk on cash and cash equivalents is limited as the group generally invest in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in liquid mutual fund units, non convertible debentures, certificates of deposit and other debt instruments.

b) **Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group's principal source of liquidity are cash and cash equivalents and the cash flow i.e. generated from operations. The Group consistently generated strong cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short terms as well in the long term.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2017

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other financial liabilities	14,064	-	-
Borrowings*	-	15,273	-
Total	**14,064**	**15,273**	**-**

* Current maturities of borrowings aggregating ₹ Millions 3,823 form part of other financial liabilities hence the same is not considered seperately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2016

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other financial liabilities	10,326	-	-
Borrowings*	-	13,721	3,428
Total	**10,326**	**13,721**	**3,428**

* Current maturities of borrowings aggregating ₹ Millions 10 form part of other financial liabilities hence the same is not considered seperately in borrowings.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 1 April 2015

(₹ Millions)

	Due in 1st year	Due in 2 to 5th year	Due in 5 to 10th year
Financial Liabilities			
Trade payable and other financial liabilities	8,593	-	-
Borrowings*	-	9,955	6,614
Total	**8,593**	**9,955**	**6,614**

* Current maturities of borrowings aggregating ₹ Millions 10 form part of other financial liabilities hence the same is not considered separately in borrowings.

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ii) Capital Management

For the purpose of the Group' s capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders.

iii) Categories of financial instruments and fair value thereof

(₹ Millions)

Particulars	Mar-17		Mar-16		1-Apr-15	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
A) Financial assets						
i) Measured at amortised cost						
Trade Receivables	13,059	13,059	13,482	13,482	11,048	11,048
Cash and cash equivalents and bank balances	26,133	26,133	9,631	9,631	7,183	7,183
Other financial assets	4,971	4,971	5,033	5,033	6,763	6,763
Investment at amortized cost	4,707	4,707	4,629	4,629	4,766	4,766
ii) Measured at Fair value through profit and loss						
Investment	7,786	7,786	5,450	5,450	4,248	4,248
iii) Measured at Fair value through other comprehensive income						
Investment	766	766	291	291	541	541
B) Financial liabilities						
i) Measured at amortised cost						
Trade Payable	4,891	4,891	4,768	4,768	3,737	3,737
Other financial liabilities *	9,173	9,173	5,558	5,558	4,856	4,856
Borrowings (non current portion)	11	11	9	9	12	12
ii) Fair value through profit and loss						
Borrowings (non current portion)	15,262	15,262	17,140	17,140	16,557	16,557

* Other financial liabilities includes current maturities of long term borrowings carried at fair value through profit and loss / amortised cost.

The management assessed that cash and cash equivalents and bank balances, trade receivables, other financial assets, certain investments, trade payables and other current liabilities approximate their fair value largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

iv) Fair value Hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at March 2017

(₹ Millions)

Financial assets	Fair Value as at			Fair Value hierarchy	Valuation Technique(s) & key inputs used
	Mar-17	Mar-16	1-Apr-15		
Investment in Mutual funds	3,075	400	0	Level 1	Quoted in an active market
Investment in Equity shares	701	291	228	Level 1	Quoted in an active market
Investment in Equity shares	65	-	313	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and Black - Scholes method / NAV statements.
Investment in Mutual funds	4,250	4,192	3,827	Level 3	
Investment in debentures / funds	461	859	421	Level 3	

Investments measured at fair value are tabulated above. All other financial assets and liabilities at amortised cost are in Level 3 of fair value hierarchy and have been considered at carrying amount.

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The fair values of the financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 category of financial assets:

	Mar-17	Mar-16
Opening balance	5,050	4,561
Funds invested	80	650
Written off	-	(313)
Gains / (loss) recognised (net)	(330)	(68)
Effect of foreign currency translation	(25)	220
Closing balance	**4,775**	**5,050**

41 EMPLOYEE BENEFITS

Disclosures as per Ind AS 19 - Employee Benefits is as follows:

A Defined Contribution Plans

"Contribution to provident and other funds" is recognized as an expense in Note 23 "Employee benefit expenses" of the Consolidated Statement of Profit and Loss.

B Defined Benefit Plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

(₹ Millions)

		Mar-17	Mar-16
		Gratuity (Non Funded)	
I.	**Expenses recognised during the year**		
1	Current Service Cost	73	52
2	Interest Cost	25	18
3	Actuarial Losses / (Gains)	0	0
4	Past Service cost	0	0
	Total Expenses	**98**	**69**
II.	**Amount recognized in other comprehensive income (OCI)**		
1	Opening amount recognized in OCI	7	-
2	Remeasurement during the period due to		
	Experience adjustments		
	- Changes in financial assumptions	5	(3)
	- Changes in experience charges	10	10
	Closing amount recognized in OCI	**22**	**7**
III.	**Net (Asset) / Liability recognised in the Balance Sheet as at 31 March**		
1	Present value of defined benefit obligation (DBO)	344	240
2	Net (Asset) / Liability	344	240
IV.	**Reconciliation of Net (Asset) / Liability recognised in the Balance Sheet as at 31 March**		
1	Net (Asset) / Liability at the beginning of year	240	217
2	Expense as per I above	98	69
3	Other comprehensive income as per II above	15	7
4	Liabilities transferred on divestiture	28	(35)
5	Benefits paid	(37)	(18)
	Net (Asset) / Liability at the end of the year	**344**	**240**
V.	**The following payments are expected to defined benefit plan in future years :**		
1	Expected benefits for year 1	14	12
2	Expected benefits for year 2 to year 5	73	66
3	Expected benefits beyond year 5	972	682

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		Mar-17	Mar-16	1-Apr-15
VI.	**Actuarial Assumptions**			
1	Discount rate	7.25%	8.05%	7.95%
2	Expected rate of salary increase	9.50%	9.50%	9.50%
3	Mortality	IAL (2006-08)	IAL (2006-08)	IAL (2006-08)

VII. Sensitivity Analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points

	Discount Rate	Salary Escalation rate
Impact of increase in 50 bps on DBO	421	466
Impact of decrease in 50 bps on DBO	481	433

Notes:

(a) The current service cost recognized as an expense is included in Note 23 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

C Other long term benefits

The obligation for leave benefits (non funded) is also recognised using the projected unit credit method and accordingly the long term paid absences have been valued. The leave encashment expense is included in Note 23 'Employee benefits expense'.

42. FIRST TIME ADOPTION OF Ind AS

For all periods upto and including the year ended 31 March 2016, the Group had prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). This note explains the principal adjustments made by the Group in restating its financial statements prepared under Previous GAAP.

42.1 Exemptions and Exceptions availed on first time adoption of Ind AS 101

1 Investment in Subsidiary, Joint Ventures and Associates

The Group has elected to adopt the carrying value under previous GAAP as on the date of transition i.e. 1 April, 2015 in its consolidated financial statements.

2 Business Combinations

The Group has elected to apply Ind AS 103 Business Combinations prospectively from 1 April, 2015.

3 Investments in equity instruments:

An entity may make an irrevocable election at initial recognition of a financial asset to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as 'Fair value through other comprehensive Income'.

The Company has accordingly designated certain equity instruments as at 1 April, 2015 as fair value through other comprehensive income.

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4 **Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

5 **De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

6 **Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

7 **Foreign currency translation differences**

The cumulative translation differences for all foreign operations are deemed to be zero at the date of transition to Ind AS.

42.2 Reconciliations between Previous GAAP and Ind AS

The following reconciliations provides the effect of transition to Ind AS from Previous GAAP in accordance with Ind AS 101

a Balance Sheet and Equity Reconciliation

b Profit and Loss and Other comprehensive income reconciliation

c Adjustments to Statement of Cash Flows

42.2.1 Effect of Ind AS adoption on balance sheet

(₹ Millions)

	Note	Balance Sheet as at 1 April 2015			Balance Sheet as at 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant and equipment	a,h, i	3,213	(590)	2,623	4,486	(495)	3,992
(b) Capital work-in-progress		878	-	878	1,104	-	1,104
(c) Investment Property	b	-	998	998	-	979	979
(d) Goodwill		7,887	-	7,887	9,150	(307)	8,843
(e) Other intangible assets		276	-	276	220	271	491
(f) Intangible assets under development		-	-	-	-	-	-
(g) Investment in associates and joint ventures		-	84	84	-	129	129
(h) Financial Assets							
(i) Investments	e	1,464	(347)	1,117	3,048	(270)	2,778
(ii) Other financial assets	f	1,144	(67)	1,077	1,523	(263)	1,260
(i) Income tax assets (net)		4,271	(248)	4,023	4,090	165	4,255
(j) Deferred tax assets (net)	i	531	55	586	556	92	648
(k) Other non-current assets	f	675	57	732	894	52	946
Total non-current assets		**20,339**	**(58)**	**20,281**	**25,071**	**355**	**25,426**
Current assets							
(a) Inventories		11,878	-	11,878	13,160	20	13,180
(b) Financial assets			-	-		-	-
(i) Investments		8,291	147	8,438	7,391	201	7,592
(ii) Trade receivables		10,692	356	11,048	13,245	237	13,482
(iii) Cash and cash equivalents		5,353	(182)	5,171	8,698	(102)	8,596

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(₹ Millions)

	Note	Balance Sheet as at 1 April 2015			Balance Sheet as at 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
(iv) Bank balances other than (iii) above		2,012	-	2,012	1,035	-	1,035
(v) Loans		4,250	-	4,250	1,750	-	1,750
(vi) Other financial assets	e,f	1,555	(119)	1,436	2,058	(35)	2,023
(c) Other current assets		5,688	(32)	5,656	6,533	42	6,575
Total current assets		**49,719**	**170**	**49,889**	**53,870**	**363**	**54,233**
Total assets		**70,058**	**112**	**70,170**	**78,941**	**716**	**79,659**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	c	21,152	(20,192)	960	21,130	(20,170)	960
(b) Other equity	c,d,h,i	34,346	6,414	40,760	41,185	5,894	47,079
Equity attributable to shareholders		**55,498**	**(13,777)**	**41,720**	**62,315**	**(14,276)**	**48,039**
Non-controlling interests		4	13	17	85	(63)	22
Total equity		**55,502**	**(13,764)**	**41,737**	**62,400**	**(14,338)**	**48,061**
Liabilities							
Non-current Liabilities							
(a) Financial liabilities							
(i) Borrowings							
Redeemable preference shares	c	-	16,557	16,557	-	17,140	17,140
Others		12	-	12	9	-	9
(b) Provisions		480	(12)	468	550	(16)	534
(c) Other non current liabilities		288	-	288	304	-	304
Total non current liabilities		**780**	**16,545**	**17,325**	**863**	**17,124**	**17,987**
Current Liabilities							
(a) Financial liabilities							
Trade payables		4,204	(467)	3,737	5,194	(426)	4,768
Other financial liabilities	c	3,542	1,314	4,856	4,147	1,411	5,558
(b) Other current liabilities		1,438	(71)	1,367	2,208	(21)	2,187
(c) Provisions	d	4,592	(4,515)	77	4,129	(4,051)	77
(d) Current tax liabilities (net)		-	1,071	1,071	-	1,021	1,021
Total current liabilities		**13,776**	**(2,667)**	**11,108**	**15,678**	**(2,067)**	**13,611**
Total liabilities		**14,556**	**13,878**	**28,433**	**16,541**	**15,057**	**31,598**
Total equity and liabilities		**70,058**	**114**	**70,170**	**78,941**	**716**	**79,659**

42.2.2 Effect of Ind AS adoption on total comprehensive income

	Note	Total comprehensive income for the year ended 31 March 2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
REVENUE				
Revenue from operations		58,515	(390)	58,125
Other income	f	2,016	(65)	1,951
Total		**60,531**	**(454)**	**60,076**
EXPENSES				
Operational cost		26,049	(65)	25,984
Employee benefits expense	g	5,232	(246)	4,986
Finance costs	c	123	1,475	1,598
Depreciation and amortisation expense	a	840	(63)	777

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	Note	Total comprehensive income for the year ended 31 March 2016 Previous GAAP	Effect of transition to Ind AS	Ind AS
Fair value loss on financial instruments at fair value through profit and loss	c,e	-	673	673
Other expenses	f	12,139	(121)	12,019
		44,383	**1,653**	**46,036**
Profit before share of profit /(loss) in associate / joint venture and exceptional items		16,148	(2,108)	14,040
Add / (Less): Share of profit /(loss) in associate and joint venture		(4)	23	19
Profit before exceptional items and tax		16,144	(2,085)	14,059
Less: Exceptional items		**331**	**-**	**331**
Profit before tax after exceptional items		15,813	(2,085)	13,728
Less : Tax expense				
Current tax - current year		5,546	-	5,546
Deferred tax benefit	j.	(18)	(37)	(55)
Profit for the year		**10,285**	**(2,048)**	**8,237**
Other comprehensive income				
A ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS				
(a) (i) Re-measurement of defined benefit obligation	d.	-	(7)	(7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	d.	-	2	2
(b) Fair value changes of equity instruments through other comprehensive income	c.	-	63	63
(c) Share of other comprehensive income in associates and joint ventures		-	1	1
Total		-	**59**	**59**
B ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS				
(i) Exchange differences in translating the financial statements of foreign operations		624	5	629
Total		**624**	**5**	**629**
Total other comprehensive income for the year		**624**	**64**	**688**
Total comprehensive income for the year		**10,909**	**(1,984)**	**8,925**
Profit for the year				
Attributable to:				
Shareholders of the Company		10,267	(2,035)	8,232
Non-controlling interests		18	(13)	5
Total comprehensive income for the year				
Attributable to:				
Shareholders of the Company		10,891	(1,971)	8,920
Non-controlling interests		18	(13)	5

42.2.3 Statement of Cash flows

There were no significant reconciliation items between cash flows prepared under Previous GAAP and those prepared under Ind AS.

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42.2.4 Effect of Ind AS adoption on equity

Reconciliation of equity as of 31 March, 2016 and 1 April, 2015

Particulars	Notes	Mar-16	01-Apr-15
Total equity (shareholders' funds under Previous GAAP)		**62,315**	**55,498**
Reclassification of redeemable preference shares as debt	c	(20,170)	(20,192)
Dividend and dividend tax thereon	d	2,594	2,601
Fair valuation of preference shares	c	3,029	3,635
Fair valuation of investments	e	278	279
Deferred tax on unrealised profits	j	65	2
Depreciation on recognition of intangibles on business combinations	i	(20)	
Depreciation and amortisation	h	(52)	(103)
Total equity as per Ind AS		**48,039**	**41,720**

Effect of Ind AS adoption on total comprehensive income

Reconciliation of total comprehensive income for the year ended 31 March, 2016

Particulars	Notes	Mar-16
Net Profit as per Previous GAAP		10,267
Loss on fair valuation of preference shares	c	(605)
Preference dividend and taxes thereon considered to be finance cost	c	(1,458)
Re-measurement gain / loss on defined benefit obligation	g	5
Profit on fair valuation of financial instruments / investments	e	(68)
Depreciation and amortisation	h	50
Depreciation/ amortization on assets acquired pursuant to business Combination	i	(20)
Deferred tax on unrealised profit		61
Net Profit as per Ind AS		8,232
Other comprehensive income (net of tax)		688
Total Comprehensive income as per Ind AS		**8,920**

Explanations for reconciliation of Balance Sheet and Consolidated statement of profit and loss and other Comprehensive income as previously reported under IGAAP to Ind AS

a. Property, plant and equipment

The Group elected to apply Ind AS 16 from the date of acquisition of Property , plant and equipment and the impact there on has been taken into retained earnings.

b. Investment Property

The land and building of the Group given for rental/capital appreciation purposes has been considered as investment property, accordingly the same has been reclassified as per the Ind AS requirements.

c. Borrowings

Under previous GAAP, 6% cumulative redeemable preference shares were classified as a part of total equity. These have been reclassified as debt and have been recorded at fair value as at 1 April 2015 with the resultant gain has been recognised in the retained earnings.

For subsequent measurement, preference shares have been valued based on fair value through profit and loss (FVTPL). Dividend and distribution tax thereon has been charged as finance cost.

d. Provisions

Under previous GAAP, the Company had recognised liability on account of dividend proposed by the Board of directors pending approval from the shareholders. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the annual general meeting.

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e. **Investments**

Certain financial instruments / investments have been recorded at amortised cost compared to being carried at cost under Previous GAAP.

Certain financial instruments / investments have been recorded at fair value as at 1 April 2015 with the resultant gain / loss in the retained earnings. For subsequent measurement, these instruments / investments have been valued at amortized cost / fair value through profit and loss (FVTPL) / fair value through other comprehensive income.

f. **Deposits**

The Group has discounted the lease deposit to consider whereever the fair value is different from the market.

g. **Defined benefit obligations**

As per Ind AS-19 Employee Benefits, actuarial gains and losses are recognized in other comprehensive income and not reclassified to Statement of profit and loss in a subsequent period.

h. **Depreciation and amortisation**

Under Ind AS, the Group has elected to apply Ind AS 16-Property, plant and equipment from the date of acquisition of property, plant and equipment and accordingly depreciation has been retrospectively calculated and the resultant change has been adjusted in retained earnings.

i. **Consolidation and Business Combination**

Under Previous GAAP, India Webportal Private Limited and its subsidiary i.e. Idea Shop Web and Media Private Limited was considered to be subsidiary of the Company and accordingly fully consolidated. Under Ind AS based on evaluation of control, it is considered to be a joint venture of the Group. Also, MediaPro enterprises Private Limited, a Joint Venture of the Group is recorded based on equity accounting instead of line by line consolidation for the proportionate share in the entity. Initial investment of both the Companies are regarded as deemed cost, at the date of transition.

The Group had acquired Sarthak Entertainment Private Limited during the financial year ended 31 March 2016, the assets and liabilities have been recorded based on fair values and accordingly additional depreciation / amortisation on the intangible asset / other assets generated as per Ind AS has been recorded.

j. **Tax adjustments**

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS. Deferred tax is recognised on the unrealised profit generated on inter group transactions..

43 RELATED PARTY DISCLOSURES

(i) **Associates**

Name of the Associate	Extent of Holding	Country of Incorporation
Aplab Limited	26.42% (26.42%)	India
Fly by Wire International Private Limited	49% (Nil)	India
Asia Today Thailand Limited (held through Asia Today Singapore Pte Limited)	25% (25%)	Thailand

(ii) **Joint Ventures**

Name of the Jointly Controlled Entity	Extent of Holding	Country of Incorporation
India Webportal Private Limited	51% (51%)	India
Media Pro Enterprise India Private Limited (held through Zee Turner Limited)	50% (50%)	India

(iii) **Other Related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:**

Axom Communication & Cable Private Limited; Bombay Mobile Software Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Cyquator Technologies Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Dr. Subhash Chandra Foundation; Essel Business Excellence Services Limited; Essel Propack Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Finance Business Wealth Zone Private Limited; Essel Infraprojects Limited; Essel Shyam Communication Private Limited; Essel Solar Energy Private Limited; Indian Cable Net Company Limited; ITZ Cash Card Limited; Living Entertainment Enterprises Private Limited; Maurya TV Private Limited; Master Channel Community Network Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Pan India Paryatan Private Limited;

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Pri Media Services Private Limited; Real Media FZ-LLC; Siti Prime Uttaranchal Communication Private Limited; Siti Siri Digital Network Private Limited; SITI Networks Limited (Formerly Siti Cable Network Limited); Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communications Private Limited;Siti Karnal Digital Media Network Private Limited; Siti Maurya Cable Net Private Limited; Siti Vision Digital Media Private Limited; Siti Bhatia Network Entertainment Private Limited; Smart Wireless Private Limited; Procall Infra & Utilities Private Limited (Formerly Agrani Wireless Services Limited); Veria International Limited; Zee Akash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited; Zee Foundation

Directors / Key Management Personnel

Dr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director & CEO)
Mr. Subodh Kumar (Executive Vice Chairman) (Upto 15 October, 2015)

Relatives of Key Management Personnel

Mr. Amit Goenka

(₹ Millions)

Sl. No.	Particulars	31-Mar-17	31-Mar-16
(iv)	**Transactions during the year**		
A)	**Fixed Assets**		
I)	Assets purchased		
	Other related parties	2	-
II)	Assets sold		
	Other related parties	4	-
B)	**Non-Current Investments**		
I)	Investments purchase/ subscribed		
	Joint Venture	-	61
C)	**Revenue from operations**		
I)	Advertisement income		
	Joint Venture	60	-
	Other Related Parties	111	67
II)	Subscription income		
	Associates	-	12
	Other Related Parties	3,228	2,515
III)	Share of Subscription income		
	Other Related Parties	603	-
IV)	Commission - space selling		
	Other Related Parties	358	2
V)	Sales - media content		
	Joint Venture	147	22
VI)	Other operating revenue		
	Other Related Parties	58	45
D)	**Other income**		
I)	Dividend Income		
	Other Related Parties	4	3
II)	Rent/ Miscellaneous income		
	Joint Venture (2017: ₹ 71,808)	0	1
	Other Related Parties	100	106
E)	**Purchase of services**		
	Joint Venture	1	-
	Associates	267	24
	Other Related Parties	2,061	3,061
F)	**Recoveries/(Reimbursement) (Net)**		
	Joint Venture	7	1
	Other Related Parties	390	331

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(₹ Millions)

Sl. No.	Particulars	31-Mar-17	31-Mar-16
G)	**Advances and deposits received**		
	Other Related Parties (2017: ₹ 341,130)	0	24
H)	**Advances and deposits repaid**		
	Other Related Parties	-	22
I)	**Loans, advances and deposits given**		
	Other Related Parties	-	86
	Associates	40	-
J)	**Corporate social responsibility**		
	Other Related Parties	218	200
K)	**Remuneration paid**		
	Key Management Personnel	82	92
	Relatives of Key Management Personnel	36	3

(₹ Millions)

Sl. No.	Particulars	31-Mar-17	31-Mar-16	01-Apr-15
(v)	**Balance as at 31st March**			
A)	**Investments**			
	Associates	8	3	6
	Joint Venture	163	126	78
	Other Related Parties	2	2	2
B)	**Trade receivables**			
	Joint Venture	257	785	834
	Associates (2017: ₹ 42,445)	0	-	-
	Other Related Parties	823	727	574
C)	**Loans, advances and deposits given**			
	Joint Venture (2017: ₹ 307,984)	0	-	-
	Associates	175	-	-
	Other Related Parties	471	577	455
D)	**Other receivables**			
	Joint Venture	-	-	26
	Other Related Parties	286	436	175
E)	**Trade advances received**			
	Other Related Parties	24	24	22
F)	**Trade/Other payables**			
	Joint Venture (2015: ₹ 124,886)	-	-	0
	Associates	-	2	4
	Other Related Parties	333	265	455
G)	**Corporate guarantees given**			
	Subsidiaries	4,018	21,374	11,049
	Other related parties	1,039	800	791

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vi. DISCLOSURE IN RESPECT OF MATERIAL RELATED PARTY WHICH ACCOUNT FOR 10% OR MORE OF THE TRANSACTIONS AND BALANCES DURING THE YEAR :

(₹ Millions)

Sl. No.	Particulars	31-Mar-17	31-Mar-16
(a)	Transactions during the year		
A)	Fixed Assets		
I)	Assets purchased		
	Zee Media Corporation Limited	2	-
	Diligent Media Corporation Limited (2017: ₹ 305,667)	0	-
	Others (2017: ₹ 155,069)	0	-
II)	Assets sold		
	Zee Media Corporation Limited	4	-
B)	Non-Current Investments		
I)	Investments purchase/ subscribed		
	India Webportal Private Limited	-	61
C)	Revenue from operations		
I)	Advertisement income		
	India Webportal Private Limited	60	-
	Dish TV India Limited	91	53
	Living Entertainment Enterprises Private Limited	15	8
	Others	5	6
II)	Subscription income		
	Dish TV India Limited	2,313	1,839
	SITI Networks Limited	707	676
	Others	208	12
III)	Share of subscription income		
	Living Entertainment Enterprises Private Limited	223	-
	Zee Media Corporation Limited	380	-
IV)	Commission - space selling		
	Zee Media Corporation Limited	242	1
	Diligent Media Corporation Limited	55	-
	Zee Aakash News Private Limited	52	-
	Veria International Limited	-	1
	Others	9	-
V)	Sales - media content		
	India Webportal Private Limited	147	22
VI)	Other operating revenue		
	Zee Media Corporation Limited	46	37
	Living Entertainment Enterprises Private Limited	12	7
	Others (2017: ₹ 144,100)	0	1
D)	Other income		
I)	Dividend income		
	Essel Propack Limited	4	3
II)	Rent/ Miscellaneous income		
	Dish TV India Limited	16	16
	Zee Media Corporation Limited	57	57
	Dish Infra Services Private Limited	15	14
	Others	12	21
E)	Purchase of services		
	Zee Media Corporation Limited	224	1,080
	Digital Subscriber Management and Consultancy Services Private Limited	528	503
	Dish TV India Limited	140	176

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forming part of the consolidated financial statements

(₹ Millions)

Sl. No.	Particulars	31-Mar-17	31-Mar-16
	SITI Networks Limited	261	356
	Others	1,176	971
F)	**Recoveries/(Reimbursement) (Net)**		
	Dish TV India Limited	32	37
	Essel Corporate Resources Private Limited	124	16
	Living Entertainment Enterprises Private Limited	-	95
	Zee Media Corporation Limited	212	121
	Others	29	62
G)	**Advances and deposits received**		
	ITZ Cash Card Limited (2017: ₹ 248,253)	0	-
	Zee Learn Limited (2017: ₹ 92,877)	0	-
	Essel Corporate Resources Private Limited	-	10
	Essel Infraprojects Limited	-	12
	Others	-	2
H)	**Advances and deposits repaid**		
	Dish TV India Limited	-	22
I)	**Loans, advances and deposits given**		
	Essel Corporate Resources Private Limited	-	21
	SITI Networks Limited	-	65
	Fly by Wire International Private Limited	40	-
J)	**Corporate social responsibility**		
	Zee Foundation	-	200
	Dr. Subhash Chandra Foundation	218	-
K)	**Remuneration paid**		
	Mr. Punit Goenka - Managing Director and CEO	82	68
	Mr. Subodh Kumar - Executive Vice Chairman	-	24
	Mr. Amit Goenka	36	3

(₹ Millions)

Sl. No.	Particulars	31-Mar-17	31-Mar-16	01-Apr-15
(b)	**Balance as at 31st March**			
A)	**Investments**			
	India Webportal Private Limited	-	39	-
	Media Pro Enterprise India Private Limited	163	87	78
	Others	10	5	8
B)	**Trade receivables**			
	India Webportal Private Limited	171	38	46
	Media Pro Enterprise India Private Limited	86	747	788
	SITI Networks Limited	535	144	184
	Veria International Limited	12	513	368
	Zee Media Corporation Limited (2015: ₹ 185,105)	137	16	0
	Others	139	54	22
C)	**Loans, advances and deposits given**			
	Fly by Wire International Private Limited	175	-	-
	Digital Subscriber Management and Consultancy Services Private Limited	340	340	340
	Broadcast Audience Research Council	45	45	45
	Others	86	193	71

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forming part of the consolidated financial statements

D)	**Other receivables**			
	Media Pro Enterprise India Private Limited	-	-	26
	Zee Media Corporation Limited	48	96	8
	Dish TV India Limited	1	177	158
	Essel Infraprojects Limited	71	32	-
	Living Entertainment Enterprises Private Limited	118	106	-
	Others	48	25	9
E)	**Trade advances received**			
	Essel Corporate Resources Private Limited	10	10	-
	Essel Infraprojects Limited	12	12	-
	Dish TV India Limited	-	-	22
	Others	2	2	-
F)	**Trade/Other payables**			
	Broadcast Audience Research Council	-	30	-
	Dish TV India Limited	11	58	121
	Essel Business Excellence Services Limited	47	66	-
	Indian Cable Net Company Limited	178	27	19
	Zee Media Corporation Limited	33	35	248
	Others	64	50	71
G)	**Corporate guarantees given**			
	Taj TV Limited	4,018	21,374	11,049
	SITI Networks Limited	869	630	610
	Others	170	170	181

44 Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the financial year 2016-2017

(₹ Millions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
	Zee Entertainment Enterprises Limited	66%	44,216	47%	10340	-11%	123	50%	10,463
	SUBSIDIARIES								
	Indian								
1	Zee Turner Limited	0%	48	0%	(48)	0%	0	0%	(48)
2	Essel Vision Productions Limited	1%	397	1%	129	0%	(2)	1%	127
3	Taj Television (India) Private Limited	1%	621	1%	265	0%	0	1%	265
4	Zee Digital Convergence Limited	0%	(332)	-2%	(451)	0%	5	-2%	(446)
5	Sarthak Entertainment Private Limited	0%	298	0%	87	0%	0	0%	87
6	Zee Unimedia Limited	0%	(110)	-1%	(219)	-1%	9	-1%	(210)
	Foreign								
1	ATL Media Limited (Formerly Asia Today Limited)	14%	9208	-1%	(331)	0%	0	-2%	(331)
2	Zee Multimedia Worldwide (Mauritius) Limited	8%	5110	0%	100	0%	2	0%	102
3	Asia TV Limited (UK)	1%	861	1%	164	0%	0	1%	164
4	Expand Fast Holdings (Singapore) Pte Limited	0%	132	0%	9	0%	0	0%	9
5	OOO Zee CIS Holding LLC	0%	0	0%	0	0%	0	0%	0
6	OOO Zee CIS LLC	0%	31	0%	23	0%	0	0%	23
7	Taj TV Limited	27%	18,178	86%	19,065	0%	0	90%	19,065
8	Zee Technologies (Guangzhou) Limited	0%	(58)	0%	(18)	0%	0	0%	(18)

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forming part of the consolidated financial statements

(₹ Millions)

	Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share of profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount
9	Zee Entertainment Middle East FZ-LLC	2%	1575	2%	467	0%	0	2%	467
10	ATL Media FZ-LLC	0%	(153)	0%	(5)	0%	0	0%	(5)
11	Zee TV South Africa (Proprietary) Limited	0%	(230)	0%	54	0%	0	0%	54
12	Zee TV USA Inc.	0%	0	0%	0	0%	0	0%	0
13	Asia Multimedia Distribution Inc.	0%	10	0%	7	0%	0	0%	7
14	Eevee Multimedia Inc.	0%	(60)	0%	(17)	0%	0	0%	(17)
15	Asia Today Singapore Pte Limited	0%	(7)	0%	27	0%	0	0%	27
16	Asia TV (USA) Limited, Wyoming	0%	48	0%	53	0%	0	0%	53
17	Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	1%	651	4%	827	12%	(127)	3%	700
18	Zee Radio Network Middle east FZ - LLC	0%	1	0%	(0)	0%	0	0%	(0)
19	Zee Studio International Limited	0%	0	0%	0	0%	0	0%	0
20	Z5X Global FZ - LLC	0%	(27)	0%	(29)	0%	0	0%	(29)
21	Asia TV Gmbh	0%	2	0%	1	0%	0	0%	1
	Non Controlling Interests in all subsidiaries	0%	10	0%	(12)	0%	0	0%	(12)
	ASSOCIATES (INVESTMENT AS PER THE EQUITY METHOD)								
	Indian								
1	Aplab Limited	0%	0	0%	0	0%	0	0%	0
2	Fly by Wire International Private Limited	0%	7	0%	(6)	0%	0	0%	(6)
	Foreign								
1	Asia Today Thailand Limited	0%	1	0%	(3)	0%	0	0%	(3)
	JOINT VENTURES (INVESTMENT AS PER THE EQUITY METHOD)								
	Indian								
1	Media Pro Enterprise India Private Limited	0%	163	0%	76	0%	0	0%	76
2	India Webportal Private Limited	0%	(32)	0%	(72)	0%	1	0%	(71)

Note :

The figures have been computed based on the respective audited financial statements of the companies vis-à-vis consolidated figures. Impact of consolidation adjustments have not been considered.

45 DIVIDEND

Dividend on equity shares is approved by the Board of Directors in their meeting held on 10 May 2017, and is subject to approval of shareholders at the annual general meeting and hence not recognised as a liability (including DDT thereon). Appropriation of dividend is done in the financial statements post approval by the shareholders. Final dividend on equity shares for the year ended on 2017: ₹ 2.5 per share (₹ 2.25 per share) which aggregates to ₹ 2,401 million (₹ 2,161 million).

46 The consolidated financial statements (hereinafter referred to as "financial statements") of the Group for the year ended 31 March 2017, were authorised for issue by the Audit Committeee at their meeting held on 9 May 2017 and by the Board of Directors at their meeting held on 10 May 2017.

47 PRIOR YEAR COMPARATIVES

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous years.

ZEE
ENTERTAINMENT

Zee Entertainment Enterprises Limited

Registered Office: 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013. India. Tel: +91 22 7106 1234 Fax: +91 22 2300 2107
CIN: L92132MH1982PLC028767 • Website: www.zeetelevision.com

ATTENDANCE SLIP

35TH ANNUAL GENERAL MEETING

I/We hereby record my/our presence at the 35th Annual General Meeting of the Company at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Wednesday the 12th day of July 2017 at 11.00 a.m.

____
Name of Shareholder/Proxy: (IN BLOCK LETTERS)

____
Signature of Shareholder/Proxy

Folio No. ________________________________

Client ID No.# ________________________________

DP ID No. ________________________________

No. of Shares ________________________________

(Applicable for shareholders holding shares in dematerialized form)

ROUTE MAP FOR VENUE OF AGM

Zee Entertainment Enterprises Limited

Registered Office: 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013. India. Tel: +91 22 7106 1234 Fax: +91 22 2300 2107
CIN: L92132MH1982PLC028767 • Website: www.zeetelevision.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

35th Annual General Meeting

Name of Member(s) ____________________

Registered address ____________________

E-mail Id ____________________

Folio No./ Client ID No.____________________

I/We, being the member(s) holding ______________ Equity Shares of Zee Entertainment Enterprises Limited, hereby appoint

1. Name: ______________ E-mail Id: ______________
   Address: ____________________
   ______________ Signature: ______________
   or failing him
2. Name: ______________ E-mail Id: ______________
   Address: ____________________
   ______________ Signature: ______________
   or failing him
3. Name: ______________ E-mail Id: ______________
   Address: ____________________
   ______________ Signature: ______________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Fifth Annual General Meeting of the Company to be held on Wednesday the 12th day of July 2017 at 11.00 a.m. at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions		For	Against
1.	Adoption of Audited Financial Statements of the Company on a standalone and consolidated basis for the financial year ended March 31, 2017 including the Balance sheet, Statement of Profit & Loss and the Reports of the Auditors and Directors thereon.		
2.	Confirmation of Dividend paid on Preference Shares for the financial year ended March 31, 2017.		
3.	Declaration of Dividend of ₹ 2.50 per Equity Share for the financial year ended March 31, 2017.		
4.	Re-appointment of Mr Subodh Kumar as a Director of the Company		
5.	Appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as Statutory Auditors in place of Auditors retiring on rotational basis.		
6.	Ratification of remuneration payable to Cost Auditor for FY 2016-17		
7.	Re-appointment of Mr Manish Chokhani as Independent Director for second term.		
8.	Maintenance of Register of Members at the office of the Registrar & Share Transfer Agent instead of Registered Office of the Company		

Signed this ____day of ___________2017

Signature of Shareholder ______________ Signature of Proxy holder(s) ______________

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, not less than 48 hours before the commencement of the Meeting.

OUR PRESENCE

REGISTERED AND CORPORATE OFFICE

18th Floor, A-Wing, Marathon Futurex,
N.M. Joshi Marg, Lower Parel,
Mumbai – 400013.
Tel. +91 22 7106 1234.

DOMESTIC

Continental Building,
135, Dr. Annie Besant Road, Worli,
Mumbai – 400018.

At- Swetana Residency,
New Kanika Colony,
Kanika Chhak, Cuttack,
Orrisa – 753008.

B-10, Essel House,
Lawrence Road Industrial Area,
New Delhi – 110035.

Filmcity 19, Sector 16 - A,
Noida – 201301.

5 A/1 & 5 A/2,
5th Floor, Park Plaza,
71 Park Street, Kolkata – 700016.

6-2-929 DB Enclave,
Raj Bhavan Road, Khairtabad,
Hyderabad – 500004.

Olympia Platina, No. 33B,
2nd Floor, Sidco Industrial Estate Guindy,
Chennai – 600032.

3rd Floor, United Mantions,
39 M. G. Road,
Bengaluru – 560001.

7B, Shah Industrial Estate,
Off. Veera Desai Road,
Andheri (W),
Mumbai – 400053.

INTERNATIONAL

Mauritius Broadcasting Corporation
Royal Road - Moka 80812, Mauritius
2nd Floor, 33 Ebene House
Ebene Cybercity, Mauritius.

404
Dubai Media City,
Zee Tower Building,
Dubai, UAE.

1608A, Apollo Business Centre,
Feidiao International Building, 1065,
Zhajia Bang Road, Xujiahui
Shanghai, Zip - 200030.

9 Temasek Boulevard,
33-03, Suntec Tower 2,
Singapore 038989.

Hygeria Building, 3rd Floor,
66/68, College Road, Harrow,
HA 1BE, London, UK.

23rd Floor, Ocean Tower 2 Building,
75/47 Sukhumwit 19 (Wattana)
Klongtoey Nua, Wattana,
Bangkok - 10110, Thailand.

72nd Floor, Empire State Building,
350 5th Avenue,
New York, NY 10118 USA.

Dom-40/12, Building 2, Office 330,
Nizhnyaya Krasnosel'skaya Street,
Moscow, Russia, 105066.

ZEE ENTERTAINMENT ENTERPRISES LIMITED
CIN: L92132MH1982PLC028767

REGISTERED & CORPORATE OFFICE
18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013
Tel. +91 22 7106 1234

www.zeetelevision.com /ZeeCorporate

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