



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

To,
The Members,
Zee Entertainment Enterprises Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 1, 2018 to March 31, 2019 (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, 2019 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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. Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
 - a. Policy Guidelines for Uplinking of Television Channels issued by the Ministry of Information & Broadcasting;
 - b. Policy Guidelines for Downlinking of Television Channels issued by the Ministry of Information & Broadcasting;
 - c. The Cable Television Network (Regulations) Act, 1995 read with Amendments and the Cable Television Network Rules, 1994 read with Amendments;
 - d. The Telecommunication (Broadcasting and Cable Services) Interconnection (Addressable Systems) Regulations, 2012;
 - e. Standard of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations, 2013;

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

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

Management Responsibility:

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliance of laws other than those mentioned above;

- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;
- v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in case of one meeting, which was called at shorter notice in compliance with the applicable provisions of the Act and Secretarial Standard, 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.

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

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

i. Composite Scheme of Arrangement and Amalgamation with WOS

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

- (i) Demerger of certain undertakings of ZDCL, IWPL and ZUL vesting with the Company and
- (ii) Amalgamation of SEPL with the Company w.e.f. the Appointed Date of April 01, 2017.

Hon'ble National Company Law Tribunal, Mumbai Bench sanctioned the Composite Scheme of Arrangement and Amalgamation vide order dated April 11, 2018 and the Company has filed the E-form INC-28 with

the Registrar on May 3, 2018. Upon filing of which the said Scheme has become effective w.e.f. May 3, 2018.

ii. Partial redemption of Listed Bonus Preference Shares

The Company redeemed 20% of the nominal value of Listed Bonus Preference Shares of INR 8/- each, i.e. redemption of INR 2/- per preference share, due at the 5th anniversary of the issue of such Preference Shares on March 5, 2019;

Consequent to such redemption, the outstanding issued, subscribed and paid-up Listed Bonus Preference Share Capital of the Company stands reduced from ₹ 16,13,55,38,496/- comprising of 2,01,69,42,312 Listed Bonus Preference Shares of ₹ 8/- each to ₹ 12,10,16,53,872/- comprising of 2,01,69,42,312 listed bonus preference shares of ₹ 6/- each with effect from March 6, 2019.

iii. Redemption of unlisted preference shares

The company redeemed 39,49,105 6% unlisted cumulative redeemable non-convertible preference shares of ₹ 10/- each (Unlisted Series B Preference shares), which were issued on July 24, 2017 pursuant to Composite Scheme of Arrangement for demerger of General Entertainment Channel Undertakings of the Demerged entities, to the shareholders of the demerged entities, on March 20, 2019. The due date for redemption was July 23, 2020 or any time before the redemption date at the discretion of the company.

iv. Issue of equity shares under ESOP Scheme:

The Company had allotted 9,450 (Nine Thousand Four Hundred Fifty) Equity Shares of ₹ 1 each on April 10, 2018 and 3,430 (Three Thousand Four Hundred Thirty) Equity shares of ₹ 1 each on October 31, 2018 in accordance with ZEEL ESOP Scheme 2009 (as modified in 2016).

**For M/s Vinod Kothari & Company
Practising Company Secretaries**

**Vinita Nair
Partner**

**MembershipNo.: A31669
C P No.: 11902**

Place: Mumbai

Date: May 15, 2019