



॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Annexure to Directors Report for FY 2016-17

ESOP DISCLOSURES:

Disclosures as required under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated July 16, 2015 on ESOP Disclosures:

Sr No	Particulars	Details
1	Relevant disclosures in terms of the Guidance Note on Accounting for employees share-based payments issued by ICAI or any other relevant Accounting Standards as prescribed from time to time.	Refer Note 16a(e) of standalone financial statements for the year ended March 31, 2017 for details.
2	Diluted EPS on issue of shares pursuant to all the Schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 – Earning Per Share issued by ICAI or any other relevant accounting standards as prescribed from time to time	Diluted EPS as per Indian Accounting Standards-33 is Rs. 10.77 (Refer Note 45 of Standalone financial statements for details)
3	<u>Details relating to ESOS</u>	
i	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS including:	Presently the Company has only one Employee Stock Option Scheme namely ZEEL ESOP Scheme 2009, which was amended on October 25, 2016 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 & Remuneration Committee for determination of exercise price.
	a) Date of Shareholders approval	August 18, 2009
	b) Total No. of Options approved under ESOP	21,700,355 Stock Options which were later enhanced to 43,400,710 in view of Bonus issue in 2010 in the ratio of 1:1.

	c) Vesting Requirements	Options granted under ZEEL ESOP Scheme 2009 would vest not less than one year and not more than five years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and /or its Subsidiary companies and thus the options would vest on passage of time. In addition to this, the Nomination & Remuneration Committee may also specify certain performance parameters subject to which the options would vest. The specific vesting schedule and conditions subject to which vesting would take place would be outlined in the document given to the option grantee at the time of grant of options.
	d) Exercise Price or pricing formula	The exercise price shall be equal to the closing market price on the day previous to the grant date or such other price (minimum being the value equivalent to face value of Re 1/- per equity share) as may be decided by the Nomination & Remuneration Committee
	e) Maximum term of Options granted	Options granted under ESOP 2009 shall be capable of being exercised within a period of four years from the date of Vesting of the respective Employee Stock Options.
	f) Source of shares (primary, secondary or combination)	Primary
	g) Variation in terms of Options	None
ii	Method used to account for ESOS – Intrinsic or Fair value	Fair Value
iii	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable as the Company has accounted for the Stock Option at Fair Value using the Black-Scholes-Merton Model based on assumptions detailed in Note 16a (e) to the Notes to standalone financial statements for FY 2016-17
iv	Option movement during the year	
	Number of options outstanding at the beginning of FY 16-17	Nil

	Number of Options granted during FY 16-17	9,800 Options
	Number of options forfeited / lapsed during FY 16-17	Nil
	Number of options vested during FY 16-17	Nil
	Number of options exercised during FY 16-17	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	Nil
	Number of options outstanding at the end of FY 16-17	9,800
	Number of options exercisable (vested) at the end of FY 16-17	Nil
v	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	<p>During FY 2016-17, the Company had granted 9,800 Options at Exercise price of Re. 1/- per Option and the Fair Value of these options as per Note 16a(e) to standalone financial statements is Rs. 512/- per Equity Share.</p> <p>In view of this weighted average Exercise Price is Re. 1/- and weighted average Fair Value is Rs. 512/-</p>
vi	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to (a) Senior Managerial Personnel; (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and (c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	<p>(a) & (b) Mr Punit Misra, CEO – Domestic Broadcast Business No of Options granted – 9,800 Exercise Price – Re. 1/- (c) Not Applicable</p>
vi	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information viz. (a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the	Refer Note 16a (e) to the Notes to standalone financial statements for FY 2016-17 for description of method and significant assumptions used to estimate fair value of Options granted during FY 16-17

	risk-free interest rate and any other inputs to the model; (b) the method used and the assumptions made to incorporate the effects of expected early exercise; (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and (d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	
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For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai
Date: May 10, 2017