



Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Standalone Balance Sheet

(` in Lakhs)

Particulars	As at 31-Mar-2020 Audited	As at 31-Mar-2019 Audited
A) Assets		
I) Non-current assets		
(a) Property, plant and equipment	38,274	34,774
(b) Capital work-in-progress	2,155	1,749
(c) Investment property	7,966	14,477
(d) Goodwill	18,810	30,180
(e) Other Intangible assets	4,594	8,453
(f) Financial Assets		
(i) Investments		
a) Investments in subsidiaries	61,914	62,187
b) Other investments	13,296	69,835
(ii) Other financial assets	1,987	2,890
(g) Income tax assets (net)	11,145	54,094
(h) Deferred tax assets (net)	21,241	-
(i) Other non-current assets	794	1,676
Total non-current assets	182,176	280,315
II) Current assets		
(a) Inventories	441,012	325,642
(b) Financial assets		
(i) Investments	10,220	25,190
(ii) Trade receivables	205,198	165,949
(iii) Cash and cash equivalents	38,264	85,850
(iv) Bank balances other than (iii) above	10,052	1,094
(v) Loans	-	17,841
(vi) Other financial assets	43,067	98,442
(c) Other current assets	95,380	86,586
Total current assets	843,193	806,594
III) Non-current asset classified as held for sale	7,687	-
Total Assets (I + II + III)	1,033,056	1,086,909
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	9,605	9,605
(b) Other equity	755,836	703,539
Total equity	765,441	713,144
B) Liabilities		
I) Non-current liabilities		
(a) Financial Liabilities - borrowings		
Redeemable preference shares	29,750	74,089
Others	3,575	172
(b) Provisions	12,645	12,488
Total non-current liabilities	45,970	86,749
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
total outstanding dues of micro enterprises and small enterprises	3	1
total outstanding dues of creditors other than micro enterprises and small enterprises	143,553	130,275
(ii) Other financial liabilities		
Redeemable preference shares	29,750	37,043
Others	24,514	76,975
(b) Other current liabilities	13,794	6,674
(c) Provisions	797	564
(d) Income tax liabilities (net)	9,234	20,717
(e) Deferred tax liabilities (net)	-	14,767
Total current liabilities	221,645	287,016
Total liabilities (I + II)	267,615	373,765
Total equity and liabilities (A + B)	1,033,056	1,086,909

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Standalone financial results for the quarter and year ended 31 March 2020

('₹ in Lakhs)

Particulars	Quarter ended on			Year ended on	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Unaudited (Refer Note 3)	Unaudited	Audited (Refer Note 3)	Audited	Audited
1 Revenue from operations	172,456	185,289	168,730	721,899	685,786
2 Other income	4,102	4,145	3,866	22,779	18,936
Total income [1 + 2]	176,558	189,434	172,596	744,678	704,722
3 Expenses					
(a) Operational cost	106,389	74,328	68,452	331,404	240,064
(b) Employee benefits expense	12,489	16,489	16,591	61,692	54,186
(c) Finance costs	8,372	1,845	11,329	13,904	12,842
(d) Depreciation and amortisation expenses	5,169	4,239	3,675	17,763	15,894
(e) Fair value Loss/(gain) on financial instruments at fair value through profit and loss	8,463	9,528	(6,927)	33,143	(677)
(f) Advertisement and publicity expenses	16,295	15,140	17,101	57,624	58,222
(g) Other expenses	33,652	19,305	9,602	80,432	62,472
Total expenses [3(a) to 3(g)]	190,829	140,874	119,823	595,962	443,003
4 (Loss)/Profit before exceptional item and taxes [1+2-3]	(14,271)	48,560	52,773	148,716	261,719
5 Exceptional items (Refer note 6 and 7)	(11,370)	-	(2,180)	(28,432)	(2,180)
6 (Loss)/Profit before tax [4-5]	(25,641)	48,560	50,593	120,284	259,539
7 Tax expense :					
(a) Current tax	6,226	16,583	19,686	56,926	94,819
(b) Current tax - earlier years	431	1,299	174	293	(2,095)
(c) Deferred tax	(2,724)	(2,714)	(96)	(11,731)	1,334
Total tax expense [7(a) + 7(b) + 7(c)]	3,933	15,168	19,764	45,488	94,058
8 (Loss)/Profit for the period / year [6 - 7]	(29,574)	33,392	30,829	74,796	165,481
9 Other comprehensive (loss)/income					
Items that will not be reclassified to profit or loss					
(a) (i) Re-measurement of defined benefit obligation	2,225	132	(72)	1,110	(1,038)
(ii) Fair value changes of equity instruments through other comprehensive income	(5)	74	208	643	(190)
(b) Income tax relating to items that will not be reclassified to profit or loss	(559)	(39)	25	(284)	363
Total other comprehensive income / (loss) [9(a) to 9(b)]	1,661	167	161	1,469	(865)
10 Total comprehensive (loss)/income [8 + 9]	(27,913)	33,559	30,990	76,265	164,616
11 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605
11 Other equity				755,836	703,539
12 Earnings per share (not annualised) :					
Basic (₹)	(3.08)	3.48	3.21	7.79	17.23
Diluted (₹)	(3.08)	3.48	3.21	7.79	17.23

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Standalone Statement of Cash Flow year ended 31 March 2020

Particulars	31-Mar-20	31-Mar-19
	Audited	Audited
A. Cash flow from operating activities		
Profit before tax	120,284	259,539
Adjustments for:		
Depreciation and amortisation expense	17,763	15,894
Allowances for doubtful debts and advances	31,098	1,304
Exceptional Item	28,432	2,180
Bad debts and advances written off	-	41
Share based payment expense	112	121
Liabilities and excess provision written back	(164)	(1,102)
Unrealised (gain)/loss on exchange adjustments (net)	(1,060)	134
(Profit)/Loss on sale or impairment of property, plant and equipment (net)	(21)	136
Interest expenses	768	1,332
Fair value loss/(gain) on financial instruments classified as fair value through profit and loss	33,143	(677)
Loss on sale of investments	-	2,310
Dividend on redeemable preference shares	8,546	11,491
Dividend income	(950)	(59)
Net gain on sale of investments classified as fair value through profit and loss	(1,042)	(2,682)
Interest income	(14,366)	(8,815)
Operating profit before working capital changes	222,543	281,147
Adjustments for:		
(Increase) in inventories	(115,368)	(107,641)
(Increase) in trade and other receivables	(22,568)	(154,776)
(Decrease)/Increase in trade and other payables	(28,209)	90,570
Cash generated from operations	56,398	109,300
Direct taxes paid (net)	(25,534)	(82,973)
Net cash flow from operating activities (A)	30,864	26,327
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(8,202)	(7,477)
Purchase of intangible assets	(2,080)	(3,240)
Sale of property, plant and equipment / intangible assets	171	129
Fixed deposit invested	(19,639)	(860)
Fixed deposit matured	10,749	67,492
Receipt of sale of equity shares of associate company	-	19
Purchase of non current investments	(145)	(12,486)
Sale of non current investments	7,693	1,200
Purchase of current investments	(318,500)	(278,500)
Proceeds from Sale / redemption of current investments	340,523	331,589
Dividend received from subsidiary company	900	-
Dividend received from others	46	44
Interest received	13,927	8,163
Net cash flow from investing activities (B)	25,443	106,073
C. Cash flow from financing activities		
Redemption of redeemable Non-Convertible preference shares	(48,414)	(48,910)
Payment of lease liability	(3,140)	-
Proceeds from long-term borrowings	18	206
Repayment of long-term borrowings	(123)	(99)
Dividend paid on equity shares	(40,486)	(33,569)
Dividend paid on Redeemable Non-Convertible Preference Shares	(11,464)	(13,769)
Interest paid	(284)	(477)
Net cash flow used in financing activities (C)	(103,893)	(96,618)
Net cash flow during the year (A+B+C) (Refer note 8)	(47,586)	35,782
Cash and cash equivalents at the beginning of the year	85,850	50,068
Net cash and cash equivalents at the end of the year	38,264	85,850



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Notes to standalone financial results

1. The standalone financial results have been reviewed by the Audit Committee in their meeting and approved by the Board of Directors in their respective meetings held on 24 July 2020. These results have been subjected to audit/limited review carried out by the Statutory Auditors.
2. The standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. The figures for the last quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between audited figures for the full financial year ended 31 March 2020 and 31 March 2019 and the unaudited published year-to-date figures up to 31 December 2019 and 31 December 2018 respectively, being the date of the end of the third quarter of the respective financial year. The figures for the last quarter ended 31 March 2020 were subjected to limited review.
4. In relation to the listed 6% Cumulative Redeemable Non-convertible Preference Shares (ISIN : INE256A04022) of the Company, the following information is disclosed as per Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in lakhs)

Particulars	31 March 2020	31 March 2019
Outstanding listed redeemable preference shares 2,016,942,312 of Rs. 4 each (Paid-up value) (31 March 2019 : 2,016,942,312 of Rs. 6 each)#	80,678	121,017
Net worth** as at	824,941	824,276
Cumulative profit for the year ended*	74,796	165,479
Free reserves as at	622,695	606,599
Securities premium account balance as at	-	-
Dividend payment on Preference Shares for the financial year 2019-20 and 2018-19 paid before the due date	7,089	9,509
Breach of any covenants under the terms of non-convertible preference shares for the year ended	Nil	Nil
Credit rating by Brickworks rating for the year ended***	Refer note below	
Next due date for the payment of dividend	15 April 2020	
Previous due date the payment of dividend	15 April 2019	
Amount of dividend and principal payable	As per terms of issue dividend @6% p.a. is payable on preference shares and the 20% of the principal value i.e. Rs. 2 per preference share is due for redemption in March 2021	

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*Excludes other comprehensive income

** Includes 6% Cumulative Redeemable Non-convertible preference share capital of Rs. 59,500 Lakhs as at 31 March 2020 and Rs. 111,132 Lakhs as at 31 March 2019.

*** During the year under review, Brickwork Ratings India Private Ltd had revised the rating assigned to the Company as the issuer and Bonus Preference Shares of the Company, listed at the Stock Exchanges, from 'BWR AAA' to 'BWR AA' with the change in outlook from 'Credit watch with developing implication' to 'Credit watch with Negative implications'.

Total Borrowing of the Company as at 31 March, 2020 was Rs 80,900 lakhs including Redeemable Bonus preference shares of Rs 80,700 lakhs as Redeemable preference shares forms part of the borrowings as per INDAS. Accordingly, actual outstanding borrowing of the Company as at 31 March, 2020 was Rs 200 lakhs i.e less than Rs 10,000 lakhs. Hence, Mandatory borrowing to be done through issuance of debt securities was not required

5. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
6. As at 31 March 2020, the Company assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and disclosed as 'Exceptional item'. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.
7. The Company in earlier years, had invested in Inter-corporate Deposits (ICDs) / Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during the quarter ended 30 September 2019 and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts
8. The Company had a fixed deposit with a bank of Rs. 20,000 lakhs. During the month of July 2019, the bank had prematurely and unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain non-group related parties (promoter group entities). Subsequently, these related parties have paid the said amount to the Company along with the interest thereon amounting to Rs. 251 lakhs. The Audit Committee had advised the management to investigate the matter fully and take appropriate action. The report of the findings was presented to the Audit Committee and taken on record that there were no exceptions.

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Based on legal advice, and the fact that the related parties have paid the said amount, along with interest, the Audit Committee and the Board of Directors of the Company had approved the setting-off of the amounts received from the related parties with the aforesaid fixed deposit based on communication received from related parties. Subsequent to the year end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.

9. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities.

The Company has assessed the impact of this pandemic on its business operations. The same has been incorporated in the plans going forward.

Based on its review and current indicators of future economic conditions, the Company has also taken various steps aimed at augmenting liquidity, conserving cash including various cost saving initiatives, and sale of non-core and other assets.

The Company has also assessed the recoverability of its assets including property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets considering the internal and external information including subsequent collections of receivables, credit risk and industry reports available. The Company made necessary adjustments to the carrying amounts by recognizing provisions/impairment of assets wherever necessary.

As a result of the uncertainties growing with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic condition.

10. The Company has trade receivables aggregating Rs 81,552 lakhs from two key strategic customers as at 31 March 2020, which include amounts which are long overdue. For one of the customer, the Management, based on detailed assessment of recoverability, has agreed on revised individual plans with this customer, which involve recovering the amounts over a period of 12 to 24 months. Subsequently, the customer has been paying as per the agreed plan. Accordingly, the Management has considered the aforesaid amounts as good of recovery and, in line with Ind AS 109 on 'Financial Instruments' recorded expected credit loss aggregating Rs 3,764 lakhs (recorded in the quarter ended 31 December 2019) towards time value of money on account of the delayed collections from this customer. Further, in respect of the other key customer (a related party), based on the assessment of it's credit risk as well as the potential impact of the COVID 19 pandemic on this customer, the Company has recorded an expected credit loss aggregating Rs. 11,787 lakhs.

Further, provision of Rs 4,133 lakhs has been recorded with respect to advertising and subscription customers as a matter of abundant caution, on account of potential credit risk due to COVID-19 pandemic.



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11. ATL Media Limited (ATL), an overseas wholly-owned subsidiary of the Company, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with Living Entertainment Limited (LEL) to purchase 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Company) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, based on certain representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the put option, take or pay agreements and guarantees. The Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans to the Bank and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub-judice.

Since the matters are sub-judice and based on legal advise obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company or require any compliances with the provisions of the Companies Act, 2013, Foreign Exchange Management Act (FEMA), or with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).



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12. Effective 1 April 2019, the Company adopted Ind AS 116 on 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the standalone financial results for the quarter and year ended 31 March 2020.
13. During the year ended 31 March 2020, the Company has issued and allotted 16,735 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,483,235 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
14. The Board of directors have recommended Equity Dividend of Rs. 0.30 Per equity share of Rs. 1 each and fixed Friday, 11 September 2020 as record date for the purposes of payment of equity dividend and Annual General Meeting.

For and on behalf of the Board

Zee Entertainment Enterprises Limited

Punit Goenka

Managing Director & CEO

Place: Mumbai

Date : 24 July 2020



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Consolidated Balance Sheet

(` in Lakhs)

Particulars	As at 31-Mar-2020	As at 31-Mar-2019
	Audited	Audited
ASSETS		
I) Non-current assets		
(a) Property, plant and equipment	67,968	59,587
(b) Capital work-in-progress	3,344	10,826
(c) Investment property	7,969	15,510
(d) Goodwill	40,696	52,520
(e) Other intangible assets	14,837	13,834
(f) Intangible assets under development	4,974	4,780
(g) Financial Assets		
(i) Investments		
(a) Investments in associates	35	30
(b) Investments in joint venture	1,927	2,174
(c) Other investments	2,813	9,690
(ii) Other financial assets	4,292	5,232
(h) Income tax assets (net)	41,022	79,822
(i) Deferred tax assets (net)	27,422	-
(j) Other non-current assets	895	5,906
Total non-current assets	218,194	259,911
II) Current assets		
(a) Inventories	534,748	385,053
(b) Financial assets		
(i) Other Investments	27,697	85,759
(ii) Trade receivables	208,469	182,739
(iii) Cash and cash equivalents	55,290	96,769
(iv) Bank balances other than (iii) above	18,162	25,414
(v) Loans	-	21,347
(vi) Other financial assets	37,324	100,547
(c) Other current assets	128,044	135,760
Total current assets	1,009,734	1,033,388
III) Non-current assets classified as held for sale	9,446	-
Total Assets (I + II + III)	1,237,374	1,293,299
EQUITY AND LIABILITIES		
A) Equity		
(a) Equity Share capital	9,605	9,605
(b) Other equity	924,787	882,785
Equity attributable to shareholders (a) + (b)	934,392	892,390
Non controlling interests	1,100	1,431
Total equity	935,492	893,821
B) Liabilities		
I) Non current liabilities		
(a) Financial Liabilities		
(i) Borrowings		
Redeemable preference shares	29,750	74,089
Others	5,260	204
(b) Provisions	14,050	13,500
Total non-current liabilities	49,060	87,793
II) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	168,034	148,968
(ii) Other financial liabilities		
Redeemable preference shares	29,750	37,044
Others	28,079	80,292
(b) Other current liabilities	16,683	10,956
(c) Provisions	1,213	1,007
(d) Income tax liabilities (net)	9,063	20,795
(e) Deferred tax liabilities (net)	-	12,623
Total current liabilities	252,822	311,685
Total liabilities (I + II)	301,882	399,478
Total equity and liabilities (A + B)	1,237,374	1,293,299



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Consolidated financial results for the quarter and year ended 31 March 2020

(` in Lakhs)

Particulars	Quarter ended on			Year ended ended on	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Unaudited (Refer Note 3)	Unaudited	Audited (Refer Note 3)	Audited	Audited
1 Revenue from operations					
(a) Advertisement revenue	103,894	123,082	121,749	468,113	503,666
(b) Subscription revenue	74,136	71,366	56,527	288,729	231,054
(c) Other sales and services	17,078	10,417	23,651	56,144	58,670
2 Other income	4,066	7,095	5,679	28,364	25,145
Total income [1(a) to 1(c) + 2]	199,174	211,960	207,606	841,350	818,535
3 Expenses					
(a) Operational cost	130,462	84,762	88,332	382,851	307,579
(b) Employee benefits expense	16,039	20,752	20,146	78,051	72,494
(c) Finance costs	8,637	2,004	11,417	14,489	13,043
(d) Depreciation and amortisation expense	7,776	6,555	5,678	27,064	23,473
(e) Fair value loss / (gain) on financial instruments at fair value through profit and loss	27,870	4,010	(931)	25,967	(364)
(f) Advertisement and publicity expenses	18,412	19,076	19,301	69,560	69,927
(g) Other expenses	58,581	23,698	17,317	119,067	86,996
Total expenses [3(a) to 3(g)]	267,777	160,857	161,260	717,049	573,148
4 (Loss)/Profit before share of (loss)/profit of associates and joint venture, exceptional item and taxes [1+2-3]	(68,603)	51,103	46,346	124,301	245,387
5 Share of (loss)/profit of associates/joint venture	(330)	(20)	25	(240)	243
6 (Loss)/Profit before exceptional items and tax [4 + 5]	(68,933)	51,083	46,371	124,061	245,630
7 Exceptional items (Refer note 4 and 5)	(11,370)	-	(2,180)	(28,432)	(2,180)
8 (Loss)/Profit before tax [6 + 7]	(80,303)	51,083	44,191	95,629	243,450
9 Tax expense :					
(a) Current tax	6,634	16,757	20,401	58,148	96,855
(b) Current tax - earlier years	431	1,299	(5,243)	293	(11,473)
(c) Deferred tax	(10,786)	(1,833)	(220)	(15,271)	1,344
Total tax expense [9(a) + 9(b) + 9(c)]	(3,721)	16,223	14,938	43,170	86,726
10 (Loss)/Profit for the period/year [8 - 9]	(76,582)	34,860	29,253	52,459	156,724
11 Other comprehensive income/(loss)					
(A) Items that will not be reclassified to profit or loss					
(a) (i) Re-measurement of defined benefit obligation	2,189	138	(8)	1,087	(990)
(ii) Fair value changes of equity instruments through other comprehensive income	(635)	66	407	13	(880)
(b) Income tax relating to items that will not be reclassified to profit or loss	(551)	(41)	4	(280)	346
(B) Items that will be reclassified to profit or loss					
(a) Exchange differences on translation of financial statements of foreign operations	6,660	2,441	(468)	12,544	14,488
Total other comprehensive income / (loss) [11(A) + 11(B)]	7,663	2,604	(65)	13,364	12,964
12 Total comprehensive (loss)/income [10 + 11]	(68,919)	37,464	29,188	65,823	169,688
13 (Loss) / Profit for the year attributable to :					
Shareholders of the Company	(76,668)	34,943	29,168	52,650	156,709
Non-controlling interests	86	(83)	85	(191)	15
14 Total comprehensive (loss) / income attributable to					
Shareholders of the Company	(69,005)	37,547	29,103	66,014	169,673
Non-controlling interests	86	(83)	85	(191)	15
15 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605	9,605
16 Other equity				924,787	882,785
17 Earnings per Share (not annualised) :					
Basic (₹)	(7.98)	3.64	3.04	5.48	16.32
Diluted (₹)	(7.98)	3.64	3.04	5.48	16.32

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ZEE ENTERTAINMENT ENTERPRISES LIMITED
CIN No : L92132MH1982PLC028767

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

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Consolidated Statement of Cash Flow for year ended 31 March 2020

Particulars	31-Mar-20	31-Mar-19
	Audited	Audited
A. Cash flow from operating activities		
Profit before tax	95,629	243,450
Adjustments for:		
Depreciation and amortisation expense	27,064	23,473
Allowances for doubtful debts and advances	56,561	8,339
Exceptional items	28,432	2,180
Bad debts and advances written off	-	43
Share based payment expense	112	121
Liabilities and excess provision written back	(414)	(1,110)
Unrealised (gain) / loss on exchange adjustments (net)	(1,060)	134
(Profit)/Loss on sale or impairment of Property, plant and equipment (net)	(2,500)	242
Interest expenses	1,351	1,391
Loss on sale of investments classified as fair value through profit and loss/amortised cost	-	2,189
Profit on sale of investments	(1,046)	(2,918)
Dividend on redeemable non convertible preference shares	8,546	11,491
Fair value loss / (gain) on financial instruments at fair value through profit and loss	25,967	(364)
Share of loss/(profit) in associates and joint ventures	240	(243)
Dividend income	(50)	(59)
Interest income	(15,120)	(10,328)
Operating profit before working capital changes	223,712	278,031
Adjustments for:		
(Increase) in inventories	(148,302)	(115,420)
(Increase) in trade and other receivables	(2,892)	(142,553)
(Decrease)/increase in trade and other payables	(16,389)	86,455
Cash generated from operations	56,129	106,513
Direct taxes paid (net)	(31,137)	(92,995)
Net cash flow from operating activities (A)	24,992	13,518
B. Cash flow from investing activities		
Purchase of property, plant and equipment / capital work-in-progress	(8,096)	(19,675)
Purchase of intangible assets	(10,084)	(8,563)
Sale of property, plant and equipment / intangible assets	3,669	92
Fixed deposit invested	(19,630)	(25,053)
Fixed deposit matured	26,946	67,492
Purchase of non current investments	(150)	(100)
Proceeds from sale of non current investments	6,093	1,310
Purchase of current investments	(318,500)	(278,500)
Proceeds from sale / redemption of current investments	344,182	336,592
Loans repaid by others	780	2,933
Dividend received	50	59
Interest received	13,616	10,041
Net cash flow from investing activities (B)	38,876	86,628
C. Cash flow from financing activities		
Redemption of redeemable non-convertible preference shares	(48,670)	(48,910)
Proceeds from long-term borrowings	20	256
Repayment of lease liabilities	(4,473)	-
Repayment of long-term borrowings	(140)	(109)
Dividend paid on equity shares and tax thereon	(40,806)	(33,569)
Dividend paid on redeemable non-convertible preference shares	(11,464)	(13,769)
Interest paid	(668)	(536)
Net cash flow used in financing activities (C)	(106,201)	(96,637)
Net cash flow during the year (A+B+C) (Refer note 6)	(42,333)	3,509
Effect of exchange differences on translation of foreign currency cash and cash equivalents	854	(186)
Cash and cash equivalents at the beginning of the year	96,769	93,446
Net cash and cash equivalents at the end of the year	55,290	96,769

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Notes to consolidated financial results

1. The consolidated financial results of Zee Entertainment Enterprises Limited (Parent / Company) and its subsidiaries (collectively referred as the Group) and its share of the (loss)/profit of its joint venture and associate have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 24 July 2020. These results have been subjected to audit/limited review carried out by the Statutory Auditors.
2. The consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. The figures for the last quarters ended 31 March 2020 and 31 March 2019 are the balancing figures between audited figures for the full financial year ended 31 March 2020 and 31 March 2019 and the unaudited published year-to-date figures up to 31 December 2019 and 31 December 2018 respectively, being the date of the end of the third quarter of the respective financial year. The figures for the last quarter ended 31 March 2020 were subjected to limited review.
4. As at 31 March 2020, the Group assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which has been severally impacted and accordingly resulting in lower fair value of the CGU. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 11,370 lakhs in the quarter and year ended 31 March 2020 and disclosed as 'Exceptional item'. Due to use of significant unobservable inputs to compute the fair value, it is classified as level 3 in the fair value hierarchy as per the requirement of Ind AS 113 on 'Fair value measurement'.
5. The Company in earlier years, had invested in Inter-corporate Deposits (ICDs) / Non Convertible Debentures (NCDs). Accordingly, the Company had, in an earlier year, given an Inter-corporate Deposit (ICD) aggregating Rs. 15,000 lakhs. On account of delays in recovery of the amount, the ICD was assigned to certain related parties, to secure payment of Rs. 17,062 lakhs (including accrued interest up to the date of assignment). Since, there are further delays in receiving payment from these related parties, the aforesaid amount has been provided during the quarter ended 30 September 2019 and disclosed as an 'Exceptional item'. The Company is taking various actions against the said parties for recovering the amounts.



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6. The Company had a fixed deposit with a bank of Rs. 20,000 lakhs. During the month of July 2019, the bank had prematurely and unilaterally adjusted the amount of the fixed deposit, which was maturing on 10 September 2019, against the dues of certain non-group related parties (promoter group entities). Subsequently, these related parties have paid the said amount to the Company along with the interest thereon amounting to Rs. 251 lakhs. The Audit Committee had advised the management to investigate the matter fully and take appropriate action. The report of the findings was presented to the Audit Committee and taken on record that there were no exceptions.

Based on legal advice, and the fact that the related parties have paid the said amount, along with interest, the Audit Committee and the Board of Directors of the Company had approved the setting-off of the amounts received from the related parties with the aforesaid fixed deposit based on communication received from related parties. Subsequent to the year end, the Company has resolved the matter with the Bank and both the parties have mutually agreed and documented the understanding confirming the aforesaid adjustment, concluding the communication/documentation for this matter.

7. The outbreak of the Corona virus (COVID-19) pandemic has spread globally and in India, which has affected economic activities.

The Group has assessed the impact of this pandemic on its business operations. The same has been incorporated in the plans going forward.

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

The Group has also assessed the recoverability of its assets including property plant and equipment, intangible assets (including goodwill), investments, receivables, inventory and other current assets considering the internal and external information including subsequent collections of receivables, credit risk and industry reports available. The Group made necessary adjustments to the carrying amounts by recognizing provisions/impairment of assets wherever necessary.

As a result of the uncertainties growing with respect to COVID-19, the impact of this pandemic may be different from that estimated as at the date of approval of these financial results. The Group will continue to closely monitor any material changes to future economic condition.



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8. The Company has trade receivables aggregating Rs 81,552 lakhs from two key strategic customers as at 31 March 2020, which include amounts which are long overdue. For one of the customer, the Management, based on detailed assessment of recoverability, has agreed on revised individual plans with this customer, which involve recovering the amounts over a period of 12 to 24 months. Subsequently, the customer has been paying as per the agreed plan. Accordingly, the Management has considered the aforesaid amounts as good of recovery and, in line with Ind AS 109 on 'Financial Instruments' recorded expected credit loss aggregating Rs 3,764 lakhs (recorded in the quarter ended 31 December 2019) towards time value of money on account of the delayed collections from this customer. Further, in respect of the other key customer (a related party), based on the assessment of it's credit risk as well as the potential impact of the COVID-19 pandemic on this customer, the Company has recorded an expected credit loss aggregating Rs. 11,787 lakhs.

Further, provision of Rs 4,133 lakhs has been recorded with respect to advertising and subscription customers as a matter of abundant caution, on account of potential credit risk due to COVID-19 pandemic.

9. The Group has investments in overseas mutual funds which were measured at fair value through profit or loss. During the quarter ended 31 March 2020, the COVID-19 pandemic caused severe market disruptions and uncertainty resulting in significant decline in the value of similar funds globally. The Group decided to sell these investments and during the quarter ended 31 March 2020, appointed a consultant to identify a buyer for these investments. While the investments were deployed in high yield assets, due to the impact of the pandemic, the value of the underlying assets declined significantly and potentially delayed the disposal and realisation of these investments. Considering all relevant factors including avoidance of any additional losses on account of such market disruptions and uncertainties, subsequent to the year end, the management has entered into an agreement to sell these investments at a consideration of Rs 22,445 lakhs (USD 30 million). In accordance with Ind AS 113 on 'Fair Value Measurement', the exit price reflects fair value as at 31 March 2020 and consequently a loss aggregating Rs 38,350 (USD 54 million) is recognised in these results.
10. a) ATL Media Limited (ATL), an wholly-owned subsidiary of the Company incorporated in Mauritius, engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, which is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option Agreement with LEL to acquire 64.38% of the issued share capital held by LEL in Veria International Limited (VIL) (another related party of the Group) for \$ 105 million, the exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing, from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option Agreement in favour of Axis Bank DIFC branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. The Put Option Agreement was amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026 based on certain

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representations made by LEL and the exercise price was set at \$52.50 million (Rs. 39,270 lakhs) for the same number of shares and LEL extended the assignment of the Put Option to the security trustee. During the year, the Bank has enforced the put option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequent to year end, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the put option agreement and consequently, ATL has rescinded the put option from the date the put option was extended as well as filed a suit against LEL and the security trustee of the said Bank in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended put option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice.

The Group does not consider that any liability will devolve on it and hence has not recognized any liability against the put option agreement (total value of the put option \$52.5 million (Rs. 39,275 lakhs)) and any consequential impact on the statement of profit and loss. Further, the management of the Group has determined that based on valuation reports provided by LEL annually for subsequent periods (i.e. from the year ended 31 March 2016 to 31 March 2019), the value of the underlying shares in VIL was higher than the exercise price and hence no amount was required to be recognized as a liability on account of the put option in respect of those financial year ends.

b) In May 2016, the Company had issued a Letter of Comfort (LOC) to the said Bank confirming its intention, among other matters, to support ATL by infusing equity/debt for meeting all its working capital requirements, debt requirements, business expansion plans, honouring the put option, take or pay agreements and guarantees. During the year, the Company has received communication from the Bank mentioning defaults committed by LEL in repayment of their loans and calling upon the Company to support ATL in connection with honouring the Put Option, which would then enable LEL meet its loan repayment obligations to the Bank, however the Bank and LEL remained in discussion to settle the borrowing.

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay/repay any obligation of LEL. Subsequent to the year-end, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC is a guarantee. The Hon'ble High Court of Bombay Vide Order dated 30 June 2020, has refused the ad-interim relief sought by the Bank. The Bank has filed an appeal before the Hon'ble High Court of Bombay Division Bench against the said Order. The Company is contesting the Bank's appeal in the Hon'ble High Court and the matter is sub – judice.. Since the matters are sub-judice and based on legal advice obtained by the Company, the LOC has not been considered as a guarantee by the management and does not create any transaction that requires recognition of a liability in the books of account of the Company. Further, the Group has concluded that the matter of LOC will not impact the consolidated financial statements since this is an intra-group arrangement and will in any case be eliminated during the preparation of the consolidated financial statements.

11. Effective 1 April 2019, the Group adopted Ind AS 116 on 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the consolidated financial results for the quarter and year ended 31 March 2020.

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12. During the year ended 31 March 2020, the Company has issued and allotted 16,735 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,483,235 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
13. The Group operates in a single reporting segment namely 'Content and Broadcasting'.

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For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai

Date : 24 July 2020

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