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

www.zeeentertainment.com

Consolidated financial results for the quarter and nine months ended 31 December 2018

(₹ in Lakhs)

	Particulars	Quarter ended on			Nine months ended on		Year ended on
		31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
		Unaudited	Unaudited	Unaudited (Restated) (Refer note 4)	Unaudited	Unaudited (Restated) (Refer note 4)	Audited
1	Revenue from operations						
	(a) Advertisement revenue	146,257	121,060	120,202	381,918	315,521	420,476
	(b) Subscription revenue	61,848	60,816	50,169	174,528	148,221	202,873
	(c) Other sales and services	8,572	15,710	13,436	35,020	32,295	45,219
2	Other income	8,598	5,893	4,804	19,466	35,223	44,035
	Total income [1(a) to 1(c) + 2]	**225,275**	**203,479**	**188,611**	**610,932**	**531,260**	**712,603**
3	**Expenses**						
	(a) Operational cost	79,781	72,634	67,298	219,247	183,821	252,752
	(b) Employee benefits expense	18,338	16,872	15,354	52,348	50,183	66,566
	(c) Finance costs	552	545	236	1,626	1,734	14,478
	(d) Depreciation and amortisation expense	6,146	5,884	5,045	17,794	12,264	18,208
	(e) Fair value loss/(gain) on financial instruments at fair value through profit and loss	(3,764)	2,202	4,192	567	10,991	676
	(f) Advertisement and publicity expenses	20,105	16,505	17,962	50,626	44,474	57,732
	(g) Other expenses	23,024	24,003	23,751	69,679	60,565	83,904
	Total expenses [3(a) to 3(g)]	**144,182**	**138,645**	**133,838**	**411,887**	**364,032**	**494,316**
4	**Profit before share of profit/(loss) of associates and joint ventures, exceptional item and taxes[1+2-3]**	**81,093**	**64,834**	**54,773**	**199,045**	**167,228**	**218,287**
5	Share of profit/(loss) of associates/joint ventures	24	18	(6)	218	60	118
6	**Profit before exceptional items and tax [4 + 5]**	**81,117**	**64,852**	**54,767**	**199,263**	**167,288**	**218,405**
7	Exceptional items (Refer note 3)	-	-	-	-	13,461	13,461
8	**Profit before tax [6 + 7]**	**81,117**	**64,852**	**54,767**	**199,263**	**180,749**	**231,866**
9	Tax expense :						
	(a) Current tax - current year	30,319	25,653	20,199	76,455	58,594	87,921
	(b) Current tax - earlier years	(6,230)	-	(76)	(6,230)	(76)	(144)
	(c) Deferred tax	752	589	(2,733)	1,564	(2,480)	(3,686)
	Total tax expense [9(a) + 9(b) + 9(c)]	**24,841**	**26,242**	**17,390**	**71,789**	**56,038**	**84,091**
10	**Profit for the period/year [8 - 9]**	**56,276**	**38,610**	**37,377**	**127,474**	**124,711**	**147,775**
11	Other comprehensive income/(loss)						
	(A) Items that will not be reclassified to profit or loss						
	(a) (i) Re-measurment of defined benefit obligation	(784)	74	235	(982)	675	468
	(ii) Fair value changes of equity instruments through other comprehensive income	301	(901)	431	(1,287)	769	(683)
	(b) Income tax relating to items that will not be reclassified to profit or loss	274	(26)	(82)	342	(234)	(139)
	(B) Items that will be reclassified to profit or loss						
	(a) Exchange differences on translation of financial statements of foreign operations	(8,470)	14,386	(6,051)	14,956	(8,258)	(3,639)
	Total other comprehensive income/(loss) [11(A) + 11(B)]	**(8,679)**	**13,533**	**(5,467)**	**13,029**	**(7,048)**	**(3,993)**
12	**Total comprehensive income [10 + 11]**	**47,597**	**52,143**	**31,910**	**140,503**	**117,663**	**143,782**
13	Profit for the year attributable to :						
	Shareholders of the Company	56,238	38,667	37,426	127,543	124,811	147,910
	Non-controlling interests	38	(57)	(49)	(69)	(100)	(135)
14	Total comprehensive income attributable to						
	Shareholders of the Company	47,559	52,200	31,959	140,572	117,763	143,917
	Non-controlling interests	38	(57)	(49)	(69)	(100)	(135)
15	Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,604	9,605	9,604	9,605
16	Other equity						746,565
17	Earnings per Share (not annualised) :						
	Basic (₹)	5.86	4.03	3.90	13.28	13.00	15.40
	Diluted (₹)	5.86	4.03	3.90	13.28	12.99	15.40

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Notes to consolidated financial results

1. The unaudited consolidated financial results of Zee Entertainment Enterprises Limited (the Company) and its subsidiaries (collectively referred as the Group) and its share of the profit/(loss) of its joint venture and associates have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 15 January 2019. These results have been subjected to limited review carried out by the Statutory Auditors.

2. The unaudited 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. During the nine months ended 31 December 2017, the Group has concluded the second phase of the transaction for disposal of Sports Broadcasting Business to Sony Pictures Networks India Private Limited on a slump sale basis resulting in a net gain of Rs. 13,461 Lakhs in the audited consolidated financial results for the year ended 31 March 2018.

4. During the previous year ended 31 March 2018, the Company has also given effect to the Scheme involving vesting of the demerged media and entertainment business of three of its subsidiaries and amalgamation of one of its subsidiary with effect from the appointed date of 1 April 2017. The figures for the quarter and nine months ended 31 December 2017 are restated.

5. During the quarter and nine months ended 31 December 2018, the Company has issued and allotted 3,430 Equity shares and 12,880 Equity shares respectively 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 960,466,500 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.

6. The Group operates in a single reporting segment namely 'Content and Broadcasting'.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date: 15 January 2019

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Standalone financial results for the quarter and nine months ended 31 December 2018

(₹ in Lakhs)

Particulars	Quarter ended on			Nine month ended on		Year ended on
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	Unaudited	Unaudited	Unaudited (Restated) (Refer note 5)	Unaudited	Unaudited (Restated) (Refer note 5)	Audited
1 Revenue from operations	193,018	167,712	159,480	517,056	430,407	579,555
2 Other income (Refer Note 4)	4,862	5,691	3,903	15,070	47,208	98,185
Total income [1 + 2]	**197,880**	**173,403**	**163,383**	**532,126**	**477,615**	**677,740**
3 Expenses						
(a) Operational cost	60,077	54,063	56,524	171,612	155,034	219,268
(b) Employee benefits expense	13,338	12,277	11,642	37,595	36,077	47,811
(c) Finance costs	511	500	178	1,514	1,441	14,256
(d) Depreciation and amortisation expenses	4,096	4,109	4,290	12,219	10,301	13,978
(e) Advertisement and publicity expenses	17,160	13,593	13,328	41,121	34,513	44,732
(f) Fair value loss/(gain) on financial instruments at fair value through profit and loss	(2,869)	6,569	4,210	6,251	8,259	1,798
(g) Other expenses	17,579	19,241	17,626	52,871	47,648	62,783
Total expenses [3(a) to 3(g)]	**109,892**	**110,352**	**107,798**	**323,183**	**293,273**	**404,626**
4 Profit before tax [1 +2 -3]	**87,988**	**63,051**	**55,585**	**208,943**	**184,342**	**273,114**
5 Tax expense :						
(a) Current tax	30,077	24,944	19,712	75,133	57,586	86,445
(b) Current tax - earlier years	(2,269)	-	(91)	(2,269)	(91)	(88)
(c) Deferred tax	(121)	407	(2,948)	1,429	(2,201)	(4,436)
Total tax expense [5(a) + 5(b) + 5(c)]	**27,687**	**25,351**	**16,673**	**74,293**	**55,294**	**81,921**
6 Profit for the period / year [4 - 5]	**60,301**	**37,700**	**38,912**	**134,650**	**129,048**	**191,193**
7 Other comprehensive (loss)/income						
Items that will not be reclassified to profit or loss						
(a) (i) Re-measurment of defined benefit obligation	(780)	77	233	(966)	689	504
(ii) Fair value changes of equity instruments through other comprehensive income	172	(460)	795	(399)	1,056	56
(b) Income tax relating to items that will not be reclassified to profit or loss	273	(27)	(81)	338	(239)	(150)
Total other comprehensive (loss)/income [7(a) to 7(b)]	**(335)**	**(410)**	**947**	**(1,027)**	**1,506**	**410**
8 Total comprehensive income [6 + 7]	**59,966**	**37,290**	**39,859**	**133,623**	**130,554**	**191,603**
9 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,604	9,605	9,604	9,605
10 Other equity						572,370
11 Earnings per share (not annualised) :						
Basic (₹)	6.28	3.93	4.05	14.02	13.44	19.91
Diluted (₹)	6.28	3.93	4.05	14.02	13.44	19.91

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Notes to standalone financial results

1. The unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 15 January 2019. These results have been subjected to a Limited Review carried out by the Statutory Auditors.

2. The unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.

3. The Company operates in a single reporting segment namely 'Content and Broadcasting'.

4. Other income in the unaudited standalone financial results for the nine months ended 31 December, 2017 and year ended 31 March 2018 includes equity dividend income of Rs. 33,250 Lakhs and Rs. 76,570 Lakhs respectively received from a subsidiary company.

5. The Board of Directors of the Company at their meeting held on 24 July 2017 had approved a Composite Scheme of Arrangement and Amalgamation (the Scheme) between the Company and certain wholly-owned domestic subsidiaries, inter alia, for (a) Demerger of digital media and entertainment business undertaking from Zee Digital Convergence Limited (ZDCL); (b) Demerger of advertisement sales for media business undertaking from Zee Unimedia Limited (ZUL); (c) Demerger of online media business undertaking from India Webportal Private Limited (IWPL), all vesting with the Company; and (d) Amalgamation of Sarthak Entertainment Private Limited (SEPL) with the Company.

   The Scheme has been approved by the Mumbai bench of Hon'ble National Company Law Tribunal on 11 April 2018 and the certified copy of the Order approving the Scheme has been filed with the Registrar of Companies on 3 May 2018. Consequently, effect of the same has been given in the financial results in accordance with the Pooling of interest method as laid down in Appendix C of the Indian Accounting Standard Ind AS 103 on 'Business Combinations' relating to accounting for common control business combinations. Accordingly, the figures for quarter and nine months ended 31 December 2017 have been restated to give effect to the aforesaid scheme.

6. During the quarter and nine months ended 31 December 2018, the Company has issued and allotted 3,430 Equity shares and 12,880 Equity shares respectively 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 960,466,500 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.

For & on behalf of the Board
Zee Entertainment Enterprises Limited

Place: Mumbai
Date: 15 January 2019

Punit Goenka
Managing Director & CEO