

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Thirty Seventh Annual Report of your Company's business and operations along with the Audited Financial Statements ('Annual Accounts') for the financial year ended March 31, 2019.

1. RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Annual Accounts for the Financial Year 2018-19, your Directors confirm that:

- a) The Annual Accounts of the Company have been prepared on a going concern basis;
- b) In the preparation of the Annual Accounts, the applicable accounting standards had been followed and there are no material departures;
- c) The accounting policies selected were applied consistently and the judgments and estimates related to these annual accounts 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, 2019, 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 any 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. However, in the wake of aggressive digital expansion strategy by the Company, certain internal financial controls were required to be enhanced in respect of acquisition of Films, which have since been strengthened; and
- f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

2. FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2019 is summarized below:

(₹ MILLIONS)

Particulars	Standalone Year Ended		Consolidated Year Ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Revenue from Operations	68,579	57,956	79,339	66,857
Other Income	1,894	9,818	2,515	4,403
Total Income	70,473	67,774	81,854	71,260
Total Expenses	44,299	40,463	57,315	49,431
Share of Associates / Joint Ventures	-	-	24	12
Exceptional Items	(218)	-	(218)	1,346
Profit Before Tax	25,956	27,311	24,345	23,187
Provision for Taxation (net)	9,406	8,192	8,673	8,409
Profit after Tax	16,550	19,119	15,672	14,778

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 the Financial Year 2018-19.

3. DIVIDEND

Equity Shares

In accordance with the Dividend Distribution Policy adopted by your Board and available on the website of the Company www.zeeentertainment.com, your Directors recommend payment of Equity Dividend of ₹ 3.50 per equity share of ₹ 1/- each and such Equity Dividend, upon declaration by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding Equity Share Capital of the Company as at the Record Date of July 16, 2019. The outflow on account of equity dividend and the tax on such dividend distribution, based on current Paid-up Equity Share Capital of the Company would aggregate to ₹ 4,053 million, resulting in payout of 25.50% of the Consolidated Net Profits for the Financial year 2018-19.

Preference Shares

In accordance with the terms of Listed 6% Cumulative Redeemable Non-Convertible Preference Shares issued as Bonus in 2014 (Bonus Preference Shares) and Unlisted Series B – 6% Cumulative Redeemable Non-Convertible Preference Shares issued in accordance with the Scheme (Unlisted Series B Preference Shares), the Company had remitted an aggregate Preference Dividend of ₹ 953.19 Million, comprising of:

- Pro-rata Preference Dividend of ₹ 0.11145 on the redemption value of ₹ 2 per Bonus Preference Share for the period from April 1, 2018 till the Redemption date of March 5, 2019;
- Preference Dividend of ₹ 0.36 per share for FY 2018-19 on the Bonus Preference Shares of ₹ 6 per share post redemption; and
- Pro-rata Preference Dividend of ₹ 0.5819 per share on the Unlisted Series B Preference Shares of ₹ 10 each for the period from April 1, 2018 until redemption date of March 20, 2019.

4. BUSINESS OVERVIEW

During the fiscal 2019, your Company delivered another year of strong operating performance. All the business verticals exhibited robust performance and strengthened their competitive positions. Continued viewership gains in the domestic broadcast business along with the strong demand across key categories for TV advertising aided advertising revenue growth. Advertising also got a fillip from ZEE5 as the platform began monetizing its fast-growing user base. On the subscription front, your Company gained from the monetization of the recently digitized Phase-III & IV subscribers. The long-awaited TRAI tariff order was finally implemented during the last quarter of the year which led to near-term disruptions, for both subscription and advertising revenues. However, your Company believes that this regulation will go a long way in empowering the consumers and improving the transparency in the distribution value chain and will benefit companies with strong content creating capabilities, like yours, in the medium term. ZEE5, the Company's OTT offering launched in February 2018, was the fastest growing digital platforms in the country and offered the Indian consumers one of the widest bouquets of option for entertainment on demand. During the year, your Company had a fair share of successes in its movie production business and one of the movies featured in the top-10 list of movies released in FY19 in terms of net box office collections.

As per FICCI-EY report, the Indian Media and Entertainment (M&E) industry registered a growth of 13.4% in Calendar Year 18, reaching ₹ 1,674 billion in size and is forecasted to register 12% CAGR over the next three years with all segments of M&E industry expected to register growth over this period.

During the year under review:

- **ZEE5**, your Company's OTT offering, reached 61.5 million monthly active users in the month of March 2019. It was the fastest growing digital entertainment platform and became the #2 platform in the country in its category. ZEE5 released 50+ original series and movies till March 2019 across six languages, making it the largest producer of original content in the digital space. The platform has entered into partnerships with key players across the digital eco-system to make its content available to a wider audience;
- In the **Domestic Broadcast Business**, your company further strengthened its #1 position in the non-sports entertainment segment with an all-India viewership share of 19.7%. This was led by market share gains in the regional channel portfolio and Hindi movie cluster;
- In the **Hindi General Entertainment segment**, Zee TV maintained its position as the number one Hindi GEC channel while maintaining its lead in the weekday prime time. Zee Anmol was the leader during the year. However, from March 1, 2019, your Company has withdrawn Zee Anmol and Zee Anmol Cinema from DD Freedish platform which has affected the reach and viewership of these channels;
- In the **Hindi movie segment**, your Company's portfolio further strengthened its #1 position driven by the strong movie catalogue;
- In the **Regional markets**, Zee Marathi and Zee Sarthak maintained its leadership position. Zee Kannada and Zee Bangla gained market share and became the #1 channels in their respective markets. Zee Tamil continued to gain viewership share led by traction in its weekday fiction content. With launch of Zee Keralam in November 2018, your company now has GEC channels in all the Southern markets and the biggest language footprint in the country;
- In the **English segment**, to strengthen the '&' brand as a premium proposition, Zee Studios was rebranded as &flix;
- In the **International Business**, your Company continued to expand the reach of its channels across geographies with new distribution partnerships. Further, your Company has launched its digital platform, ZEE5, in international markets during the year. ZEE5 has already announced tie-ups with multiple telecom partners across APAC countries to expand its reach;
- **Zee Studios**, the movie production and distribution business, released 7 (seven) movies during the year in two languages - Hindi and Marathi. Your company also distributed 6 (six) movies in India across three languages. Zee Music Company continued to expand its music catalogue across languages and maintained its position as the #2 music channel by subscribers on YouTube; and
- **Zee Live**, our live entertainment business, launched Arth, India's first multi-regional culture festival and LF91, a heritage food festival during the year. Both the events received good response from the audience.

5. CAPITAL STRUCTURE & CHANGES IN SHAREHOLDING

During the year under review, your Company had:

- Redeemed 20% of Nominal value of Bonus Preference Shares on the 5th anniversary of its issuance as per the terms of the issue, resulting in outflow of ₹ 4033.88 Million towards the said redemption at the rate of

₹ 2/- per Preference Share, consequent to which the face value of Preference Share was changed to ₹ 6/- each. As required under Section 55 of the Act, an amount equivalent to such Redemption value was credited to Capital Redemption Reserve Account of the Company. Further, pursuant to the provisions of Income Tax Act, 1961 the said redemption amount was treated as Dividend pay-out and accordingly was subjected to payment of Dividend Distribution Tax by the Company;

- Prematurely redeemed 3,949,105 – Unlisted Series B Preference Shares of ₹ 10/- each at par resulting in an outflow of ₹ 39.49 Million and the amount equivalent to such Redemption value was credited to Capital Redemption Reserve Account of the Company; and
- Issued and allotted 12,880 Equity Shares of ₹ 1 each upon exercise of stock options granted under Company's ESOP Scheme.

Consequent to the above redemption/issuance of securities, the Paid-up Share Capital of the Company as at March 31, 2019 stood at ₹ 13,062,120,372/- comprising of 960,466,500 Equity shares of ₹ 1/- each and 2016,942,312 Bonus Preference Shares of ₹ 6/- each. Subsequent to closure of the financial year, your Company had issued and allotted 15,265 Equity Shares upon exercise of stock options granted under the ESOP Scheme.

In November 2018, your Company's Promoters had issued a Press release conveying their intent to sell/divest up to 50% of their stake in the Company to a strategic partner to enable pursuing disruptive technological development and transform your Company in to a tech-media Company. While the process of identifying strategic partner by the Promoters is on, the Promoters had in the interim sold 3.42% equity stake resulting in reduction of Promoters shareholding in the Company from 41.62% to 38.20% as at March 31, 2019. As on the date of this report, consequent to further sale of shares held by Promoters after closure of the financial year, the Promoters hold 36.70% stake in the Company.

6. CREDIT RATING

During the year under review, Brickwork Ratings India Private Ltd had re-affirmed the rating assigned to the Company as the issuer of the Bonus Preference Shares, listed at the Stock Exchanges, at 'BWR AAA' which denotes that the instruments with this rating are considered as having highest degree of safety regarding timely servicing of financial obligations. In November 2018, consequent to the stake sale announcement by the Promoters, retaining the 'BWR AAA' the rating outlook was revised by Brickwork from 'Stable' to 'Credit watch with developing implications'.

7. SUBSIDIARIES & JOINT VENTURES

As at March 31, 2019, your Company had 29 (twenty nine) Subsidiaries comprising of 8 (eight) domestic subsidiaries and 21 (twenty one) overseas direct and step-down Subsidiaries and one Associate and Joint Venture Company each.

During the year under review:

- Your Company sold 16.92% Equity stake in Aplab Ltd, an Associate entity, by way of an off-market *inter se* transfer thereby reducing your Company's stake from 26.42% to 9.50%, consequent to which Aplab Ltd ceased to be an Associate of your Company as at March 31, 2019. Based on your Company's request, Aplab Ltd has initiated the process for re-classification of your Company's holding from Promoter / Promoter Group Category to Public category as per Regulation 31A of SEBI Listing Regulations;
- In terms of the Share Purchase Agreement executed by the Company for acquiring balance 26% equity stake in Zee Turner Limited (a 74% subsidiary)

held by Turner International Pvt Ltd, the said subsidiary, changed its name from Zee Turner Limited to Zee Network Distribution Limited w.e.f December 24, 2018; and

- Fly-by-Wire International Pvt Ltd, a wholly owned subsidiary, shifted its registered office from the State of Karnataka to State of Maharashtra for operational convenience.

Apart from the above, there was no change in number of Subsidiary/Associate/Joint Venture of the Company either by way of acquisition or divestment or otherwise during the year under review.

In line with amendments of threshold for determining Material Subsidiary as stated in Regulation 16(1)(c) of SEBI Listing regulations, effective April 1, 2019, ATL Media Limited, Mauritius, one of the overseas wholly owned subsidiaries, qualified to be a Material Subsidiary of your Company.

In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operation of all subsidiaries/associate/joint venture in Form AOC-1 is annexed to this report as Annexure A.

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 subsidiary(ies) are available on the website of the Company www.zeeentertainment.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.

8. EMPLOYEE STOCK OPTION SCHEME

An aggregate of 23,800 Stock Options issued by the Company in pursuance of ZEEL ESOP Scheme 2009 to Mr Punit Misra, CEO – Domestic Broadcast Business were outstanding as at March 31, 2018. During FY 2019, 17,300 Stock Options were further granted to Mr Punit Misra and the said Options granted shall vest with him in 3 tranches and shall be convertible into equivalent number of Equity shares in accordance with the terms of issue upon payment of Exercise Price of ₹ 1/- per share by the Option Grantee. Upon exercise of vested Stock options by Mr Punit Misra, 12,880 Equity Shares were issued and allotted to him during FY 18-19 and 28,220 unvested Stock Options were outstanding as at March 31, 2019.

Requisite disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is annexed to this report as Annexure B. The Statutory Auditors of the Company M/s Deloitte Haskins & Sells 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. The said disclosure on Company's ESOP Scheme will also be available on the Company's website www.zeeentertainment.com as part of the Annual Report.

Subsequent to closure of the financial year, the Nomination and Remuneration Committee approved grant of 24,700 additional Stock Options to Mr Punit Misra on similar terms and had issued and allotted 15,265 Equity Shares to Mr Punit Misra upon exercise of options vested in April 2019.

9. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) at Zee is all about engaging in long-term sustainable programs that actively contribute to and support the social and economic development of the society. Accordingly, as an unified approach towards CSR at Essel Group level and with an intent to support long

term projects focused on developing and empowering society, your Company had, along with other Essel group entities, established a Section 8 Company in the name of Subhash Chandra Foundation. The CSR contributions of the Essel group companies are pooled into the Foundation to fund long-term projects.

During the year under review out of total CSR budget of ₹ 621.78 Million (including unutilized CSR amount of ₹ 224.65 Million carried forward from last year), the Company had contributed an aggregate of ₹ 226.97 Million towards various CSR Projects detailed in the Annual Report on CSR annexed to this report. Aforesaid contributions include remittance of ₹ 222 Million towards long term CSR Projects committed during FY 18. As at March 31, 2019, an amount of ₹ 394.81 Million remained unutilized from out of CSR budget due to non-availability of suitable CSR Projects. The unutilized CSR funds have been carried forward for funding suitable CSR projects in future.

Annual 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 as Annexure C.

10. CORPORATE GOVERNANCE AND POLICIES

In order to maximize 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 SEBI Listing Regulations, applicable provisions of Companies Act, 2013 and applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

In terms of Schedule V of SEBI 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 Report. Management Discussion and Analysis Report and Business Responsibility Report as per SEBI Listing Regulations are presented in separate sections forming part of this Annual Report. The said Business Responsibility Report will also be available on the Company's website www.zeeentertainment.com as part of the Annual Report.

In compliance with the requirements of Companies Act, 2013 and the Listing Regulations, your Board had 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. These policies & codes along with the Directors Familiarization Program and Terms and Conditions for appointment of Independent Directors have been uploaded on Company's corporate website & can be viewed on <https://www.zeeentertainment.com/investors/investor-governance>. In line with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company's Insider Trading Code and the Policy on Fair Disclosure of Unpublished Price Sensitive Information were revised with effect from April 1, 2019.

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 the requirement of 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.

11. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year there has been no change in the constitution of your Board which continues to comprise of 8 (eight) Directors including 4 (four) Independent Directors, 1 (one) Executive Director and 3 (three) 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 2018-19 your Board met 7 (seven) times, details of the date of meeting and attendance of Directors at such meetings are available in Corporate Governance Report annexed to this report.

Dr Subhash Chandra, 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.

During the year under review, Mr Bharat Kedia resigned as Chief Financial Officer with effect from April 29, 2018 and the resultant vacancy was filled with appointment Mr Rohit Kumar Gupta as Chief Financial Officer of the Company with effect from September 6, 2018. Accordingly, the Key Managerial Personnel of the Company as at March 31, 2019 comprised of Mr Punit Goenka, Managing Director & CEO, Mr M Lakshminarayanan, Chief Compliance Officer & Company Secretary and Mr Rohit Kumar Gupta, Chief Financial Officer.

12. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the evaluation of annual performance of the Directors / Board / Board Committees was carried out for the financial year 2018-19. The details of the evaluation process are set out in the Corporate Governance Report annexed to this Report.

13. 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.zeeentertainment.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.

14. AUDITORS

Statutory Audit

At the 35th Annual General Meeting held on July 12, 2017, the Shareholders had approved appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants having Firm Registration No. 117366W/W-100018 as Statutory Auditors of the Company until conclusion of 40th Annual General Meeting to be held in the year 2022 subject to ratification by the Shareholders every year. Pursuant to the amendment to Section 139 of the Companies Act, 2013, with effect from May 7, 2018, the requirement of seeking Shareholders ratification for continuance of Statutory Auditor at every Annual General Meeting is no longer applicable and accordingly the Notice of ensuing Annual General Meeting does not include the proposal for seeking Shareholders ratification for continuance of Statutory Auditors. The Company has received certificate of eligibility from M/s Deloitte Haskins & Sells LLP in accordance with the provisions of the Companies Act, 2013 read with rules thereunder and a confirmation that they continue to hold valid Peer Review Certificate as required under SEBI Listing Regulations.

While the Statutory Audit Report of M/s Deloitte Haskins & Sells LLP., Chartered Accountants do not contain any qualification, reservation or adverse remarks, the Statutory Auditors in their report on standalone and consolidated financial statements have included an Emphasis of Matter drawing Members attention to Note No 47 and Note No 42 to the Notes to Standalone and Consolidated Financial Statements respectively, in connection with advances/deposits given by the Company during the year towards acquisition of Media content and outstanding as at March 31, 2019.

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.

Secretarial Audit

During the year under review the Secretarial Audit of your Company 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 and their unqualified Secretarial Audit report forms part of this Report.

Additionally, in line with SEBI Circular dated February 8, 2019, an Annual Secretarial Compliance Report confirming compliance of all applicable SEBI Regulations, Circulars and Guidelines by the Company was issued by the Secretarial Auditor and filed with the Stock Exchanges.

Cost Audit

In compliance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, M/s Vaibhav P Joshi & Associates, Cost Accountants, (Firm Registration No. 101329) was engaged to carry out Audit of Cost Records of the Company for Financial Year 2018-19. Requisite proposal seeking ratification of remuneration payable to the Cost Auditor for FY 2018-19 by the Members as per Rule 14 of Companies (Audit and Auditors) Rules, 2014, forms part of the Notice of ensuing Annual General Meeting.

15. HUMAN RESOURCES & PARTICULARS OF EMPLOYEES

Your Company being in the business of creativity, your Board believes that people are the ultimate differentiators and efforts are taken to attract, develop and retain employees. In order to ensure sustainable business growth and become values driven, capability strong, future ready growth organization, your Company over the years has been focusing on strengthening its talent management, performance management & employee engagement processes. Employees of your Company are trained to drive values and they believe, live and demonstrate the 7 core values of the company - namely Customer First, Go for Big Hairy Audacious Goals (BHAG), Be Frugal, Respect Humility and Integrity, Speed and Agility, Solve big Problems, and Accountability for Results. During the year, your Company has moved on to build a high-trust, high-performance culture and as a result has been ranked amongst the top 100 'India's Best Companies to Work For 2018' as well amongst the Best Company to work for in the Media Industry, in a study conducted by Great Place to Work® Institute and The Economic Times. Your company has been institutionalizing the people philosophy framework "SAMWAD" (Effective Conversation) to ensure that, as part of the key objectives, people managers deliver on the organization's expectations of managing outcome and developing people by focusing on their talents. Your company continues to build the talent pipeline by engaging and hiring fresh talent from renowned campuses, building capabilities in key business functions through training and development initiatives, breaking the barriers of communication, building a culture of appreciation, recognizing top talent and offering a seamless employee experience by migrating to SAP's SuccessFactors Human Capital Management (HCM). As on March 31, 2019, your Company had 3083 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 as Annexure D.

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

Your Company is into the business of Broadcasting of General Entertainment Television Channels and extensively uses world class technology in its Broadcast Operations. However, 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. The information, as applicable, are given hereunder:

Conservation of Energy

Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption

Your Company accelerated the use of enabling technologies towards its "customer first initiatives", with special emphasis on quality of content, delivery and reliability, results of which will be evident in the coming years.

Your Company has now moved well ahead with seamless integration of digital and linear media technologies, which no longer constitute separate domains. During the year under review, your Company moved to a new media architecture with hybrid storage attributes enabled with cloud and edge playouts and deliveries, which provided unprecedented flexibility in accessing, managing, post production and delivery of media across the globe which the new linear-digital paradigm requires. During the year, your Company acquired the licenses and made operational its own teleports which provided greater flexibility in moving to a mixed satellite-internet distribution and has helped your Company to overhaul its entire International and domestic networks. Your Company's new distribution network is now supported by more advanced customer devices for delivering higher quality, higher security and format flexibility. Apart from this, your Company also made dramatic enhancement in production and management of short form contents with cost efficient frameworks while maintaining leading edge technologies. With this, your Company is now technology ready for future regulatory requirements in terms of content attributes and rights management across the globe and embrace new traffic and revenue management formats appropriate to the size and diversity of the operations.

Foreign Exchange Earnings & Outgo

During the Financial Year 2018-19 the Company had Foreign Exchange earnings of ₹ 3,350 million and outgo of ₹ 1,346 million.

17. 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 36 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 2018-19, 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. Details of Related Party Transactions will be available on your Company's website.

All related party transactions, specifying the nature, value and terms and conditions of the transactions including the arms-length justification, are placed before the Audit Committee for its approval and statement of all related party transactions carried out is placed before the Audit Committee for its review on a quarterly basis. During the year under review, there have been no materially significant related party transactions by the Company 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 Company has well-defined operational processes to ensure that risks are identified and the operating management is responsible for identifying and implementing mitigation plans for operational and process risks. Key strategic and business risks are identified and managed by senior management team with active participation of the Risk Management Committee. The risks that matter (RTM) and their mitigation plans are updated and reviewed periodically by the Risk Management Committee of your Board and integrated in the Business plan for each year. The details of constitution, scope and meetings of the Risk Management Committee forms part of the Corporate Governance Report. In the opinion of the Board currently there are no risks that may threaten existence of the Company.

iv. Internal Financial Controls and their adequacy

Your Company has adequate internal financial controls and processes 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 and provides guidance for strengthening of such controls wherever necessary. As part of Enterprise Risk Assessment and Internal Control evaluation and with a view to enhance related effectiveness of control, your Company is modifying its systems and processes with technology enablement for film acquisition.

v. Deposits & Unclaimed Dividend/Shares

Your Company has not accepted any public deposit under Chapter V of the Companies Act, 2013.

During the year under review, in terms of the provisions of Investors Education and Protection Fund (Awareness and Protection of Investors) Rules, 2014, unclaimed dividend declared by the Company for Financial Year 2010-11 aggregating to ₹ 1.94 Million was transferred to Investors Education and Protection Fund.

Additionally, in compliance with the requirements of The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) as amended, your Company had during the year under review transferred 108,070 Unclaimed Equity Shares of ₹ 1 each to the beneficiary account of IEPF Authority.

The said Unclaimed Dividend and/or Unclaimed Equity Shares can be claimed by the Shareholders from IEPF authority after following process prescribed in IEPF Rules. During FY 2019, an aggregate of 220 Unclaimed Equity Shares of the Company were re-transferred by the IEPF Authority to the beneficiary accounts of respective Claimants, upon specific refund claims and completion of verification process by the Company and IEPF Authority.

vi. Annual Return

Annual Return of the Company for financial year ended March 31, 2019 as required under Section 92 of the Companies Act, 2013 will be available on the website of the Company www.zeeentertainment.com

vii. Sexual Harassment

Your Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, your Company has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace and has constituted Internal Complaints Committee across various locations to redress complaints received regarding sexual harassment.

During the year under review, 1 (one) complaint was received by the Company and was investigated in accordance with the procedure and resolved.

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.

18. ACKNOWLEDGEMENTS

Employees are vital and most valuable assets of your Company. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution and efforts made by all the employees in ensuring excellent all-round performance. Your Board also thank and express their gratitude for the support and co-operation received from all stakeholders including viewers, producers, customers, vendors, advertising agencies, investors, bankers and regulatory authorities.

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

Adesh Kumar Gupta
Director

Place: Mumbai

Date: May 27, 2019