

## NOTES

forming part of the Consolidated Financial Statements

### 1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material aspects with its Accounting Standards specified under relevant provisions of the Companies Act, 2013. In case of an Indian subsidiary viz. "Zee Turner Limited" the financial statements comprising 0.15% (0.14%) of the consolidated net assets, have been prepared on the basis that Company does not continue to be a going concern.

### 2 PRINCIPLES OF CONSOLIDATION

- i. The Consolidated Financial Statements (CFS) relate to Zee Entertainment Enterprises Limited and its subsidiary Companies, associates and jointly controlled company.
- ii. The consolidation of financial statements of the parent company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group transactions, unrealised inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.
- iii. The CFS are prepared using uniform accounting policies for transactions and other events in similar transactions except in case of six subsidiaries wherein the liability on account of retirement benefits is provided on estimated basis as per local laws instead of actuarial basis. This liability represents 14.79% (15.79%) of total gratuity and leave benefits of the Group as at the year end.
- iv. The CFS includes the Financial Statements of the parent company and the subsidiaries (as listed in the table below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Country of Incorporation
<b>Direct Subsidiaries</b>		
ATL Media Ltd (Formerly Asia Today Limited)	100(100)	Mauritius
India Webportal Private Limited	51(51)	India
Essel Vision Productions Limited	100(100)	India
Taj Television (India) Private Limited	100(100)	India
Zee Digital Convergence Limited (Formerly Zee Sports Limited)	100(100)	India
Zee Turner Limited	74(74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100(100)	Mauritius
Sarthak Entertainment Private Limited @	100(Nil)	India
<b>Indirect Subsidiaries</b>		
Asia TV Limited	100(100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100(100)	Singapore
000 Zee CIS Holding LLC #	100(100)	Russia
000 Zee CIS LLC	100(100)	Russia
Taj TV Limited	100(100)	Mauritius
Asia Today Singapore Pte Limited *	100(Nil)	Singapore
Asia TV USA Limited, Wyoming *	100(Nil)	United States of America
Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	100(100)	Mauritius
Zee Technologies (Guangzhou) Limited	100(100)	China
Zee Entertainment Middle East FZ-LLC	100(100)	U.A.E.
ATL Media FZ-LLC	100(100)	U.A.E.
Zee TV South Africa (Proprietary) Limited	100(100)	South Africa
Zee TV USA Inc.	100(100)	United States of America
Asia Multimedia Distribution Inc.	100(100)	Canada
Idea Shop Web and Media Private Limited @	51.04(38.61)	India
Evee Multimedia Inc.	100 (100)	United States of America

\* Incorporated during the year

# Zero capital company

@ Acquired during the year (Refer note 35(ii))

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### V. ASSOCIATE

The Group has adopted and accounted for Investment in Associate, using the "Equity Method" as per AS - 23 - Accounting for Investments in Associates in Consolidated Financial Statements issued by ICAI.

Name of the Associate	Percentage of Holding	Country of Incorporation
Aplab Limited #	26.42(26.42)	India
Idea Shop Web and Media Private Limited (Held through India Webportal Private Limited) \$	- (38.61)	India
Asia Today Thailand Limited (Held through Asia Today Singapore Pte Limited)	25(25)	Thailand

# No adjustments are made for difference in accounting policy for depreciation provided on fixed assets on written down value method.

\$ Acquired and became subsidiary during the year (Refer note 35(ii)).

### VI. JOINTLY CONTROLLED COMPANY

Interest in Jointly controlled company "Media Pro Enterprise India Private Limited" (MPEIPL) is accounted for using Proportionate Consolidation Method. Shareholding in MPEIPL is through a subsidiary, Zee Turner Limited.

Name of the jointly controlled company	Extent of Holding	Country of Incorporation
Media Pro Enterprise India Private Limited	50.00% (50.00%)	India

### 2.1 SIGNIFICANT ACCOUNTING POLICIES

#### a. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amount of revenue and expenses for the year. Actual results could differ from those estimates. Any revision to such accounting estimate is recognised prospectively in current and future periods.

#### b. Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year. The figures for the current year are not comparable with the previous year, in view of the acquisitions as referred in note 2 above.

#### c. Fixed Assets

##### (i) Goodwill on Consolidation

Goodwill represents the difference between the Group's share in the net worth of the subsidiaries / associates / jointly controlled company and the cost of acquisition at the date on which the investment in the subsidiaries / associates / jointly controlled company is made / acquired. Capital reserve represents negative goodwill arising on consolidation.

##### (ii) Tangible fixed assets

(a) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

(b) Capital work in progress comprises cost of fixed assets and related expenses that are not yet ready for their intended use at the reporting date.

##### (iii) Intangible assets

Intangible assets acquired or developed are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets - channels includes expenses incurred on development of new television channels till the time it is ready for commercial launch.

#### d. Borrowing costs

Borrowing costs attributable to the acquisition or construction of qualifying assets till the time such assets are ready for intended use are capitalised as part of cost of the asset. All other borrowing costs are expensed in the period they occur.

#### e. Impairment of tangible and intangible assets

At each Balance Sheet date, the Group reviews the carrying amount of assets to determine whether there is an indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

#### f. Depreciation / Amortisation on tangible / intangible assets

Depreciable amount for tangible / intangible fixed assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

(i) Depreciation on tangible fixed assets is provided on straight-line method as per the useful life prescribed in Schedule II to the Companies Act,

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2013 except in respect of the following categories of assets, where the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement etc.

Aircraft - 15 years

Furniture and Fixtures - 5 years

Gas Plant - 20 years

Mobile Phones - 3 years

Plant and Machinery - 5-10 years

Vehicles - 5 years

(ii) Premium on leasehold land and leasehold improvements are amortised over the period of lease.

(iii) No part of goodwill arising on consolidation is amortised.

(iv) Intangible assets are amortised over their respective individual useful lives estimated by management on a straight line basis.

### g. Investments

(i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments

(ii) Current investments are stated at lower of cost and market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.

(iii) Investment property

Investment in land which is not intended to be occupied substantially for use by or in the operations of the Group is classified as Investment property and stated at cost. The cost comprises purchase price, borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for intended use.

### h. Revenue Recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognised on time basis on the provision of television broadcasting service to subscribers.

(ii) Sales - Media content (including Programs, Film Rights) is recognised, when the significant risks and rewards have been transferred to the customers.

(iii) Services

(a) Commission-Space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

(b) Revenue from other services is recognised as and when such services are completed / performed.

(c) Theatrical revenue from films is recognised on receipt of related sale reports.

(iv) Interest income is recognised on a time proportion basis taking into account amount outstanding and the applicable interest rate.

(v) Dividend income is recognised when the right to receive dividend is established.

(vi) Rental income is recognised on accrual basis as per the agreed terms.

### i. Inventories

(i) **Media Content :**

Media content i.e. Programs, Film rights, Music rights (completed ((commissioned / acquired) and under production)) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as impairment. Programs, film rights, music rights are expensed / amortised as under :

(a) Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.

(b) Programs (other than (a) above) are amortised over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.

(c) Film rights are amortised on a straight-line basis over the licensed period or sixty months from the commencement of rights, whichever is shorter.

(d) Music rights are amortised over three financial years starting from the year of commencement of rights, as per management estimate of future revenue potential.

(ii) **Film produced and / or acquired for distribution:**

Cost is allocated to each right based on management estimate of revenue. Cost of theatrical rights, satellite rights etc are amortised when sold and residual rights are carried at lower of cost or net realisable value

(a) Theatrical rights - 80% of allocated cost is amortized immediately on theatrical release and balance allocated cost is amortised equally in following 6 months.

(b) Satellite and other rights - Allocated cost of each right is expensed immediately on sale.

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- (c) Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years subsequent to year in which film is released.
- (iii) Raw Stock : Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.
- j. Foreign Currency Translations**
- i Accounting of Transactions**
- (a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions.
- (b) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.
- (c) Non-monetary foreign currency items are carried at cost.
- ii Translation and Exchange Rates**
- Financial Statements of overseas non-integral operations are translated as under:
- (a) Assets and Liabilities at the exchange rate prevailing at the end of the year.
- (b) Revenues and expenses are at yearly average rates. Off Balance Sheet items are translated into Indian Rupees at year-end rates
- (c) Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation reserve until the disposal of such operations.
- k. Retirement and other employee benefits**
- (a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- (b) Retirement benefit plans, pensions schemes and defined contribution plans, or funds are governed by the statutes of the countries in which the companies are located and contribution to the fund, present value of the amount payable determined using actuarial techniques or liability on termination are charged to the Statement of Profit and Loss. Accrued liabilities for leave benefits are made based on unavailed leave to the credit of employees in accordance with the rules of the respective companies. In case of a subsidiary, the gratuity fund benefits are administered by a specific Trust formed and annual contributions are deposited under group policy scheme with an insurance company. In case of jointly controlled company, the gratuity scheme is funded and managed by an insurance company.
- l. Accounting for taxes on income**
- (i) Current tax is determined as the amount of tax payable on the taxable income in accordance with local tax regulations.
- (ii) Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years and measured using relevant enacted tax rates and laws.
- (iii) Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognised as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.
- m. Leases**
- (i) Finance Lease  
Assets acquired on long-term leases, which in economic term constitute investments financed on long-term basis i.e. finance leases are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.
- (ii) Operating Lease  
Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / revenue under operating leases are recognised as expense / income on accrual basis in accordance with the respective lease agreements.
- n. Earnings per Share**
- Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.
- o. Provisions, Contingent Liabilities and Contingent Assets**
- Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

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### 3. SHARE CAPITAL

	(₹ Millions)	
	2016	2015
<b>AUTHORISED</b>		
2,000,000,000 (2,000,000,000) Equity Shares of ₹1 each	2,000	2,000
21,000,000,000 (21,000,000,000) Preference Shares of ₹ 1 each	21,000	21,000
	<b>23,000</b>	<b>23,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
960,448,720 (960,448,720) Equity Shares of ₹ 1 each fully paid up	960	960
20,169,423,120 (20,169,423,120) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each fully paid up - Listed	20,170	20,170
Nil (22,273,886) 6% Non-Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each fully paid up - Unlisted	-	22
<b>Total</b>	<b>21,130</b>	<b>21,152</b>

#### A) RECONCILIATION OF NUMBER OF EQUITY SHARES AND SHARE CAPITAL

	2016		2015	
	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions
At the beginning of the year	960,448,720	960	960,448,720	960
Add : Changes during the year	-	-	-	-
Outstanding at the end of the year	<b>960,448,720</b>	<b>960</b>	<b>960,448,720</b>	<b>960</b>

#### B) RECONCILIATION OF NUMBER OF PREFERENCE SHARES AND SHARE CAPITAL

	2016		2015	
	Number of Preference shares	₹ Millions	Number of Preference shares	₹ Millions
At the beginning of the year	20,191,697,006	20,192	20,169,423,120	20,170
Add: Allotted pursuant to the Scheme of Arrangement (Refer d(ii) and note 35(i))	-	-	22,273,886	22
Less : Redeemed during the year (Refer d(ii) below)	22,273,886	22	-	-
Outstanding at the end of the year	<b>20,169,423,120</b>	<b>20,170</b>	<b>20,191,697,006</b>	<b>20,192</b>

#### C) TERMS / RIGHTS ATTACHED TO EQUITY SHARES

The Company has only one class of equity shares having a par value of ₹ 1 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### D) TERMS / RIGHTS ATTACHED OF PREFERENCE SHARES

##### (i) 6% Cumulative Redeemable Non-Convertible Preference Shares - Listed

During the year ended 31 March 2014, the Company had issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each by way of bonus in the ratio of 21 Bonus Preference Shares of ₹ 1 each fully paid up for every one Equity share of ₹1 each fully paid up and are listed on Bombay Stock

Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of

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the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

**(ii) 6% Non-Cumulative Redeemable Non-Convertible Preference Shares - Unlisted**

During the year ended 31 March 2015, the Company had issued and allotted 22,273,886 6% Non-Cumulative Redeemable Non-Convertible Preference shares of ₹ 1 each fully paid up, pursuant to the Scheme of Arrangement

as referred in Note 35(i). The preference shareholders would be entitled to vote only on resolutions which directly affect their rights. These Preference shares were redeemable at par at any time within three years from the date of allotment and the same have been redeemed during the year.

**E) DETAILS OF AGGREGATE NUMBER OF BONUS SHARES ISSUED, SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH AND SHARES BOUGHT BACK DURING FIVE YEARS PRECEDING 31 MARCH, 2016**

	(₹ Millions)	
	2016	2015
Equity Shares allotted as fully paid bonus shares	489,038,065	489,038,065
Preference Shares allotted as fully paid bonus shares (Refer d(i) above)	20,169,423,120	20,169,423,120
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	55,030,954	55,030,954
Preference Shares allotted as fully paid for consideration other than cash, pursuant to Scheme of Arrangement (Refer d(ii) above)	-	22,273,886
Equity Shares bought back and cancelled	24,185,210	24,185,210

**F) DETAILS OF EQUITY SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE EQUITY SHARES**

Name of the Shareholders	2016		2015	
	Number of equity shares	% Share holding	Number of equity shares	% Share holding
Cyquator Media Services Private Limited	241,402,908	25.13%	241,402,908	25.13%
Essel Media Ventures Limited	102,888,286	10.71%	102,888,286	10.71%
Oppenheimer Developing Markets Fund	77,074,068	8.02%	68,716,575	7.15%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**G) DETAILS OF PREFERENCE SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE 6% CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES - LISTED**

Name of the Shareholders	2016		2015	
	Number of Preference shares	% Share holding	Number of Preference shares	% Share holding
Essel Landmark Private Limited	3,875,155,486	19.21%	4,120,000,000	20.43%
Essel Media Ventures Limited	-	-	2,160,654,006	10.71%
Oppenheimer Developing Markets Fund	1,895,913,054	9.40%	1,895,913,054	9.40%
ICICI Prudential Life Insurance Company Limited	1,320,809,586	6.55%	1,320,809,586	6.55%

**H) DETAILS OF PREFERENCE SHAREHOLDERS HOLDING MORE THAN 5 % OF THE AGGREGATE 6% NON-CUMULATIVE REDEEMABLE NON-CONVERTIBLE PREFERENCE SHARES - UNLISTED (REDEEMED DURING THE YEAR)**

Name of Shareholder	2016		2015	
	Number of Preference shares	% Share holding	Number of Preference shares	% Share holding
Mediavest India Private Limited	-	-	22,273,836	99.99%

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### 4. RESERVES AND SURPLUS

	(₹ Millions)	
	2016	2015
<b>CAPITAL REDEMPTION RESERVE</b>		
As per last Balance Sheet	-	-
Add: Transferred from Statement of Profit and Loss, on redemption of preference shares	22	-
Capital Redemption Reserve	22	-
<b>FOREIGN CURRENCY TRANSLATION RESERVE</b>	3,163	2,539
<b>GENERAL RESERVE</b>		
As per last balance sheet	2,820	824
Add: Pursuant to the Scheme of Arrangement (Refer note 35(i))	-	1,996
	<b>2,820</b>	<b>2,820</b>
<b>SURPLUS IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS</b>		
As per last balance sheet	28,987	23,360
Less: Adjustment of depreciation as per transitional provisions	-	141
Add: Deferred tax on depreciation as above	-	47
Add : Profit for the year	10,267	9,775
<b>Less : Appropriations</b>		
Transferred to Capital Redemption Reserve	22	-
Dividend on Preference Shares	1,211	1,211
Tax on dividend on Preference Shares	247	242
Proposed dividend on Equity Shares	2,161	2,161
Tax on dividend on Equity Shares	433	440
	<b>35,180</b>	<b>28,987</b>
<b>Total</b>	<b>41,185</b>	<b>34,346</b>

### 5. LONG-TERM BORROWINGS

	(₹ Millions)			
	Non-current		Current	
	2016	2015	2016	2015
<b>SECURED</b>				
Vehicle loan from banks*	9	12	10	10
	9	12	10	10
Amount disclosed under the head "Other current liabilities" (Refer Note 7)	-	-	10	10
<b>Total</b>	<b>9</b>	<b>12</b>	<b>-</b>	<b>-</b>

\* Secured against hypothecation of vehicles. The aforesaid borrowings carry interest rates ranging from 9.93% p.a. - 13.18% p.a. and are repayable upto September 2019.

### 6. PROVISIONS

	(₹ Millions)			
	Long-term		Short-term	
	2016	2015	2016	2015
Provision for employee benefits				
- Gratuity	293	256	16	28
- Leave benefits	247	222	54	49
- Incentive plans	10	2	7	-
Others				
- Dividend on Preference Shares including tax	-	-	1,458	1,453
- Proposed dividend on Equity Shares including tax	-	-	2,594	2,601
- Provision for taxation (net of advances)	-	-	-	461
<b>Total</b>	<b>550</b>	<b>480</b>	<b>4,129</b>	<b>4,592</b>

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## 7. OTHER LIABILITIES

	Non-current		Current	
	2016	2015	2016	2015
	(₹ Millions)			
<b>TRADE PAYABLES</b>				
Trade payables	-	-	4,727	3,600
Due to principals	-	-	467	604
	-	-	<b>5,194</b>	<b>4,204</b>
<b>OTHER CURRENT LIABILITIES</b>				
Current maturities of long-term borrowings	-	-	10	10
Unearned revenue	-	-	499	236
Advances received from customers	304	288	983	513
Deposits received - from distributors	-	-	127	118
- from others	-	-	24	-
Unclaimed dividends	-	-	15	12
Creditors for capital expenditure	-	-	196	86
Employee benefits payable	-	-	715	719
Statutory dues payable	-	-	726	689
Cheques overdrawn	-	-	31	149
Other payables	-	-	3,029	2,448
	<b>304</b>	<b>288</b>	<b>6,355</b>	<b>4,980</b>
	<b>304</b>	<b>288</b>	<b>11,549</b>	<b>9,184</b>

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## 8 FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation				Net Block					
	As at 1 April, 2015	Transfers on acquisition (Refer note iv below)	Deductions	As at 31 March, 2016	Upto 31 March, 2015	For the year	Transfers on acquisition (Refer note iv below)	Reserve adjustment (Refer Note iii below)	Deductions	Translation	Upto 31 March, 2016	As at 31 March, 2016	As at 31 March, 2015
<b>TANGIBLE ASSETS</b>													
Leasehold land	66	-	-	66	10	1	-	-	-	-	11	55	56
Leasehold improvements	157	334	2	494	106	60	-	-	2	0	164	330	51
Buildings	801	396	13	1,230	234	25	21	-	-	10	290	940	567
Computers	325	111	6	438	189	68	4	-	3	1	259	179	136
Plant and machinery	3,506	1,189	13	4,623	1,721	442	10	-	86	42	2,129	2,494	1,785
Equipments	292	167	7	462	128	61	4	-	3	1	191	271	164
Furniture and fixtures	166	89	2	258	89	28	1	-	1	1	118	140	77
Aircraft	368	-	-	-	66	14	-	-	80	-	-	-	302
Vehicles	172	41	2	181	97	30	1	-	26	2	104	77	75
<b>Total</b>	<b>5,853</b>	<b>2,327</b>	<b>51</b>	<b>7,752</b>	<b>2,640</b>	<b>729</b>	<b>41</b>	<b>-</b>	<b>202</b>	<b>58</b>	<b>3,266</b>	<b>4,486</b>	<b>3,213</b>
<b>PREVIOUS YEAR</b>	<b>5,613</b>	<b>1,024</b>	<b>-</b>	<b>63</b>	<b>2,588</b>	<b>604</b>	<b>-</b>	<b>141</b>	<b>740</b>	<b>47</b>	<b>2,640</b>	<b>3,213</b>	
<b>INTANGIBLE ASSETS</b>													
Goodwill - on consolidation	7,887	928	-	9,150	-	-	-	-	-	-	-	9,150	7,887
Software	428	56	2	481	279	84	1	-	2	-	362	119	149
Intangibles - Channels	133	-	-	133	6	27	-	-	-	-	33	100	127
Trademark	0	5	-	1	0	-	-	-	-	-	0	1	0
<b>Total</b>	<b>8,448</b>	<b>989</b>	<b>2</b>	<b>9,765</b>	<b>285</b>	<b>111</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>395</b>	<b>9,370</b>	<b>8,163</b>
<b>PREVIOUS YEAR</b>	<b>7,933</b>	<b>272</b>	<b>-</b>	<b>262</b>	<b>225</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>0</b>	<b>285</b>	<b>8,163</b>	
<b>CAPITAL WORK-IN-PROGRESS (REFER V BELOW)</b>													
												1,104	878

"0" (zero) denotes amounts less than a million.

Notes:

- Buildings include ₹7 Million 0 (0) (₹ 114,100 (₹ 114,100)) the value of share in a co-operative society.
- Part of building and certain fixed assets has been given on operating lease
- During the previous year, the Company had adopted the useful life as per the Schedule II of the Companies Act, 2013. Consequently, ₹7 Millions 141 representing the written down value of fixed assets whose lives had expired as at 1 April 2014 had been adjusted in the Surplus in Statement of Profit and Loss, net of deferred tax effect of ₹7 Millions 47 (Note 4). The unamortised carrying value is depreciated / amortised over the revised / remaining useful lives.
- On acquisition of Sarthak Entertainment Private Limited (Refer note 35(ii)).
- Capital work in progress is net of impairment loss of ₹7 Millions 164 (Nil), charged to the Statement of Profit and Loss.

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## 9 NON-CURRENT INVESTMENTS

	(₹ Millions)	
	2016	2015
<b>(I) TRADE INVESTMENTS (VALUED AT COST, UNLESS STATED OTHERWISE)</b>		
<b>In Associate - Unquoted</b>		
5,000 (5,000) Equity shares of Baht 100/- each of Asia Today Thailand Limited (Extent of holding 25.00%)	1	1
Add : Share of profit for current year (P.Y. ₹ 441,858)	2	0
	<b>3</b>	<b>1</b>
<b>In Others - Unquoted</b>		
202,894,105 (202,894,105) Ordinary shares of GBP 0.01 each of MirriAD Limited (Refer Note 37)	-	313
30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited (₹ 300,000 (₹ 300,000))	0	0
	<b>0</b>	<b>313</b>
<b>(II) OTHER INVESTMENTS</b>		
<b>In Associate - Quoted</b>		
1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47
Add : Share of loss upto previous years	(42)	(5)
Add : Share of loss for current year	(5)	(37)
	<b>-</b>	<b>5</b>
<b>Others - Quoted</b>		
1,822,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	2	2
50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited	50	50
<b>Others - Unquoted</b>		
1,069.6 (419.6) units of ₹ 1,000,000/- each of Morpheus Media Fund	1,070	420
50,000 (50,000) 9.35% Secured Redeemable Non-Convertible Debentures of ₹ 1,000/- each of IFCI Limited	50	50
50,000 (50,000) 9.80% Secured Redeemable Non-Convertible Debentures of ₹ 1,000/- each of IFCI Limited	50	50
12,500 (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited	1,250	1,250
Less: Amount disclosed under the head "Current investments" (Refer note 13)	-	(1,250)
<b>Investment Property</b>		
Land at Hyderabad	573	573
	<b>3,048</b>	<b>1,464</b>
Less: Provision for diminution in value of investments (₹ 300,000 (₹ 300,000))	0	0
<b>Total</b>	<b>3,048</b>	<b>1,464</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 372 (369)]	52	57
Aggregate amount of unquoted Investments	2,423	834
Value of investment property	573	573
Diminution in the value of investments	0	0

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### 10. DEFERRED TAX ASSETS (NET)

The components of deferred tax balances as at 31 March, 2016 are as under:

	(₹ Millions)	
	2016	2015
<b>DEFERRED TAX ASSETS</b>		
Arising on account of timing differences in Employee retirement benefits	166	158
Provision for doubtful debts and advances	337	418
Unabsorbed fiscal allowances	62	57
Other provisions	11	20
	<b>576</b>	<b>653</b>
<b>DEFERRED TAX LIABILITIES</b>		
Depreciation	20	122
	<b>20</b>	<b>122</b>
<b>DEFERRED TAX ASSETS (NET)</b>	<b>556</b>	<b>531</b>

### 11. LOANS AND ADVANCES

	(₹ Millions)			
	Long-term		Short-term	
	2016	2015	2016	2015
Capital advances	421	105	-	-
Deposits (unsecured, considered good)	508	343	370	194
Advances and deposits to related parties*	421	421	156	35
<b>OTHER LOANS AND ADVANCES (unsecured)</b>				
Loans - Others	-	-	1,750	4,250
Other advances				
- Considered good	455	556	5,470	4,754
- Considered doubtful	-	-	251	251
	455	556	5,721	5,005
Less: Provision for doubtful advances	-	-	251	251
	455	556	5,470	4,754
Prepaid expenses	16	11	411	346
Balance with Government Authorities -				
- Advance income tax (net of provisions)	4,090	4,271	-	-
- Advance indirect taxes	2	3	666	599
Less: Provision for doubtful advances - Service tax	-	-	14	11
	2	3	652	588
<b>Total</b>	<b>5,913</b>	<b>5,710</b>	<b>8,809</b>	<b>10,167</b>

\* Advances include ₹/Millions 45 (45) due from a Company in which one of the directors is interested as director

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## 12. OTHER ASSETS

	Non-current		Current	
	2016	2015	2016	2015
Unbilled revenue	-	-	1,220	1,143
Balances with banks - in deposit accounts (Refer Note 16)	2	2	-	-
Interest accrued on -				
Long term investments	195	2	34	115
Current investments	-	-	-	3
Loans - others	-	-	1	-
Bank deposits	-	-	8	34
Other receivables - related parties	-	-	259	30
Other receivables #	397	376	10	1
<b>Total</b>	<b>594</b>	<b>380</b>	<b>1,532</b>	<b>1,326</b>

# The Group has recognised a receivable of ₹/Millions 397 (376) claimed from competing broadcaster for recovery of the telecast rights money relating to the sports event, which is under litigation. The management on the basis of review of the current status of this case and on the basis of opinion received from the lawyers representing in this matter, are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully realised.

## 13. CURRENT INVESTMENTS

	2016	2015
<b>TRADE INVESTMENTS (VALUED AT COST, UNLESS STATED OTHERWISE)</b>		
<b>In Associate - Unquoted</b>		
522 (522) Equity shares of ₹100/-each of Idea Shop Web and Media Private Limited (Extent of holding 38.61%)	21	21
(Includes goodwill arising on consolidation ₹/Millions (19))	1	-
Add : Share of profit / (loss) upto previous years (Nil ₹ 236,240)	-	(0)
Less: Acquired during the year (Refer note 35(ii))	(22)	-
	-	21
<b>Others - Unquoted</b>		
Nil (12,500) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000/- each of SGGD Projects Development Private Limited (Refer note 9)	-	1,250
Certificate of Deposits (Non-Transferable) - Unquoted		
11.25% (Nil) of SICOM Limited	3,000	-
Nil (11.75%) of SICOM Limited	-	1,000
Nil (12%) of SICOM Limited	-	1,000
	3,000	2,000
<b>Commercial Paper - Quoted</b>		
Nil (2,500) units of ₹ 500,000/- each of Axis Finance Limited	-	1,245
<b>Mutual Funds - Quoted</b>		
57,989.9 (57,989.9) units of USD 1,000 each of Poseidon Opportunities Fund Limited	3,991	3,775
126,881 (Nil) units (of ₹ 1,000/- each) of HDFC Cash Management Fund - Savings plan	400	-
	4,391	3,775
<b>Total</b>	<b>7,391</b>	<b>8,291</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 4,393 (5,073)]	4,391	5,020
Aggregate amount of unquoted Investments	3,000	3,271

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### 14. INVENTORIES#

	(₹ Millions)	
	2016	2015
Raw stock - tapes	10	10
Media content*	12,972	11,747
Under production - programs	178	121
<b>Total</b>	<b>13,160</b>	<b>11,878</b>

\* Includes rights ₹/Millions 1,665 (1,462) which will commence at a future date.  
# valued at lower of cost / unamortised cost or realisable value.

### 15. TRADE RECEIVABLES (UNSECURED)

	(₹ Millions)	
	2016	2015
Over six months		
- Considered good	983	439
- Considered doubtful	1,626	1,825
Others		
- Considered good	12,262	10,253
- Considered doubtful	-	94
	14,871	12,611
Less: Provision for doubtful debts	1,626	1,919
<b>Total</b>	<b>13,245</b>	<b>10,692</b>

### 16. CASH AND BANK BALANCES

	(₹ Millions)			
	Non-current		Current	
	2016	2015	2016	2015
<b>CASH AND CASH EQUIVALENTS</b>				
Balances with Banks -				
In Current accounts	-	-	4,328	3,126
In Deposit accounts	-	-	2,260	740
Cheques in hand / remittance in transit	-	-	2,106	1,481
Cash in hand	-	-	4	6
	-	-	<b>8,698</b>	<b>5,353</b>
<b>OTHER BANK BALANCES</b>				
Balances with Banks				
In Deposit accounts	2	2	1,020	2,000
In Unclaimed dividend accounts	-	-	15	12
	2	2	1,035	2,012
Less: Amount disclosed under "Other Assets" (Refer Note 12)	2	2	-	-
	-	-	<b>1,035</b>	<b>2,012</b>
<b>Total</b>	-	-	<b>9,733</b>	<b>7,365</b>

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## 17. REVENUE FROM OPERATIONS

	(₹ Millions)	
	2016	2015
Services - Broadcasting revenue		
Advertisement	34,297	26,603
Subscription	20,579	17,935
- Commission - broadcasters	282	175
- Theatrical revenue	553	268
Sales - Media content	2,739	3,749
Other operating income	65	107
<b>Total</b>	<b>58,515</b>	<b>48,837</b>

## 18. OTHER INCOME

	(₹ Millions)	
	2016	2015
Interest income from		
- long-term investments	228	240
- current investments	247	268
- bank deposits	67	105
- others	510	608
Dividend income from		
- current investments	-	40
- long-term investments	3	2
Rent income	246	104
Gain / (loss) on exchange difference (net)	383	186
Liabilities / excess provision written back	63	251
Profit on sale of		
- current investments	194	363
- long-term investments	-	2
Insurance claim received	26	30
Miscellaneous income	49	79
<b>Total</b>	<b>2,016</b>	<b>2,278</b>

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### 19. OPERATIONAL COST

	(₹ Millions)	
	2016	2015
<b>a) MEDIA CONTENT#</b>		
Opening - Inventory *	11,747	11,707
- Under production - programs	121	23
Add: Commissioned / acquisition **	19,594	14,395
Add: Production Expenses		
- Location hire and set charges	601	427
- Equipment hire charges	764	628
- Professional / artist fees	2,556	2,393
- License fees	290	200
- Other production expenses	2,197	2,230
Less: Closing - Inventory *	12,972	11,747
- Under production - programs	178	121
	<b>24,720</b>	<b>20,135</b>
<b>b) OTHER OPERATIONAL EXPENSES</b>		
Subscription management services	-	28
Telecast cost	1,329	1,230
	<b>1,329</b>	<b>1,258</b>
<b>Total (a) + (b)</b>	<b>26,049</b>	<b>21,393</b>

\* Includes cost / unamortised cost.

\*\* Includes rights acquired ₹/Millions 961 (834), which will commence at a future date.

# Media content of ₹/Millions 817 (668) are impaired during the year.

### 20. EMPLOYEE BENEFITS EXPENSE

	(₹ Millions)	
	2016	2015
Salaries and allowances	4,889	4,200
Contribution to provident and other funds	210	180
Staff welfare expenses	133	118
<b>Total</b>	<b>5,232</b>	<b>4,498</b>

### 21. FINANCE COST

	(₹ Millions)	
	2016	2015
Interest on - vehicle loans	4	3
- others	24	19
Other financial charges	95	81
<b>Total</b>	<b>123</b>	<b>103</b>

### 22. DEPRECIATION AND AMORTISATION EXPENSE

	(₹ Millions)	
	2016	2015
Depreciation on tangible fixed assets	729	604
Amortisation of intangible assets	111	69
<b>Total</b>	<b>840</b>	<b>673</b>

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## 23. OTHER EXPENSES

	(₹ Millions)	
	2016	2015
Rent	798	446
Repairs and maintenance - Building	8	15
- Plant and Machinery	109	135
- Others	69	61
Insurance	21	16
Rates and taxes	139	63
Electricity and water charges	166	155
Communication charges	162	171
Printing and stationery	40	35
Travelling and conveyance expenses	512	449
Legal and professional charges	687	538
Payment to auditors (Refer Note 32)	41	41
Corporate Social Responsibility expenses	230	168
Donation	10	3
Hire and Service Charges	529	164
Miscellaneous expenses	61	49
Advertisement and publicity expenses	4,673	3,722
Commission expenses	524	460
Marketing, distribution and promotion expenses	3,006	2,853
Conference expenses	130	124
Provision for doubtful debts, advances and investment written back (net)	(285)	302
Bad debts and advances written off	338	393
Provision for diminution in value of investments	-	(16)
Loss on sale / discard / impairment of fixed assets (net)	171	61
<b>Total</b>	<b>12,139</b>	<b>10,408</b>

## 24. LEASES

## (I) OPERATING LEASES:

## (a) In respect of assets taken under operating lease

Leasing liabilities primarily relate to lease of certain offices, residential premises, aircraft and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally for 7 to 120 months.

	(₹ Millions)	
	2016	2015
Lease rental charges for the year	1,748	1,174
<b>Future Lease rental obligation payable (under non-cancellable lease)</b>		
Not later than one year	1,131	770
Later than one year but not later than five years	1,224	804
Later than five years	152	150

(b) The Group has given part of its buildings under cancellable operating lease agreement. The initial term of the lease is for 11 to 36 months. The rental revenue for the year is ₹/Millions 246 (104).

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- (c) The Group has also sub-leased part of office premises with certain fixed assets under non-cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and lessee. The initial tenure of the lease is generally upto 24 months.

	(₹ Millions)	
	2016	2015
Sub lease rent income (including netted against rent expenses)	85	-
Future sub lease rental receivable (under non-cancellable lease)		
Not later than one year	191	-

### 25. CONTINGENT LIABILITIES

	(₹ Millions)	
	2016	2015
a) Corporate Guarantees		
-For subsidiaries, loans outstanding ₹/Millions Nil (Nil)	21,374	11,049
-For other related parties, loans outstanding ₹/Millions 800 (791) <sup>^</sup>	800	791
b) Disputed Indirect Taxes	497	539
c) Disputed Direct Taxes *	5,985	6,474
d) Claim against the Group not acknowledged as debts #	948	631
e) Legal cases against the Group @	Not Ascertainable	Not Ascertainable

<sup>^</sup> Includes commitment for meeting shortfall funding towards revolving debt service reserve account (DSRA) obligation against financial facilities availed by the borrowers.

\* Income tax demands mainly include appeals filed by the Group before various appellate authorities (including Dispute Resolution panel) against the disallowance of expenses / claims, non-deduction / short deduction of tax at source, transfer pricing adjustments etc. The management is of the opinion that its tax cases will be decided in its favour and hence no provision is considered necessary at this stage.

# The amount represents the best possible estimate arrived at on the basis of available information. The Group has engaged reputed advocates to protect its interests and has been advised that it has strong legal positions against such disputes.

@ The Group has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, defamation suits etc in relation to the programs produced / other matters. In the opinion of the Management, no material liability is likely to arise on account of such claims / law suits.

26. The Group has preferred a legal case against The Board of Control for Cricket in India (BCCI) for premature termination of Media Rights contract for telecast of cricket matches between India and other countries in neutral territories outside India. The Hon'ble Arbitration Tribunal in November 2012 has passed an Arbitral award of ₹/Millions 1,236 (plus interest) in favour of the Group. BCCI has filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. Accordingly, pending final outcome and receipt of the award amount, effect has not been given in these financial statements.

### 27. CAPITAL AND OTHER COMMITMENTS

- (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹/Millions 217 (394).  
(ii) Other Commitments towards media content and license fees for live future broadcasting and for non live / tape events ₹/Millions 35,213 (34,555).  
(iii) Uncalled Liability on investments committed ₹/Millions 180 (392).

28. The Group has been deploying its surplus funds by way of inter corporate deposits, debt instruments etc. and the parties are regular in the payment of interest and hence considered good.

### 29. RELATED PARTY DISCLOSURE

#### (I) A. ASSOCIATE

Name of the Associate	Extent of Holdings	Country of Incorporation
Aplab Limited	26.42% (26.42%)	India
Idea Shop Web and Media Private Limited (held through India Webportal Private Limited) upto 30 September, 2015	Nil (38.61%)	India
Asia Today Thailand Limited (held through Asia Today PTE Singapore Limited)	25.00% (25.00%)	Thailand

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## (I) B. JOINT VENTURE (HELD THROUGH ZEE TURNER LIMITED)

Name of the Jointly Controlled Entity	Extent of Holdings	Country of Incorporation
Media Pro Enterprise India Private Limited	50.00%	India

## (II) OTHER RELATED PARTIES WITH WHOM TRANSACTIONS HAVE TAKEN PLACE DURING THE YEAR AND BALANCES OUTSTANDING AS ON THE LAST DAY OF THE YEAR:

Procall Infra & Utilities Private Limited (Formerly Agrani Wireless Services Limited); Bombay Mobile Softwares Private Limited; Broadcast Audience Research Council; Cyquator Media Services Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Dish Infra Services Private Limited; Dish TV India Limited; Essel Business Excellence Services Limited; Essel Propack Limited; Essel Corporate Resources Private Limited; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel InfraProjects Limited; Essel Shyam Communication Private Limited; Essel Solar Energy Private Limited; Himgiri Zee University; Indian Cable Net Company Limited; Intrex India Limited; ITZ Cash Card Limited; Living Entertainment Enterprises Private Limited; Master Channel Community Network Private Limited; Pan India Network Invest Private Limited; Pan India Network Limited; Pri Media Services Private Limited; Real Media FZ-LLC; Siti Cable Network Limited; Siti Guntur Network Private Limited; Siti Jai Maa Durgee Communication Private Limited; Siti Jind Digital Media Communications Private Limited; Siti Karnal Digital Media Network Private Limited; Siti Maurya Cable Net Private Limited; Siti Vision Digital Media Private Limited; Siti Bhatia Network Entertainment Private Limited; Smart Wireless Private Limited; Tapasvi Mercantile Private Limited; Veria International Limited; Zee Akash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited, ZEE Foundation.

## DIRECTORS/ KEY MANAGEMENT PERSONNEL

Dr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director & CEO), Mr. Subodh Kumar (Executive Vice Chairman) (upto 15 October, 2015).

## RELATIVE OF KEY MANAGEMENT PERSONNEL

Mr. Amit Goenka

## TRANSACTIONS WITH RELATED PARTIES

	(₹ Millions)	
	2016	2015
<b>A) Non-Current Investments as at 31 March</b>		
Associates	3	6
Other related parties	2	2
<b>Current Investments as at 31 March</b>		
Associate	-	21
<b>B) Trade Receivables as at 31 March</b>		
Joint Venture	747	788
Other related parties	727	574
<b>C) Loans, Advances and Deposits given as at 31 March</b>		
Other related parties	577	455
<b>D) Other Receivable / Unbilled Revenue</b>		
Joint Venture	-	26
Other related parties	436	175
<b>E) Trade Payables / Other Payables as at 31 March</b>		
Joint Venture (P. Y. ₹ 124,886)	-	0
Associates	2	4
Other related parties	265	455
<b>F) Loans, Advances and Deposits Received as at 31 March</b>		
Other related parties	24	22
<b>G) Revenue from Operations</b>		
Advertisement Income		
Other related parties	67	10
Subscription Income		
Joint Venture	-	1,703
Associate	12	1
Other related parties	2,515	1,703

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	(₹ Millions)	
	2016	2015
<b>Commission received</b>		
Other related parties	2	3
<b>Other Operating Income</b>		
Other related parties	45	41
<b>H) Other Income</b>		
<b>Dividend Income</b>		
Other related parties	3	2
Joint Venture	-	1
Other related parties	106	104
<b>Balances written back</b>		
Other related parties (P. Y. Rs. 490,235)	-	0
<b>I) Reimbursements / Recoveries</b>		
Joint Venture	1	26
Other related parties	331	129
<b>J) Sale of Fixed Assets</b>		
Other related parties	-	2
<b>Purchase of Fixed Assets / Capital Advances</b>		
Other related parties	-	28
<b>K) Purchase of Media Content and Services</b>		
Associates	24	13
Other related parties	3,062	2,279
<b>L) Corporate Social Responsibility expenses</b>		
Other related parties	200	90
<b>M) Remuneration paid</b>		
Key Management Personnel	91	87
Relative of Key Management Personnel	3	-
<b>N) Loans, Advances and Deposits given</b>		
Other related parties	86	427
<b>O) Loans, Advances and Deposits repayment received</b>		
Other related parties	-	11
<b>P) Advances and Deposits received</b>		
Other related parties	24	22
<b>Q) Advances and Deposits refunded</b>		
Other related parties	22	-
<b>R) Repayment of Short Term Borrowings</b>		
Other related parties	-	1,001
<b>S) Corporate Guarantees given</b>		
Subsidiaries	21,374	11,049
Other related parties	800	791

\* Transactions with Joint Venture has been reported at full value.

## NOTES

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### NOTE : DISCLOSURE IN RESPECT OF MATERIAL RELATED PARTY WHO ACCOUNT FOR 10% OR MORE OF THE TRANSACTIONS DURING THE YEAR :

- a. Investments at year end includes investment in equity of Aplab Limited ₹/Millions Nil (5), Idea Shop Web and Media Private Limited ₹/Millions Nil (21), Asia Today Thailand Limited ₹/Millions 3 (1), Essel Propack Limited ₹/Millions 2 (2).
- b. Trade Receivables balances outstanding include receivable from Media Pro Enterprise India Private Limited ₹/Millions 747 (788), Dish TV India Limited ₹/Millions 28 (22), Siti Cable Network Limited ₹/Millions 144 (184), Veria International Limited Rs/Millions 513 (368).
- c. Loans, Advances and Deposits balances outstanding includes Cyquator Media Services Private Limited ₹/Millions Nil (30), Broadcast Audience Research Council ₹/Millions 45 (45), Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions 340 (340), Siti Cable Network Limited ₹/Millions 66 (0), ZEE Media Corporation Limited ₹ / Millions 61 (Nil).
- d. Other Receivable balances include Media Pro Enterprise India Private Limited ₹/Millions Nil (26), Dish TV India Limited ₹/Millions 177 (158 ), Dish Infra Services Private Limited ₹/Millions Nil (3); Essel Finance Management LLP ₹/Millions 15 (4), ITZ Cash Card Limited ₹/Millions 1 (2), Zee Media Corporation Limited ₹/Millions 96 (8), Living Entertainment Enterprises Private Limited ₹/Millions 106 (Nil).
- e. Trade Payables / Other Payables balances - Asia Today Thailand Limited ₹/Millions 2 (4), Dish TV India Limited Rs/Millions 58 (121), Zee Media Corporation Limited ₹/Millions 35 (248), Indian Cable Net Company Limited ₹/Millions 27 (Nil), Broadcast Audience Research Council ₹/Millions 30 (Nil), Essel Business Excellence Services Limited ₹/Millions 66 (Nil).
- f. Advances and Deposits Received outstanding includes Essel Corporate Resources Private Limited ₹/Millions 10 (Nil), Essel Infra Projects Limited ₹ /Million 12 (Nil), Dish TV India Limited ₹/Millions Nil (22).
- g. Revenue from Operations includes Advertisement Income - Diligent Media Corporation Limited ₹/Millions Nil (1), Dish TV India Limited ₹/Millions 53 (8), Living Entertainment Enterprises Private Limited ₹/Millions 8 (Nil). Subscription Income - Media Pro Enterprise India Private Limited ₹/Millions Nil (1,703 ), Asia Today Thailand Limited ₹/Millions 12 (1), Dish TV India Limited ₹/Millions 1,839 (1,212 ), Siti Cable Network Limited ₹/Millions 676 (491). Commission received include Veria International Limited ₹/Millions 1 (3), Zee Media Corporation Limited ₹/Millions 1 (Nil), Other Operating Income - Zee Media Corporation Limited ₹/Millions 37 (41), Living Entertainment Enterprises Private Limited ₹/Millions 7 (Nil).
- h. Other Income Include Dividend received from Essel Propack Limited ₹/Millions 3 (2). Rent/Miscellaneous Income from Media Pro Enterprise India Private Limited ₹/Millions Nil (1), Dish TV India Limited ₹/Millions 16 (28), Siti Cable Network Limited ₹/Millions 7 (13), Zee Media Corporation Limited ₹/Millions 57 (51), Dish Infra Services Private Limited ₹/Millions 14 (2). Balance written back includes Intrex India Limited ₹/Millions Nil (0), Pan India Network Limited ₹/Millions Nil (0).
- i. Reimbursements / Recoveries from Media Pro Enterprise India Private Limited ₹/Millions 1 (26), Dish TV India Limited ₹/Millions 37 (55), Siti Cable Network Limited ₹/Millions 4 (12), Zee Media Corporation Limited ₹/Millions 121 (52), Living Entertainment Enterprises Private Limited ₹/Millions 95 (Nil).
- j. Purchase of Fixed Assets from Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions Nil (13), Dish TV India Limited Rs/Millions Nil (3), Zee Learn Limited ₹/Millions Nil (11), Sale of Fixed Assets to Zee Media Corporation Limited ₹/Millions Nil (2).
- k. Purchase of Media Content and Services include from Asia Today Thailand Limited ₹/Millions 24 (13), Digital Subscriber Management and Consultancy Services Private Limited ₹/ Million 503 (46), Dish TV India Limited ₹/Millions 176 (203), Essel Corporate Resources Private Limited ₹/Millions 240 (294), Siti Cable Network Limited ₹/Millions 356 (315), Zee Learn Limited ₹/Millions 6 (51), Zee Media Corporation Limited ₹/Millions 1080 (1,196).
- l. Remuneration paid to Key Management Personnel Mr. Punit Goenka ₹/Millions 67 (51) and Mr. Subodh Kumar ₹/Millions 24 (36).  
Remuneration paid to Relative of Key Management Personnel ₹/Millions 3 (Nil).
- m. Corporate Social Responsibility activities includes Himgiri Zee University ₹/Millions Nil (90), Zee Foundation ₹/Millions 200 (Nil).
- n. Loans, Advances and Deposits given includes Broadcast Audience Research Council ₹/Millions Nil (50), Cyquator Media Services Private Limited ₹/Millions Nil (2), Digital Subscriber Management and Consultancy Services Private Limited ₹/Millions Nil (340), Siti Cable Network Limited ₹/Millions 65 (Nil), Essel Corporate Resources Private Limited ₹/Millions 21 (Nil).
- o. Loans, Advances and Deposits repayment received includes Real Media FZ-LLC ₹/Millions Nil (11).
- p. Advances and Deposits received includes Dish TV India Limited ₹/Millions Nil (22), Essel Corporate Resources Private Limited ₹/Millions 10 (Nil), Essel Infra Projects Limited ₹ /Million 12 (Nil).
- q. Advances and Deposits refunded includes Dish TV India Limited ₹/Millions 22 (Nil).
- r. Short Term Borrowings repaid include Tapasvi Mercantile Private Limited ₹/Millions Nil (1,001).
- s. Corporate guarantees on behalf of Taj TV Limited ₹/Millions 21,374 (11,049), Broadcast Audience Research Council ₹/Millions 170 (170), Siti Cable Network Limited ₹/Millions 630 (610), Zee Learn Limited ₹/Millions Nil (11).

"0" (zero) denotes amounts less than a million.

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30. Operational cost and other expenses are net off recoveries ₹/Millions 332 (155).

### 31 SEGMENT INFORMATION

#### (A) BUSINESS SEGMENT

The Group operates only in one Segment namely 'Content and Broadcasting' and hence business segment disclosure as per AS-17 - Segment Reporting are not applicable.

#### (B) REVENUE FROM GEOGRAPHICAL MARKET

The geographical segments considered for disclosure are India and Rest of the World.

The revenues are attributable to countries based on location of customers.

	Revenues	
	2016	2015
India	43,978	35,228
Rest of World	14,537	13,609

(₹ Millions)

Segment assets and liabilities are disclosed based on the countries of incorporation of respective companies.

	Segment Assets		Capital Expenditures	
	2016	2015	2016	2015
India	50,094	44,479	3,001	1,010
Rest of World	24,201	20,778	758	184

(₹ Millions)

### 32 PAYMENT TO AUDITORS

For Standalone		
	2016	2015
Audit fees	8	7
Tax audit fees	1	1
Certification and tax representation	6	7
Reimbursement of expenses (₹ 395,824 (₹ 427,135))	0	0
<b>Total</b>	<b>15</b>	<b>15</b>

(₹ Millions)

For Subsidiaries and Jointly controlled entity		
	2016	2015
Audit fees	23	23
Tax audit fees	1	3
Certification and tax representation (P.Y. ₹ 490,000)	2	0
Reimbursement of expenses (₹ 122,713 (₹ 144,865))	0	0
<b>Total</b>	<b>26</b>	<b>26</b>

(₹ Millions)

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## 33. EARNINGS PER SHARE (EPS)

	(₹ Millions)	
	2016	2015
a. Profit after Tax (₹/Millions)	10,267	9,775
Less: Dividend on preference shares (₹/Millions) (including tax)	1,458	1,453
b. Profit available for appropriation to Equity Shareholders (₹/Millions)	8,809	8,322
c. Weighted average number of equity shares for basic and diluted EPS (in numbers)	960,448,720	960,448,720
Nominal value of equity shares (₹)	1	1
d. Basic and diluted EPS (₹)	9.17	8.67

34. The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March 2015. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

## 35. (I) ACQUISITION OF MEDIA BUSINESS UNDERTAKING OF DILIGENT MEDIA CORPORATION LIMITED

- a) During the previous year, a Scheme of Arrangement ("the Scheme") under Sections 391 to 394 read with Section 78 and Sections 100 to 104 and other applicable provisions of the Companies Act 1956 / Companies Act 2013, between Diligent Media Corporation Limited ("DMCL" or "the Demerged Company") and the Company ("the Resulting Company") and their respective shareholders and creditors, was sanctioned by the Hon'ble High Court of Judicature at Mumbai on 12 September 2014. Pursuant to the Scheme, the Media Business Undertaking of DMCL is demerged and vested with the Company on appointed date i.e. 31 March 2014 on going concern basis.
- b) The Scheme was given effect in the financial statements for the year ended 31 March 2015 and pursuant to the Scheme:
  - i. The assets and liabilities of Media Business Undertaking of DMCL were transferred to and recorded in the books of account of the Company at their respective book values and the difference (Surplus) of ₹/Millions 1,996 was credited to the General Reserve.
  - ii. 22,273,886 6% Non-Cumulative Redeemable Preference Shares of ₹ 1 each were allotted to the equity shareholders of DMCL in the previous year in the ratio of One fully paid preference shares of ₹ 1 each of the Company for every four equity shares of ₹ 10 each held in DMCL.
  - iii. The aforesaid preference shares have been redeemed during the year.

## (II) ACQUISITION OF SARTHAK ENTERTAINMENT PRIVATE LIMITED AND IDEA SHOP WEB AND MEDIA PRIVATE LIMITED

During the year, the Company has acquired the entire 450,000 equity shares of ₹ 10 each of Sarthak Entertainment Private Limited. Upon completion of acquisition of "Sarthak TV" an Odiya language general entertainment channel, Sarthak Entertainment Private Limited has become wholly owned subsidiary of the Company on and from 4 December, 2015. Also, the Company has increased its shareholding in Idea Shop Web and Media Private Limited through its Subsidiary India Web Portal Private Limited. The effect of acquisition of subsidiaries on the financial position and results as included in the consolidated financial statements as at and for the year ended 31 March, 2016 are given below:

	(₹ Millions)	
	Sarthak Entertainment Private Limited	Idea Shop Web and Media Private Limited
Net assets acquired	170	4
Goodwill on consolidation	898	30
Impact on Profit / (loss) before tax	67	(5)

## 36. DISCLOSURE IN RESPECT OF JOINT VENTURE COMPANIES

In Compliance with Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures", the Group's share of each of the assets, liabilities, income and expenses, etc. in respect of jointly controlled entities are as follows :

	(₹ Millions)	
Name of the Joint Ventures	Country of Incorporation	Ownership Interest
Media Pro Enterprises India Private Limited	India	50% (50%)

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Particulars	(₹ Millions)	
	2016	2015
<b>ASSETS</b>		
Long-term loans and advances	851	849
Trade receivables	0	18
Cash and bank balance	74	122
Short-term loans and advances	10	11
Other current assets	3	1
<b>LIABILITIES</b>		
Trade payables	810	882
Other current liabilities	19	24
<b>INCOME</b>	29	281
<b>EXPENSES</b>	16	243

### 37. EXCEPTIONAL ITEM

Exceptional item represents write off of investment in MirriAD Limited, UK of ₹/Millions 331 (Nil) by ATL Media Ltd (Formerly Asia Today Limited), a wholly owned overseas subsidiary of the Company on account of contingent losses and capital reduction / restructuring in MirriAD Limited, UK.

### 38. Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the entity	(₹ Millions)			
	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Zee Entertainment Enterprises Limited				
<b>SUBSIDIARIES</b>	81%	50,394	84%	8,593
<b>Indian</b>				
1 Zee Turner Limited	0%	95	0%	19
2 India Webportal Private Limited	0%	78	0%	26
3 Essel Vision Productions Limited	1%	492	1%	72
4 Taj Television (India) Private Limited	3%	1,998	12%	1,232
5 Zee Digital Convergence Limited (Formerly Zee Sports Limited)	0%	(78)	(3%)	(323)
6 Sarthak Entertainment Private Limited	0%	211	0%	41
7 Idea Shop Web and Media Private Limited	0%	(0)	0%	(5)
<b>Foreign</b>				
1 ATL Media Ltd (Formerly Asia Today Limited)	16%	9,730	4%	435
2 Zee Multimedia Worldwide (Mauritius) Limited	8%	5,118	1%	91
3 Asia TV Limited (UK)	1%	832	0%	22
4 Expand Fast Holdings (Singapore) Pte Limited	0%	126	0%	10
5 OOO Zee CIS Holding LLC	0%	-	0%	-
6 OOO Zee CIS LLC	0%	5	0%	16
7 Taj TV Limited	0%	(250)	(3%)	(318)
8 Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)	0%	(29)	0%	(17)
9 Zee Technologies (Guangzhou) Limited	0%	(45)	0%	(21)
10 Zee Entertainment Middle East FZ-LLC	2%	1,146	6%	653
11 ATL Media FZ-LLC	0%	(151)	(1%)	(115)
12 Zee TV South Africa (Proprietary) Limited	0%	(263)	1%	69
13 Zee TV USA Inc.	0%	-	0%	-
14 Asia Multimedia Distribution Inc.	0%	3	0%	3

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(₹ Millions)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
15 Eevee Multimedia Inc.	0%	(45)	0%	(37)
16 Asia Today Singapore Pte Limited	0%	(99)	(1%)	(98)
17 Asia TV USA Limited	0%	(3)	0%	(3)
<b>Minority Interests in all subsidiaries</b>	0%	85	0%	18
<b>ASSOCIATES (INVESTMENT AS PER THE EQUITY METHOD)</b>				
<b>Indian</b>				
1 Aplab Limited	0%	-	0%	(6)
2 Idea Shop Web and Media Private Limited#	0%	-	0%	1
<b>Foreign</b>				
1 Asia Today Thailand Limited	0%	3	0%	2
<b>JOINT VENTURES (AS PER PROPORTIONATE CONSOLIDATION)</b>				
<b>Indian</b>				
1 Media Pro Enterprise India Private Limited	0%	109	0%	13

**Note :** The figures have been computed based on the respective audited financial statements of the companies vis-à-vis consolidated figures. Impact of consolidation adjustments have not been considered.

# Became subsidiary during the year