

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2016

To,
The Members,
Zee Entertainment Enterprises Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Zee Entertainment Enterprises Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company ("Books and Papers"), and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2015 to March 31, 2016 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the financial year ended on March 31, 2016, according to the provisions of:

1. The Companies Act, 2013 ("the Act") and Companies Act, 1956 (to the extent applicable) the rules made thereunder including any re-enactment thereof ;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agent) Regulations, 1993;
 - d. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investments;
6. Specific laws applicable as mentioned hereunder:
 - a. Uplinking / downlinking policy/guidelines issued by Ministry of Information and Broadcasting;
 - b. The Cable Television Network (Regulation) Act, 1995 and rules framed thereunder;
 - c. The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012;
 - d. Standard of Quality of Service (Duration of Advertisements in Television Channels) (Amendment) Regulations 2013 issued by Telecom Regulatory Authority of India.

We have also examined compliance with the applicable clauses of the following:

- a. Secretarial Standards 1 and 2 issued by the Institute of Company Secretaries of India;
- b. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange India Limited.

We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

MANAGEMENT RESPONSIBILITY:

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- v. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

WE FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved by majority while the dissenting members', if any, views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not incurred any specific event/ action listed below that can have a major bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

i. Redemption of 6% Non-Cumulative Redeemable Non-Convertible Preference Shares (Class A)- Unlisted:

The Company redeemed 22,273,886 – 6% Non-Cumulative Redeemable Non-Convertible Preference Shares (Class A) of ₹ 1 each at the close of January 15, 2016 together with payment of pro-rata dividend. The shares were issued to the shareholders of Diligent Media Corporation Limited under a Scheme of Arrangement approved by Hon'ble Bombay High Court vide order passed on September 12, 2014.

ii. Consolidation and re-organisation of face value of 6% Cumulative Redeemable Non-Convertible Preference Shares:

Ordinary Resolution was passed, in terms of Section 61 of the Act for consolidation and re-organisation of face value of Preference Shares from ₹ 1 each to ₹ 10 each. Consequently, alteration of Capital Clause V in the Memorandum of Association of the Company was approved by the Equity Shareholders at the 33rd Annual General Meeting & Preference Shareholders through Postal Ballot through requisite majority.

iii. Borrowing Limits

Special Resolution in terms of Section 180(1)(a) of the Act seeking shareholders authorisation through postal ballot for the Board to create charge on assets / undertaking of the Company to secure any current and/or future borrowings was not approved by the Equity Shareholders.

For M/s Vinod Kothari & Company
Company Secretaries
Firm Registration No. P1996WB042300
Vinita Nair
Partner
Membership No.: A31669
C P No.: 11902

Place: Mumbai
Date: May 9, 2016