

Independent Auditor's Report

To the Members of
Zee Entertainment Enterprises Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

- We have audited the accompanying standalone financial statements of Zee Entertainment Enterprises Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>(i) Uncertainties on ultimate outcome of the ongoing investigation being conducted by the Securities and Exchange Board of India ('SEBI') and inspection being conducted by the Ministry of Corporate Affairs under Section 206(5) of the Act (Refer notes 56 of the standalone financial statements)</p> <p>The Company, one the current KMP and one of its subsidiaries is involved in the ongoing investigation being conducted by the Securities and Exchange Board of India ('SEBI') with respect to certain transactions in earlier years with the vendors of the Company and one of the subsidiary companies. Pursuant to the above, SEBI has issued various summons and sought comments/information/explanations from the Company, its subsidiary and certain directors (including former directors), KMPs who have provided or are in process of providing the information requested.</p> <p>The Company had also received a follow-up communication from the Ministry of Corporate Affairs ('MCA') for the ongoing inspection under section 206(5) of the Companies Act, 2013 against which the Company had submitted its response.</p> <p>The management has informed the Board that based on its review of records of the Company/ subsidiary, the transactions (including refunds) relating to the Company/subsidiary were against consideration for valid goods and services received.</p> <p>The Board of Directors of the Company continues to monitor the progress of aforesaid matters and have also appointed Independent advisory committee to review the allegations.</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> Obtained understanding of management process and controls relating to identification and evaluation of proceedings and investigations at different levels in the Company; Evaluated the design and tested the operating effectiveness of key controls around above process; Obtained and reviewed the various show cause notices, orders, letters, summons and follow up requests from SEBI and MCA; Obtained and evaluated the response, information and documents submitted by the Company, its subsidiary, directors and KMPs; Reviewed the documents in hand (agreements, MOUs, purchase orders, invoices, bank statements, Board approvals and other required approvals) for transactions highlighted in the show cause notice and summons at Company/subsidiary level; Reviewed the work performed by Internal auditors on the agreed scope; Verified the conclusion of the erstwhile auditors and internal auditors including Advisory report submitted by SEBI based on Examination carried out in earlier years on the same transactions in earlier years;

Key Audit Matter	How our audit addressed the key audit matter
<p>Based on the available information, the management does not expect any material adverse impact on the Company/ Subsidiary with respect to the above and accordingly, believes that no adjustments are required to the accompanying statement.</p> <p>Considering the uncertainty associated with the ultimate outcome of the investigation/ findings of independent advisory and significance of management judgement involved in assessing the future outcome and determining the required disclosure, this was considered to be a key audit matter in the audit of the standalone financial statements.</p> <p>Further, the aforementioned matter as fully explained in Note 56 to the standalone financial statements is also considered fundamental to the user's understanding of the standalone financial statements.</p>	<ul style="list-style-type: none"> Obtained and evaluated the scope of work agreed with Independent Advisory Committee and the conclusions of the committee; Reviewed the legal opinion obtained by the management on the ongoing regulatory actions against the Company concluding that the investigation is at fact finding stage and no conclusion has been formed; and Evaluated the adequacy of disclosures given in the standalone financial statements with regard to regulatory action.
<p>(ii) Litigation for termination of Merger Co-operation agreement (Refer notes 30 and 55 of the standalone financial statements)</p> <p>The Board of Directors of the Company, on 21 December 2021, had approved the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (Scheme), whereby the Company and Bangla Entertainment Private Limited (BEPL) an affiliate of Culver Max Entertainment Private Limited (Culver Max). Both the parties had been engaged in the process of obtaining the necessary approvals for completing the merger. The Company has incurred expenses aggregating to ₹ 2,784 million during the year (and aggregating to ₹ 4,618 million upto date) pursuant to such scheme of merger which have been disclosed under exceptional items in the relevant period.</p> <p>However, on 22 January 2024, Culver Max and BEPL have issued a notice to the Company purporting to terminate the Merger co-operation Agreement ('MCA') and sought termination fee of USD 90,000,000 (United States Dollars Ninety Million) and alleged breaches by the Company of the terms of the MCA, they have also initiated arbitration for the same before the Singapore International Arbitration Centre (SIAC) and is currently pending as at reporting date.</p> <p>The Management, based on legal tenability, progress of the arbitration and relying on the legal opinion obtained from independent legal counsel has determined that the above claims against the Company including towards termination fees is not tenable and does not expect any material adverse impact on the Company with respect to the above and accordingly, no adjustments are required to the accompanying standalone financial statement.</p> <p>Considering the amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37'), in order to determine the amounts to be recognised as liability or to be disclosed as a contingent liability or not, is inherently subjective and needs careful evaluation and significant judgement to be applied by the management, this matter is considered to be a key audit matter for the current period audit.</p> <p>Further, the aforementioned matter as fully explained in Note 55 to the standalone financial statements is also considered fundamental to the user's understanding of the standalone financial statements.</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> Obtained understanding of management process and controls relating to implementation of the Merger Scheme and evaluated the design and tested the operating effectiveness of key controls around above process; Obtained and reviewed the terms and conditions mentioned in the MCA and Company's compliance position with those terms and conditions; Obtained and reviewed the correspondence (including termination notice, arbitration notice, replies, NCLT filings, SIAC filings) between the Company, Culver Max and BEPL to corroborate our understanding of the matter; Reviewed the legal opinion from independent legal counsel obtained by the management with respect to termination of MCA; Assessed management decision to continue to classify the excluded entities in the MCA as Non-current assets held for sale in accordance with Ind AS 105 – Non-Current Assets Held for Sale and Discontinued Operations on its intention to continue with merger; Tested on sample basis the merger cost recorded as exceptional items in the standalone financial statements; and Evaluated the adequacy of disclosures given in the standalone financial statements with regard to litigation.

Key Audit Matter	How our audit addressed the key audit matter
<p>(iii) Litigation with Star India Private Limited for the ICC Contract (Refer notes 37 of the standalone financial statements)</p> <p>On 26 August 2022, the Company had entered into an agreement with Star India Private Limited ("Star") for setting out the basis on which Star would be willing to grant sub-license rights in relation to television broadcasting rights of the International Cricket Council's (ICC) Men's and Under 19 (U-19) global events for a period of four years (ICC 2024-2027) on an exclusive basis ('Alliance Agreement'). The performance of the Alliance Agreement was subject to certain conditions precedent including submission of financial commitments, provision of bank guarantee and corporate guarantee and pending final ICC approval for sub-licensing to the Company.</p> <p>Till date, the Company has accrued ₹ 721 million for Bank Guarantee Commission and interest expenses for its share of Bank Guarantee and Deposit as per the alliance agreement.</p> <p>During the year, Star has sent letters to the Company through its legal counsel alleging breach of the Alliance agreement on account of non-payment of dues for the rights in relation to first instalment of the rights fee aggregating to USD 203.56 million (₹ 16,934 million) along-with the payment for Bank Guarantee commission and deposit interest aggregating ₹ 170 million and financial commitments including furnishing of corporate guarantee/ confirmation as stated in the Alliance Agreement.</p> <p>On 14 March 2024, Star initiated arbitration proceedings against the Company under the Arbitration Rules of the London Court of International Arbitration and sought to specific performance of the Alliance Agreement (or alternatively, to pay damages).</p> <p>Based on the legal advice, the management believes that Star has not acted in accordance with the Alliance Agreement, and has failed to obtain necessary approvals, execution of necessary documentation and agreements. The management also believes that Star by its conduct has breached the Alliance Agreement and is in default of terms thereof and consequently, the contracts stands repudiated and accordingly, the Company does not expect any material adverse impact with respect to the above and hence no adjustments were required to the accompanying standalone financial statements.</p> <p>Considering the amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets ('Ind AS 37'), in order to determine the amounts to be recognised as liability or to be disclosed as a contingent liability or not, is inherently subjective and needs careful evaluation and significant judgement to be applied by the management, this matter is considered to be a key audit matter for the current period audit.</p> <p>Further, the aforementioned matter as fully explained in Note 37 to the standalone financial statements is also considered fundamental to the user's understanding of the standalone financial statements.</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Alliance agreement along with the conditions mentioned therein and management's compliance with those conditions; • Obtained and reviewed the correspondence between the Company and Star along with the letters sent through legal counsel and the arbitration application filed; • Evaluated the response received from the external legal counsel to ensure that the conclusions reached are supported by sufficient legal rationale; • Involved Auditor's expert to corroborate conclusions reached by the external legal counsel; • Verified the invoices received for interest cost on deposits and bank guarantee and also verified the payment made by the Company against those invoices; and <p>Evaluated the adequacy of disclosures given in the standalone financial statements with regard to litigation.</p>

Key Audit Matter	How our audit addressed the key audit matter
<p>(iv) Provisions and contingent liabilities relating to taxation, litigations and other claims</p> <p>As at 31 March 2024, the Company is involved in various litigations, arbitrations and claims with/against various authorities, related parties and erstwhile related parties of the Company.</p> <p>The most significant matters include:</p> <ol style="list-style-type: none"> Show cause notices received by the Company for Goods and Service tax ('GST') demands aggregating to INR 1,736 million (refer note 35 to the accompanying financial statements) Claims aggregating to INR 5,329 million and provision aggregating to INR 2,584 million for settlement of financial commitments and claims of receivables provided for/ revenue not recognised from an erstwhile related party (Refer note 44D(ii)A to the accompanying financial statements) Arbitration for intercorporate deposits given to related parties aggregating to INR 1,706 million (Refer note 44D(ii)B to the accompanying financial statements) Arbitration for invocation of guarantee by customer of subsidiary of the Company ('Railtel') aggregating to INR 809. LOC (Letter of Comfort) issued in earlier years to Yes Bank (Refer note 38 to the accompanying financial statements) Dispute with respect to cancellation of lease by government authorities for one of the subsidiary companies (Refer note 58 to the accompanying financial statements) <p>Most of these litigations involve complex issues and certain matters also form part of matters of enquiry/summons issued by SEBI to various stakeholders. The Company assisted by their external legal counsel assesses the need to make provision or disclose a contingency on a case-to-case basis considering the underlying facts of each litigation.</p> <p>As at 31 March 2024, the amounts involved are significant. The provisions and contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company.</p> <p>Considering the materiality of transactions and significant judgements involved in establishing whether a liability/provision should be recognised or disclosed as a contingent liability in the standalone financial statements, such ongoing litigations are considered to be a key audit matter in the current year.</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process followed by the Company for assessment and determination of the amount of provisions and contingent liabilities on various litigations; • Tested the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of provisions and re-assessment of contingent liabilities; • Assessed management's conclusions through discussions held with the inhouse legal counsel and understanding precedents in similar cases; • Obtained and evaluated the independent confirmations from the consultants representing the Company before the various authorities including examination of correspondences connected with the cases; • Obtained the independent legal opinion for certain matters such as GST, Railtel matter, financial commitment of an erstwhile related party, LOC and lease cancellation by Government authority for confirming the likelihood of the the outcome of the said litigations and potential impact on Financial Statements; • Evaluated adequacy of provisions created and carried by management on the litigations; • Involved auditors' experts in assessing the nature and amount of GST show cause and assessed the technical merits based on the correspondence and assessments from the relevant tax authorities; • Assessed the amounts provided for such receivables is adequate to cover any further financial loss and whether the classification of the litigation is appropriate as per Ind AS 37; and <p>Evaluated the adequacy of disclosures given in the standalone financial statements, including disclosure of exceptional items, contingent liabilities and movement in provision created.</p>

Key Audit Matter	How our audit addressed the key audit matter
<p>(v) Recoverability of content advances and media content inventory valuation (Refer note: 2M, 3G 3K, 11 and 12 of Standalone financial statements)</p> <p>The Company held inventories aggregating ₹ 65,841 million as at 31 March 2024 comprising of raw tapes, media content (i.e. programmes, film rights, music rights) and under production-media contents.</p> <p>Further, the Company also pays advances for acquiring content from production houses out of which ₹ 4.400 million are outstanding as at 31 March 2024 (net of provision of ₹ 395 million). These advances are paid on the basis of Memorandum of Understanding (MOU) and/or agreements entered into with the respective production houses.</p> <p>The cost incurred on acquisition of inventory is amortised on straight line basis over the estimated period of use or estimated future revenue potential as estimated by the management. The factors that the Company considers in determining the amortisation policy has been derived basis historical trends and management's expectation of revenue earning potential of such media content.</p> <p>During the year, the Company has recorded an amortization expense of ₹ 34,133 million (including accelerated amortisation of ₹ 563 million for net realisable value),</p> <p>At each reporting period end, management assesses the recoverability of (i) content advances which involves significant judgment on part of management with regard to status of completion of the project for which advances are given, and (ii) inventory which involves determining whether there is any objective evidence indicating that the net realisable value of any item of inventory is below its carrying value. If so, such inventories are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories ('Ind AS 2').</p> <p>Considering the inherent nature of the industry, particularly on the changing viewing patterns of the content and quality of content as identified by end-users, determination of appropriate amortisation policy and provision for net realisable value involves significant judgement and estimates by the management and accordingly, the recoverability of content advances and inventory valuation has been considered as key audit matter for the current period audit.</p>	<p>Our audit included, but was not limited to the following procedures:</p> <p>Content advances</p> <ul style="list-style-type: none"> • Obtained an understanding of management's process for authorisation of content advances and its recoverability assessment; • Evaluated the appropriateness of related accounting policies adopted by the Company in accordance with the requirements of Ind AS 2; • Evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to aforesaid process; • Obtained supporting documents for the sample of movie advances paid during the year which includes the MOU/agreement executed between the Company and production houses; • Obtained supporting documents for refund/adjustment/assignment of advances for other content on sample basis; • Obtained direct confirmation from the production houses confirming the outstanding balances as at the year-end including identification of the films against which the advances were given and the manner of utilisation of the advances by such production houses, where considered necessary in our professional judgement; and • Evaluated management's assessment of stage of completion of projects for which the advances were given, and related judgement in determining the adequacy of provision for doubtful advances. <p>Inventory valuation</p> <ul style="list-style-type: none"> • Obtained an understanding of process followed for identifying amortisation period of inventory and estimating its net realisable value; • Evaluated the nature, source and reliability of all the information used by the management for arriving at the estimates for amortisation period and provision for net realisable value of inventories; • Discussed with respective business heads in the Company on expectations for performance of content to corroborate the forecasts; • Assessed the projected sale estimates made by the management in respect of balance inventory of aforesaid specific media content that is expected to be sold in the near future, for its appropriateness basis past trends and market conditions; • Obtained understanding of management's assessment of the parties/ entities and association with whom such contracts has been entered; • Tested mathematical accuracy in respect of amortisation and provision for doubtful advances and provision for net realisable value recorded in the books; <p>Evaluated appropriateness of disclosures made in the standalones financial statements</p>

Key Audit Matter	How our audit addressed the key audit matter
<p>(vi) Recoverability of Investment in Subsidiaries carried at cost, valuation of Optionally Convertible Debenture ("OCD") in subsidiaries carried at FVTPL and impairment assessment of Goodwill of regional channel and online media (Refer Note 7, 8 and 13 of Standalone financial statements and note 2Y, 2Nii, 3D, to material accounting policy information)</p> <ul style="list-style-type: none"> - The Company has investments of ₹ 5,429 million in subsidiaries, being carried at cost in accordance with Ind AS 27 "Separate Financial Statements" along with investment in Optionally convertible debentures ("OCD") in subsidiaries amounting to ₹ 2,103 million, being carried at fair value through profit and loss in accordance with Ind AS 109 "Financial Instruments", as at 31 March 2024. - The Company also has goodwill balance of ₹ 1,261 million relating to Online Media Business and Regional channel in India. - The Company assesses the recoverability of investment in subsidiaries by way of equity and OCDs, when impairment indicators exist, by comparing the fair value (less costs of disposal) and carrying amount of that investment as on the reporting date. Further, the carrying value of goodwill is tested for impairment on an annual basis as required under Ind AS 36, 'Impairment of Assets' ('Ind AS 36'). <p>Management's process of identification of Cash Generating Unit (CGU), identification of impairment indications and estimate of the recoverable values of the investments and goodwill determined through discounted cash flow and market multiple method requires significant judgment in carrying out the impairment assessment.</p> <p>The key assumptions used include, but are not limited to projections of future cash flows growth rates, discount rates, estimated future operating, capital expenditure and revenue multiples of comparable companies. Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in either impairment or reversals of impairment taken in prior years.</p> <p>Considering the materiality and the inherent subjectivity involved in management's judgments and estimates, recoverability of investments in subsidiaries, valuation of OCDs in subsidiaries and impairment assessment of Goodwill has been considered to be a key audit matter for the current period audit.</p>	<p>Our audit included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for identification of impairment indicators for recoverability of investments in subsidiaries, impairment assessment of Goodwill of regional channel and online media business including identification of CGUs and valuation of OCD issued by subsidiaries; • Tested the design and operating effectiveness of internal controls of the Company in relation to the aforesaid process; • Evaluated management's identification of CGUs for the purpose of Goodwill impairment testing; • Reconciled the cash flows to the business plans approved by the respective Board of Directors of the subsidiaries; • Involved auditor's experts to assess the appropriateness of the valuation methodology used for calculation of the recoverable value of the investment in subsidiaries and goodwill by the management and its experts; • Involved auditor's expert to assess the appropriateness of the valuation of OCD investment; • Evaluated and challenged management's assumptions such as implied growth rates during explicit period, terminal growth rate, revenue multiples of comparable companies and discount rate for their appropriateness based on our understanding of the business of the respective investee companies and CGUs, past results and external factors such as industry trends and forecasts; • Performed independent sensitivity analysis of aforesaid key assumptions to assess the effect of reasonably possible variations on the current estimated recoverable amount for each of the identified investments and for respective CGUs to evaluate sufficiency of headroom available between recoverable value and carrying amount; • Tested the mathematical accuracy of the management computations regarding cash flows and sensitivity analysis; and <p>Evaluated the adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions, judgements, sensitivity analysis performed, in accordance with applicable accounting standards.</p>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events

or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 17(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) The matters described in paragraph 5(i), 5(ii) and 5(iii) under the Emphasis of Matter, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) On the basis of the written representations received from the directors and taken on record by the Board of Directors,

none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

- g) The qualification remark relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 17(b) above on reporting under Section 143(3)(b) of the Act and paragraph 17 (i) (vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
- i) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 35, 37, 44D(ii), 55, 56 and 58, to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48(a) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48(b) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. As stated in note 45 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As stated in Note 58 to the standalone financial statements and based on our examination which included test checks, except for the instances mentioned below, the Company, in respect of financial year commencing on 01 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with where such feature was enabled.
 - a. The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintenance of accounting records and billing of subscription income for linear TV channels respectively.
 - b. Internally developed accounting software used for maintenance of accounting records relating to billing of subscription income for digital channel did not have a feature of recording audit trail (edit log) facility.
 - c. The accounting software used for maintenance of payroll records is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhwa
Partner
Membership No.: 508835
UDIN: 24508835BKFFCS6756

Place: Mumbai
Date: 17 May 2024

Annexure I

referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Zee Entertainment Enterprises Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work in progress, investment property and relevant details of right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work in progress, investment property and relevant details of right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work in progress, investment property and relevant details of right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 5(a) to the standalone financial statements are held in the name of the Company. Also refer the note 5 (a) (i) in the standalone financial statements with regard to one immovable property.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The Company does not hold any tangible inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) As disclosed in Note 19 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores during the previous year,

by banks on the basis of security of current assets. The limit sanctioned was available up to 21 August 2023 and was unutilised. Pursuant to the terms of the sanction letter, for the part of the year where such limit remained unutilised the Company is not required to file any quarterly return or statement with such banks or financial institutions.

For period post 21 August 2023, the Company has not been sanctioned (working capital limits/ working capital limits in excess of five crore rupees) by banks or financial institutions on the basis of security of current assets.

- (iii) (a) The Company has made investments in and provided advances in the nature of loans to Subsidiaries and Others during the year as per details given below:

Particulars	Investments	Advances in nature of loans
Aggregate amount provided/granted during the year:		
- Subsidiaries	- #	-
- Others	-	- ₹ 1,200 million*
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	₹ 809 million	-
- Others	-	₹ 1,480 million*

Further, the Company has not provided any loans or guarantee, or security to any other entity during the year.

Does not include ₹ 345 million paid to a subsidiary as closure support charges, which have been approved by the Board.

* In relation to settlement of DSRA obligation of erstwhile related party. Balances have been fully provided.

- (b) The Company has not provided any guarantee or given any security or granted any loans during the year. In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of advances in the nature of loans, prima facie, not prejudicial to the interest of the Company.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular, except for the following instances:

Name of the Entity	Amount due (₹ In million)	Due date	Extent of delay	Remarks
Edison Infrapower & Multiventures Private Limited	570*	30 September 2019	1,644 days	
Konti Infrapower & Multiventures Private Limited	560*			The Company has received favorable arbitration order against these entities. Further the Company has filed execution application with Bombay high court for recovery of the amounts.
Widescreen Holdings Private Limited	460*			
Asian Satellite Broadcast Private Limited	116*			
Total	1,706			

*Balances have been fully provided.

In respect of advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.

- (d) The total amount which is overdue for more than 90 days as at 31 March 2024 in respect of loans granted to such companies, firms, LLPs or other parties is as follows:

Particulars	Amount (₹ in million)	No. of Cases	Remarks, if any
Principal	1,500	4	The Company has received favorable arbitration order against these entities. Further the Company has filed execution application with Bombay high court for recovery of the amounts.
Interest	206		
Total	1,706		

Reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

In the absence of stipulated schedule of repayment of principal and payment of interest in respect of advances in the nature of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days. Reasonable steps have been taken by the Company for recovery of such principal amounts and interest

- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.
- (f) The Company has not granted any loan, which is repayable on demand or without specifying any terms or period of repayment. The Company has granted advances in the nature of loans without specifying any terms or period of repayment, as per details below:

Particulars	All Parties
Aggregate of loans/advances in nature of loan	
- Repayable on demand (A)	-
- Agreement does not specify any terms or period of repayment (B)	₹ 1,200 million
Total (A+B)	₹ 1,200 million
Percentage of advances in nature of loan to the total loans	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the Broadcasting services of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(₹ million)								
Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending			
The Central Excise Act, 1944	Service Tax	1	1	FY 2004-05	Customs, Central Excise and Service Tax Appellate Tribunal			
		312		FY 2006-07				
		148		FY 2007-08				
		5	0*	FY 2011-12				
				FY 2012-13				
		33	2	FY 2012-13				
				FY 2013-14				
				FY 2014-15				
		51	4	FY 2015-16				
				FY 2016-17				
		7	1	FY 2012-13	Commissioner Appeals of Service Tax			
				FY 2013-14				
				FY 2014-15				
The Maharashtra Goods and Service Tax Act, 2017	Goods and Service Tax	1,278	1,278	FY 2017-18 to FY 2020-21	Additional Commissioner			
The Maharashtra Goods and Service Tax Act, 2017	Goods and Service Tax	462	462	FY 2017-18 to FY 2020-21	Additional Commissioner			
The Karnataka Goods and Service Tax Act, 2017	Goods and Service Tax	30	-	FY 2017-18 & FY 2018-19	Deputy Comm of Commercial Taxes			
The Telangana Goods and Service Tax Act, 2017	Goods and Service Tax	1	-	FY 2017-18	Assistant Commissioner (ST)			
Income-tax Act, 1961	Income-tax	104		AY 2000-01	Bombay High Courts			
		182		AY 2001-02				
		60		AY 2002-03				
		43		AY 2005-06				
		115#		AY 2008-09				
		1#		AY 2009-10				
		288#		AY 2010-11				
		389#		AY 2011-12				
		664		AY 2011-12				
		6		AY 2018-19				
		215	105	AY 2015-16		Commissioner of Income Tax (Appeals)		
		0*		AY 2022-23				
		72		AY 2020-21				
				529			AY 2006-07 to AY 2010-11 (TDS)	Bombay High Court
				15		3	AY 2013-14 to AY 2019-20 (TDS)	
			Transfer pricing	463			AY 2007-08	Bombay High Court
				249#			AY 2008-09	
				18#			AY 2009-10	
				7#			AY 2010-11	
	8#			AY 2011-12				

* '0' represents amount less than a million

at pre-admission stage

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including confirmations received from bank, and financial institution, representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint venture.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and joint venture.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures..
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the company (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance

that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end

of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act.

- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhra
Partner
Membership No.: 508835
UDIN: 24508835BKFFCS6756

Place: Mumbai
Date: 17 May 2024

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

- In conjunction with our audit of the standalone financial statements of Zee Entertainment Enterprises Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR INTERNAL FINANCIAL CONTROLS

- The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial control reporting with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the guidance note on audit of Internal Financial Control over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

- In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial control reporting with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the guidance note issued ICAI.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Gautam Wadhra
Partner

Place : Mumbai
Date: 17 May 2024

Membership No.: 508835
UDIN: 24508835BKFFCS6756



Balance Sheet

AS AT 31ST MARCH 2024

	Note	Mar-24	(₹ million) Mar-23
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5a	4,618	5,320
(b) Capital work-in-progress	5b	93	191
(c) Investment property	6	490	500
(d) Goodwill	7	1,261	1,261
(e) Other intangible assets	7	1,064	1,644
(f) Financial assets			
(i) Investments	8	7,900	7,616
(ii) Other financial assets	9	416	402
(g) Income-tax assets (net)		2,973	1,655
(h) Deferred tax assets (net)	10	3,781	3,300
(i) Other non-current assets	11	168	144
Total non-current assets		22,764	22,033
Current assets			
(a) Inventories	12	65,841	69,548
(b) Financial assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	15,819	15,331
(iii) Cash and cash equivalents	15a	7,964	4,179
(iv) Bank balances other than (iii) above	15b	80	152
(v) Loans	44	-	-
(vi) Other financial assets	9	3,497	3,484
(c) Other current assets	11	8,595	10,117
Total current assets		101,796	102,811
Non-current assets classified as held for sale / disposal	32	809	1,482
Total assets		125,369	126,326
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	961	961
(b) Other equity	17	99,102	96,152
Total equity		100,063	97,113
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Long term borrowings	18	32	40
(ii) Lease liabilities	34	1,489	2,118
(b) Provisions	19	1,497	1,185
Total non-current liabilities		3,018	3,343
Current liabilities			
(a) Financial liabilities			
(i) Short term borrowings	18	23	19
(ii) Lease liabilities	34	643	600
(iii) Trade payables			
- Total outstanding dues of micro and small enterprises	44	774	590
- Total outstanding dues of creditors other than micro and small enterprises	44	14,205	17,299
(iv) Other financial liabilities	20	2,385	3,923
(b) Other current liabilities	21	4,153	3,369
(c) Provisions	19	105	70
Total current liabilities		22,288	25,870
Total liabilities		25,306	29,213
Total equity and liabilities		125,369	126,326

See accompanying notes to the financial statements

In terms of our report attached
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration no. - 001076N/N500013

Gautam Wadhwa
Partner
Membership No. 508835

Place: Mumbai
Date: 17 May 2024

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO
DIN: 00031263

Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai
Date: 17 May 2024

Uttam Prakash Agarwal
Director
DIN: 00272983

Ashish Agarwal
Company Secretary

Statement of Profit and Loss

FOR THE YEAR ENDED 31ST MARCH 2024

	Note	Mar-24	(₹ million) Mar-23
REVENUE			
Revenue from operations	22	80,750	74,219
Other income	23	1,123	2,731
Total income	I	81,873	76,951
EXPENSES			
Operational cost	24	49,055	42,916
Employee benefits expense	25	8,795	6,753
Finance costs	26	691	676
Depreciation and amortisation expense	27	2,227	1,917
Fair value (gain) / loss on financial instruments at fair value through profit and loss	28	(285)	236
Other expenses	29	13,947	14,255
Total expenses	II	74,430	66,753
Profit before exceptional item and tax	III=(I-II)	7,443	10,198
Exceptional items	30	3,129	6,668
Profit before tax	IV	4,314	3,530
Less: Tax expense			
Current tax- current year	31	1,759	2,428
earlier years	31	-	465
Deferred tax	31	(460)	(1,002)
Total tax expense	V	1,299	1,891
Profit for the year	VI=(IV-V)	3,015	1,639
Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
(i) Re-measurement of defined benefit obligation		(87)	(158)
(ii) Fair value changes of equity instruments through other comprehensive income (FVOCI)		-	(3)
(b) Income-tax relating to items that will not be reclassified to the profit or loss		22	40
Total other comprehensive income	VII	(65)	(121)
Total comprehensive income for the year	VIII=(VI+VII)	2,950	1,518
Earnings per Equity share (face value Re. 1/- each)			
Basic	33	3.14	1.71
Diluted	33	3.14	1.71

See accompanying notes to the financial statements

In terms of our report attached
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration no. - 001076N/N500013

Gautam Wadhwa
Partner
Membership No. 508835

Place: Mumbai
Date: 17 May 2024

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO
DIN: 00031263

Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai
Date: 17 May 2024

Uttam Prakash Agarwal
Director
DIN: 00272983

Ashish Agarwal
Company Secretary

Statement Cash flows

FOR THE YEAR ENDED 31 MARCH 2024

	Mar-24	Mar-23
(₹ Million)		
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,314	3,530
Adjustments for:		
Depreciation and amortisation expense	2,227	1,917
Allowances for doubtful debts and advances (net)	(132)	134
Exceptional items (refer note 30)	-	4,636
Fair value change on assets held for sale (refer note 32)	79	-
Liabilities and excess provision written back	(66)	(2)
Unrealised loss on exchange adjustments (net)	3	8
(Profit) / Loss on sale or impairment of property, plant and equipment (net)	(400)	3
Interest expenses	691	676
Fair value (gain) / loss on financial instruments classified as fair value through profit and loss	(285)	236
Dividend income	(0)	(2,369)
Profit on sale of investments	(23)	(0)
Interest income	(333)	(111)
Operating profit before working capital changes	6,075	8,658
Adjustments for :		
Decrease / (increase) in inventories	3,706	(9,553)
Decrease in trade and other receivables	1,018	920
(Decrease) / increase in trade and other payables	(971)	5,259
Cash generated from operations	9,828	5,284
Direct taxes paid (net)	(3,077)	(3,506)
Net cash flow from operating activities (A)	6,751	1,778
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment / capital work-in-progress	(758)	(1,135)
Purchase of intangible assets	(119)	(1,046)
Sale of property, plant and equipment, intangible assets/ Investment property	218	52
Proceeds from sale of digital publishing business	73	148
Investment in fixed deposits	(31)	(98)
Proceeds from fixed deposits	98	40
Investment in subsidiary	-	(400)
Sale of non-current investments	-	11
Funding for subsidiary closure cost	(305)	-
Proceeds from sale / redemption of current investments	23	80
Dividend received from subsidiary Company	-	2,369
Dividend received	0	-
Interest received	331	88
Net cash flow (used in) / from investing activities (B)	(470)	109
C CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(601)	(463)
Payment of Interest on lease liabilities	(227)	(303)
Proceeds from long-term borrowings	19	45
Repayment of long-term borrowings	(23)	(17)
Proceeds from issue of Equity shares	-	0
Dividend paid on Equity shares	-	(2,882)
Interest paid	(464)	(55)
Payment for settlement of financial commitments	(1,200)	(280)
Net cash flow (used in) financing activities (C)	(2,496)	(3,955)
Net cash inflow / (outflow) during the year (A+B+C)	3,785	(2,068)
Cash and cash equivalents at the beginning of the year	4,179	6,247
Net cash and cash equivalents at the end of the year (refer note 15a)	7,964	4,179

'0' (zero) denotes amounts less than a Million.

See accompanying notes to the financial statements

In terms of our report attached
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Gautam Wadhara
Partner
Membership No: 508835

Place: Mumbai
Date: 17 May 2024

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO
DIN: 00031263

Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai
Date: 17 May 2024

Uttam Prakash Agarwal
Director
DIN: 00272983

Ashish Agarwal
Company Secretary

Statement of Changes in equity

FOR THE YEAR ENDED 31 MARCH 2024

	As at 1 April 2022	As at 31 March 2023	As at 31 March 2024
(₹ Million)			
A. EQUITY SHARE CAPITAL	961	0	961
Add: Issued during the year (Refer note 16)			
B. OTHER EQUITY			
(₹ Million)			
Other equity			
Reserves and surplus			
Capital redemption reserve	20,231	787	787
Capital reserve on amalgamation	-	-	-
Capital reserve on business combination	456	456	456
Share based payment reserve	34	34	34
General reserves	3,996	72,009	72,009
Retained earnings	-	1,639	1,639
Equity instruments (FVOCI)	-	(158)	(158)
Items of other comprehensive income	-	40	40
Total other equity	20,231	77,118	77,118
Total comprehensive income			
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Add: Re-measurement loss on defined benefit plans	-	-	-
Less: Income-tax impact thereon	-	-	-
Add: Loss on fair value of Equity instruments classified as fair value through other comprehensive income (net)	-	-	-
Total comprehensive income			
Transfer to general reserves on exercise of ESOP	-	-	-
Less: Dividend on Equity shares	-	-	-
As at 31 March 2023	20,231	787	456
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Add: Re-measurement loss on defined benefit plans	-	-	-
Less: Income-tax impact thereon	-	-	-
Total comprehensive income			
As at 31 March 2024	20,231	787	456

	As at 1 April 2022	As at 31 March 2023	As at 31 March 2024
(₹ Million)			
Other equity			
Reserves and surplus			
Capital redemption reserve	20,231	787	787
Capital reserve on amalgamation	-	-	-
Capital reserve on business combination	456	456	456
Share based payment reserve	34	34	34
General reserves	3,996	72,009	72,009
Retained earnings	-	1,639	1,639
Equity instruments (FVOCI)	-	(158)	(158)
Items of other comprehensive income	-	40	40
Total other equity	20,231	77,118	77,118
Total comprehensive income			
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Add: Re-measurement loss on defined benefit plans	-	-	-
Less: Income-tax impact thereon	-	-	-
Add: Loss on fair value of Equity instruments classified as fair value through other comprehensive income (net)	-	-	-
Total comprehensive income			
Transfer to general reserves on exercise of ESOP	-	-	-
Less: Dividend on Equity shares	-	-	-
As at 31 March 2023	20,231	787	456
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Add: Re-measurement loss on defined benefit plans	-	-	-
Less: Income-tax impact thereon	-	-	-
Total comprehensive income			
As at 31 March 2024	20,231	787	456

See accompanying notes to the financial statements

In terms of our report attached
For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Gautam Wadhara
Partner
Membership No: 508835

Place: Mumbai
Date: 17 May 2024

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO
DIN: 00031263

Rohit Kumar Gupta
Chief Financial Officer

Uttam Prakash Agarwal
Director
DIN: 00272983

Ashish Agarwal
Company Secretary

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ("ZEEL" or "the Company") (CIN No : L92132MH1982PLC028767) is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The registered office of the Company is 18th floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Mumbai 400013, India. The Company is mainly in the following businesses:

- A) Broadcasting of satellite television channels and digital media;
- B) Space selling agent for other satellite television channels;
- C) Sale of media content i.e. programs / film rights / feeds / music rights;
- D) Movie production and distribution

2 MATERIAL ACCOUNTING POLICIES

A) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India.

B) Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies stated out below. These financial statements have been prepared by the Company as a going concern.

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a newly issued Accounting Standard is initially adopted or a revision to an existing standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupee which is also the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest million as per the requirement of Schedule III, unless otherwise stated. Amount less than a million is presented as ₹ 0 million.

Assets and Liabilities are classified as Current or Non-Current as per the provisions of Schedule III to the Companies Act, 2013 and the Company normal operating cycle. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the classification of assets and liabilities.

Figures for the previous year have been regrouped and / or reclassified, wherever considered necessary.

Previous year figures, where applicable, have been indicated in brackets.

C) Business combinations

Business combinations have been accounted for using the acquisition method.

The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is achieved by the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Business combinations involving entities that are controlled by the Company are accounted for using the pooling of interests method as follows:

- I The assets and liabilities of the combining entities are reflected at their carrying amounts.
- II No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- III The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- IV The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- V The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.
- VI The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.

Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Company then reviews the procedures used

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Company recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognises the gain, after assessing and reviewing (as described above), directly in equity as capital reserve.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration arrangement is measured at its acquisition date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in the statement of profit and loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed off.

D) Property, plant and equipment

- I Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any. The cost comprises purchase price and related expenses and for qualifying assets, borrowing costs are capitalised based on the Company's accounting policy. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.
- II Capital work-in-progress comprises cost of property, plant and equipment and related expenses that are not yet ready for their intended use at the reporting date.
- III Depreciation is recognised so as to write off the cost of assets (other than free hold land and capital work-in-progress) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

IV The estimate of the useful 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. The estimated useful life of items of property, plant and equipment is as mentioned below:

Furniture and Fixtures -	5 years ^
Buildings	60 years *
Computers	3 and 6 years *
Equipment	3 to 5 years ^
Plant and Machinery	^
Gas Plant	20 years
Others	5 to 10 years
Vehicles	5 years ^

*Useful life is as prescribed in Schedule II to the Companies Act, 2013

^Useful life is lower than as prescribed in Schedule II to the Companies Act, 2013

E) Investment property

- I Investment property are properties (land or a building or part of a building or both) held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost including purchase price, borrowing costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and impairment, if any.
- II Depreciation on investment property is provided as per the useful life prescribed in Schedule II to the Companies Act, 2013.

F) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use and the sale is highly probable. Management must be committed to the sale, which should be expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded as met only when the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- I The appropriate level of management is committed to a plan to sell the asset,
- II An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- III The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

IV The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

V Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Gains and losses on disposals of non-current assets are determined by comparing proceeds with carrying amounts and are recognised in the statement of profit and loss.

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and

i represents a separate major line of business or geographical area of operations and;

ii is part of a single co-ordinated plan to dispose of such a line of business or area of operations

The result of discontinued operations are presented separately as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

An impairment loss is recognised for any initial or subsequent write-down the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of de-recognition.

G) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to the respective cash generating units that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis, based on the carrying amount of each asset in the unit. Any impairment loss for the goodwill is recognised directly in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On the disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

H) Intangible assets

Intangible assets with finite useful lives that are acquired are carried at cost less accumulated amortisation and accumulated

impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

The estimated useful life for intangible assets is 3 years. The estimated useful and amortisation method are reviewed at each reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets under development:

Expenditure incurred on acquisition/development of intangible assets which are not ready for their intended use at balance sheet date are disclosed under intangible assets under development.

Research and development of internally generated assets:

Research costs are expensed as incurred. Development expenditures on an internally generated assets are recognised as an intangible asset when the Company can demonstrate:

I. The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

II. Its intention to complete and its ability and intention to use or sell the asset

III. How the asset will generate future economic benefits

IV. The availability of resources to complete the asset

V. The ability to measure reliably the expenditure during development.

The cost of development on internally generated intangible asset includes the directly attributable expenditure of preparing the asset for its intended use. Expenditure on training activities, identified inefficiencies and initial operating losses is expensed as it is incurred.

The cost recognised is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria and prohibits reinstatement of expenditure previously recognised as an expense.

Directly attributable costs comprise all costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. The capitalisation cut off is determined by when the testing stage of the software has been completed and the software is ready to go live. Costs incurred after the final acceptance testing and launch have been successfully completed, is expensed.

Post the launch of the software, the cost is accounted for as part of the development phase only where there is the software platform development and activities to improve its functionality which enhance the asset's economic benefits potential and the cost meets the recognition criteria listed above for the recognition of development costs as an asset.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

value of another asset. During the period of development, the asset is tested for impairment annually.

Intangible assets acquired in a business combination:

Intangible assets acquired in a business combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

I) Impairment of property, plant and equipment / right-of-use assets / other intangible assets / investment property

The carrying amounts of the Company's property, plant and equipment, right-of-use assets, other intangible assets and investment property are reviewed at each reporting date to determine whether there is any indication that those assets have suffered any impairment loss. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognised in statement of profit and loss whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in the statement of profit and loss.

J) Derecognition of property, plant and equipment / right-of-use assets / other intangible assets / investment property

The carrying amount of an item of property, plant and equipment / right-of-use assets / other intangible assets / investment property is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment / right-of-use assets / other intangible assets / investment property is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of profit and loss.

K) Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116 on 'Leases'.

I The Company as lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

a Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

b Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date

The amount expected to be payable by the lessee under residual value guarantees;

c The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

d Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease. The lease liability is presented as a separate line item in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

a The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

b The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

c A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets is presented as a separate line item in the balance sheet.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

II The Company as a lessor:

The Company enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

L) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

M) Inventories

I Media Content :

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

- a Programs - reality shows, chat shows, events, game shows, etc. are fully expensed on telecast / upload.
- b Programs (other than (a) above) are amortised over three financial years starting from the year of first telecast / upload, 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 ten years starting from the year of commencement of rights, as per management estimate of future revenue potential.
- e The cost of educational content acquired is amortised on a straight line basis over the license period or 60 months from the date of acquisition / right start date, whichever is shorter.
- f Films produced and / or acquired for distribution / sale of rights:

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under:

 - i Satellite rights - Allocated cost of right is expensed immediately on sale.
 - ii Theatrical rights - Amortised in the month of theatrical release.
 - iii Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years from release of film.
 - iv Music and Other Rights - Allocated cost of each right is expensed immediately on sale.

II Raw Stock :

Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

N) Financial Instruments

Financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

I Initial Recognition

Financial assets (excluding trade receivables which are initially measured at transaction price) and financial liabilities are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price under Ind AS 115 "Revenue from Contracts with Customers".

II Financial assets

a Classification of financial assets

Financial assets are classified into the following specified categories: amortised cost, financial assets 'at fair value through profit and loss' (FVTPL), 'Fair value through other comprehensive income' (FVTOCI). The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

b Subsequent measurement

i Debt Instrument - amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This category generally applies to trade and other receivables.

ii Fair value through other comprehensive income (FVTOCI):

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets.
- The asset's contractual cash flows represent solely payments of principal and interest.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However,

the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate method.

In case of "equity share" the Company has irrevocable election choice that can be exercised on an instrument by instrument basis to classify such instruments as FVOCI. Accordingly the Company has classified certain investment in equity instrument as Fair Value through other comprehensive income.

iii Fair value through Profit and Loss (FVTPL):

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is considered only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

iv Equity investments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payment is established.

v Investment in subsidiaries, joint ventures and associates:

Investment in subsidiaries, joint ventures and associates are carried at cost less impairment loss in accordance with Ind AS 27 on 'Separate Financial Statements'.

vi Derivative financial instruments:

Derivative financial instruments are classified and measured at fair value through profit and loss.

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c Derecognition of financial assets

A financial asset is derecognised only when:

- i The Company has transferred the rights to receive cash flows from the asset or the rights have expired or
- ii The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

d Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Losses ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost, e.g. loans and deposits;
- Financial assets that are debt instruments and are measured at fair value through other comprehensive income (FVTOCI)
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date), if the credit risk on a financial instrument has not increased significantly; or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument), if the credit risk on a financial instrument has increased significantly."

In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

III Financial liabilities and equity instruments**a Classification of debt or equity:**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b Subsequent measurement:**i Financial liabilities measured at amortised cost:**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

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ii Financial liabilities measured at fair value through profit and loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit and loss are carried in the financial statements at fair value with changes in fair value recognised in other income or finance costs in the statement of profit and loss.

Lease liability associated with assets taken on lease (except short-term and low value assets) is measured at the present value of lease payments to be made. Lease payments are discounted using the incremental rate of borrowing as the case may be. Lease payments comprise fixed payments in relation to the lease (less lease incentives receivable), variable lease payments, if any and other amounts (residual value guarantees, penalties, etc.) to be payable in future in relation to the lease arrangement.

c Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

IV Fair value measurement

The Company measures financial instruments such as debts and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a In the principal market for the asset or liability or
- b In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- b Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- c Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

V Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

O) Borrowings and borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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P) Provisions, contingent liabilities and contingent assets

The Company recognises provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that the outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised in the financial statements, however they are disclosed where the inflow of economic benefits is probable. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset and is recognised as an asset.

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Q) Revenue recognition**Ind AS 115 on 'Revenue from Contracts with Customers'**

As per Ind AS 115 "Revenue from contracts with customers" - A contract with a customer exists only when the parties to the contract have approved it and are committed to perform their respective obligations, the Company can identify each party's rights regarding the distinct goods or services to be transferred ("performance obligations"), the Company can determine the transaction price for the goods or services to be transferred, the contract has commercial substance and it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenues are recorded for the amount of consideration to which the Company expects to be entitled in exchange for performance obligations upon transfer of control to the customer and is measured at the amount of transaction price net of returns, applicable tax and applicable trade discounts, allowances, Goods

and Services Tax (GST) and amounts collected on behalf of third parties.

- 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 (net of share to broadcaster) is recognised on time basis on the provision of television / digital broadcasting service to subscribers.
- II Sale of media content - Revenue is recognised when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.
- III Commission revenue - Commission of space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.
- IV Revenue from theatrical distribution of films is recognised over a period of time on the basis of related sales reports.
- V Revenue from other services is recognised as and when such services are completed / performed.
- VI Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable.
- VII Dividend income is recognised when the Company's right to receive dividend is established.
- VIII Rent income is recognised on accrual basis as per the agreed terms on straight line basis.

R) Retirement and other employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, post-retirement medical benefits and other terminal benefits.

Short-term employee benefits:

Employee benefits such as salaries, wages, short-term compensated absences, cost of bonus, ex-gratia and performance linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. The obligations are presented as current liability in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least 12 months after reporting date.

Payments to defined contribution plans viz. Government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined retirement benefit plans in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained

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earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- I service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- II net interest expense or income; and
- III remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Other long-term employee benefits:

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

The Company recognises compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to statement of profit and loss on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share based payment reserves.

S) Transactions in foreign currencies

The functional currency of the Company is Indian Rupees ('Rs').

- I Foreign currency transactions are accounted at the exchange rate prevailing on the date of such transactions.
- II 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 period, or reported in previous financial statements are recognised as income or as expenses in the period in which they arise.
- III Non-monetary foreign currency items are measured in terms of historical cost in the foreign currency and are not retranslated.

T) Accounting for taxes on income**Current and deferred tax for the year:**

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Tax expense comprises of current and deferred tax.**I Current tax:**

Current tax is the amount of income taxes payable in respect of taxable profit for a year. Current tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

II Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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The Company recognises deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, except to the extent that both of the following conditions are satisfied:

- When the Company is able to control the timing of the reversal of the temporary difference; and
- it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities.

III Uncertain Tax positions

Accruals for uncertain tax positions require management to make judgements of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the tax positions will probably be accepted by the tax authorities. This is based upon Management's interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter. Once considered probable of not being accepted, Management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

U) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

V) Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the profit or loss and in the notes forming part of the financial statements.

W) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year end.

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation multiples or other available fair value indicators. For the purpose of impairment testing, assets are Companyed together into the smallest Company of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companys of assets (the 'cash generating unit').

The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in the profit or loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cashgenerating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

X) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model as per Ind AS 109 – Financial Instruments; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115 – Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations. Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment

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Y) Impairment of investments

The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

3 KEY ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires the Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

A) Income-taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

In assessing the realisability of deferred tax assets, management considers whether some portion or all of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realise the benefits of those deductible differences. The amount of the deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

B) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

C) Research and development for internally generated assets

Research costs are expensed as incurred. Development expenditures on an internally generated assets are recognised as an intangible asset when the Company can demonstrate criteria specified for capitalisation has been fulfilled. Significant judgements are involved for assessing recognition criteria and analyse that the cost incurred for subsequent development improve the functionality and enhance the asset's economic benefits potential.

D) Impairment of goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or Companys of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

In estimating the future cash flows / fair value less cost of disposal, the Company has made certain assumptions relating to the future customer base, future revenues, operating parameters, capital expenditure and terminal growth rate which the Company believes reasonably reflects the future expectation of these items. However, if these assumptions change consequent to change in future conditions, there could be further favorable / adverse effect on the recoverable amount of the assets. The assumptions will be monitored on periodic basis by the Company and adjustments will be made if conditions relating to the assumptions indicate that such adjustments are appropriate.

E) Defined benefit obligation

The costs of providing pensions and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 on 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the Management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates.

F) Fair value measurement of financial instruments and ECL on other Financial Assets

When the fair values of financials assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

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In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances, contract assets and lease receivables. The application of simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables based on lifetime ECLs at each reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to twelve months ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

G) Media content, including content in digital form

The Company has several types of inventory such as general entertainment, movies and music. Such inventories are expensed/amortised based on certain estimates and assumptions made by Company, which are as follows:

- I Reality shows, chat shows, events, game shows and sports rights: are fully expensed on telecast / upload which represents best estimate of the benefits received from the acquired rights.
- II The cost of program (own production and commissioned program) are amortised over a period of three financial years over which revenue is expected to be generated from exploitation of programs.
- III Cost of movie rights - The Company's expectation is that substantial revenue from such movies is earned during the period of five years from the date of acquisition of license to broadcast / upload on digital platform. Hence, it is amortised on a straight line basis over the license period or sixty months from the date of acquisition / rights start date, whichever is shorter.
- IV The estimated useful life / amortisation period for music rights has been revised from three years to ten years from the year of commencement of rights. The change is based on the future economic benefits expected to be generated from exploitation of rights which has resulted in operating cost for the year being lower by ₹ 226 Million and inventories as at the balance sheet date being higher by an equivalent amount.

V The cost of educational content acquired is amortised on a straight line basis over the license period or 60 months from the date of acquisition / right start date, whichever is shorter.

VI Films produced and / or acquired for distribution / sale of rights:

Cost is allocated to each right based on management estimate of revenue. Film rights are amortised as under :

- a Satellite rights - Allocated cost of right is expensed immediately on sale.
- b Theatrical rights - Amortised in the month of theatrical release.
- c Intellectual Property Rights (IPRs) - Allocated cost of IPRs are amortised over 5 years from release of film.
- d Music and Other Rights - allocated cost of each right is expensed immediately on sale.

H) Lease

Ind AS 116 - Leases requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

I) Provisions and contingent liabilities

The Company exercises judgement in determining if a particular matter is possible, probable or remote. The Company also exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

J) Business Combination

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether

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acquisition constitute a business or asset acquisition. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

K) Recoverability of inventories and content advance

The Company uses the acquisition method of accounting to account for business combinations. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date, determining whether control is transferred from one party to another and whether acquisition constitute a business or asset acquisition. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The factors that the Company considers in determining the amortisation policy has been derived basis management's expectation of overall performance of content on historical trends and future expectations.

For inventory, the management assesses estimate of future revenue potential. Based on such assessment if the net realisable value of key item of inventory is below its carrying value, such

inventories are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories ('Ind AS 2').

4 RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

A) Standards issued but not effective

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

B) Social security Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

5A PROPERTY, PLANT AND EQUIPMENT

Description of Assets	Buildings	Plant and machinery	Furniture and fittings	Vehicles	Equipments	Computers	Right-to-use assets	Leasehold improvements	Total
I. Cost									
As at 1 April 2022	538	4,158	368	209	1,003	1,620	1,078	1,320	10,294
Additions	-	178	11	73	210	361	2,527	49	3,409
Disposals / write offs	-	91	14	67	19	120	300	11	622
As at 31 March 2023	538	4,245	365	215	1,194	1,861	3,305	1,358	13,081
Additions	-	219	35	63	63	157	16	297	850
Disposals / write offs	-	480	15	44	54	88	15	0	696
As at 31 March 2024	538	3,984	385	234	1,203	1,930	3,306	1,655	13,235
II. Accumulated Depreciation									
As at 1 April 2022	84	2,836	321	143	845	1,121	445	982	6,777
Depreciation charge for the year	9	334	22	24	89	252	724	93	1,547
Disposals / write offs	-	74	11	47	10	111	300	10	563
Upto 31 March 2023	93	3,096	332	120	924	1,262	869	1,065	7,761
Depreciation charge for the year	8	302	15	33	93	267	663	137	1,518
Disposals / write offs	0	469	13	40	44	81	15	0	662
Upto 31 March 2024	101	2,929	334	113	973	1,448	1,517	1,202	8,617
Net book value									
As at 31 March 2024	437	1,055	51	121	230	482	1,789	453	4,618
As at 31 March 2023	445	1,149	33	95	270	599	2,436	293	5,320

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

Notes:

- Buildings include ₹ 114,100 (₹ 114,100) being the value of shares in a co-operative society and ₹ 4 million for a flat whose title deed is lost in transit.
- During the year, the Company has written off property, plant and equipment of ₹ 11 Million (₹ 2 Million) which is charged to the statement of profit and loss.
- Certain vehicles have been hypothecated against borrowings for vehicles aggregating to ₹ 55 Million (₹ 59 Million).
- Disposals under Right-to-use assets represent the lease premises vacated by the Company.

Notes

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5B CAPITAL WORK-IN-PROGRESS

	(₹ million)				
	Mar-24	Mar-23			
Net book value					
Capital work-in-progress	93	191			
	(₹ million)				
	Mar-24	Mar-23			
Particulars					
Opening balance	191	47			
Additions during the year	90	192			
Capitalised during the year	(188)	(48)			
Closing balance	93	191			
	(₹ million)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Ageing of capital work-in-progress (CWIP)					
As at 31 March 2024	90	3	-	-	93
As at 31 March 2023	191	-	-	-	191

The projects are in progress and expected to be completed in the next financial year.

There are no capital work in progress, whose completion is either overdue or has exceeded its cost compared to its original plan as of 31 March 2024 and 31 March 2023.

6 INVESTMENT PROPERTIES

	(₹ million)
Description of Assets	Land and Building
I. Cost	
As at 1 April 2022	1,174
Reclassified to non-current asset held for sale (refer note 32)	(573)
As at 31 March 2023	601
Reclassified to non-current asset held for sale	-
As at 31 March 2024	601
II. Accumulated depreciation	
As at 1 April 2022	91
Depreciation charge for the year	10
Upto 31 March 2023	101
Depreciation charge for the year	10
Upto 31 March 2024	111
Net book value	
As at 31 March 2024	490
As at 31 March 2023	500

The fair value of the Company's investment property aggregating ₹ 1,049 Million (₹ 1,144 Million) has been arrived at on the basis of a valuation carried out as at balance sheet date by independent valuers. Independent valuers have appropriate qualifications and experience in the valuation of properties in the relevant locations. The fair valuations of investment property in India is based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

The fair valuation of the assets is based on the perception about the macro and micro economic factors presently governing the construction industry, location of property, existing market conditions, degree of development of infrastructure in the area, demand supply conditions, internal amenities, common amenities, etc.

Notes

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7 GOODWILL AND OTHER INTANGIBLE ASSETS

Description of Assets	Goodwill	Other intangible assets				Total
		Trademark	Customer list and websites	Software	Channels	
(₹ million)						
I. Cost						
As at 1 April 2022	1,948	337	1,081	1,304	180	2,902
Additions	-	-	-	1,855	-	1,855
Disposals	-	-	1,081	72	-	1,153
As at 31 March 2023	1,948	337	-	3,087	180	3,604
Additions	-	-	-	119	-	119
Disposals	-	-	-	2	-	2
As at 31 March 2024	1,948	337	-	3,204	180	3,721
II. Accumulated amortisation						
As at 1 April 2022	687	300	1,081	1,219	154	2,754
Amortisation for the year	-	13	-	325	22	360
Disposals	-	-	1,081	73	-	1,154
Upto 31 March 2023	687	313	-	1,471	176	1,960
Amortisation for the year	-	18	-	678	3	699
Disposals	-	-	-	2	-	2
As at 31 March 2024	687	331	-	2,147	179	2,657
Net book value						
As at 31 March 2024	1,261	6	-	1,057	1	1,064
As at 31 March 2023	1,261	24	-	1,616	4	2,905

'0' (zero) denotes amounts less than a Million.

Net book value	(₹ million)	
	Mar-24	Mar-23
Goodwill	1,261	1,261
Other intangible assets	1,064	1,644

The carrying amount of goodwill which is tested for impairment is allocated to following cash generating units (CGU):

Cash generating unit	(₹ million)	
	Mar-24	Mar-23
Regional Channel in India	621	621
Online media business	640	640

Regional channel in India

The recoverable amount of this Cash Generating Unit (CGU) is determined based on a value in use. The estimated value in use of this CGU is based on the future cash flows using a 2% terminal growth rate for periods subsequent to the 5 years and discount rate of 14.3%(19%). An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rate and long-term growth rate), based on reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

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Online media business

The Company assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate CGU. The recoverable amount of this CGU was determined by an independent expert based on the fair value less cost of disposal. The fair value was determined based on revenue multiple of other companies in media industry which was higher than the carrying value of CGU accordingly no impairment is required.

Due to use of significant unobservable inputs to compute the fair value, it is classified as Level 3 in the fair value hierarchy as per the requirements of Ind AS 113 on 'Fair value measurement'.

8 NON-CURRENT INVESTMENTS

	(₹ million)	
	Mar-24	Mar-23
a Investments in subsidiaries		
i) Investment in equity instruments (carried at cost)		
- Wholly owned subsidiaries - unquoted		
56,796,292 (56,796,292) Ordinary shares of USD 1/- each of Zee Multimedia Worldwide (Mauritius) Limited	2,584	2,584
583 (583) Ordinary shares of USD 1/- each of ATL Media Limited	2,515	2,515
13,009,997 (13,009,997) Equity shares of ₹ 10/- each of Zee Studios Limited	330	330
- Others - unquoted		
40,000 (40,000) Equity shares of ₹ 10/- each of Margo Networks Private Limited (Extent of holding is 80%)	-	750
Less: Transferred to 'non-current assets classified as held for sale'	-	750
	-	-
ii) Investment in debentures (carried at fair value through profit and loss)		
- Wholly owned subsidiaries - unquoted		
2,520,000,000 (2,520,000,000) 0% Optionally convertible debentures of Re. 1/- each of Zee Studios Limited	2,103	1,857
- Subsidiaries - unquoted		
3,100 (3,100) 0.001% Non cumulative optionally convertible debentures of ₹ 1,000,000/- each of Margo Networks Private Limited	-	3,100
Less: Transferred to 'non-current assets classified as held for sale'	-	3,100
	7,532	7,286
b Other investments		
i) Investments at fair value through other comprehensive income		
- Investment in equity instruments - unquoted		
Nil (1) Equity share of ₹ 10/- each of Tagos Design Innovations Private Limited	-	0
Less: Transferred to 'non-current assets classified as held for sale'	-	0
	-	-
ii) Investments at fair value through profit and loss		
- Others - Unquoted		
100 (100) Units of ₹ 921,508/- (₹ 921,508/-) each fully paid of Exfinity Technology Fund-Series II	368	330
Total	7,900	7,616

(All the above securities are fully paid-up)

'0' (zero) denotes amounts less than a Million.

Aggregate amount and market value of quoted investments	-	-
Aggregate carrying value of unquoted investments	7,900	7,616

Notes

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9 OTHER FINANCIAL ASSETS

	(₹ million)			
	Non-Current		Current	
	Mar-24	Mar-23	Mar-24	Mar-23
Deposits - unsecured and considered good				
Considered good				
- to related parties	261	240	2	2
- to others	155	162	119	53
Considered doubtful	-	-	76	76
	416	402	197	131
Less: Loss allowance for doubtful deposits	-	-	76	76
	416	402	121	55
Unbilled revenue	-	-	2,804	2,731
Interest accrued on fixed deposits	-	-	4	2
Other receivables				
Considered good				
- to related parties	-	-	14	14
- to others	-	-	554	682
Considered doubtful (refer not 44D (ii)(C))	-	-	2,815	2,815
	-	-	3,383	3,511
Less: Loss allowance for doubtful other receivables	-	-	2,815	2,815
	-	-	568	696
Total	416	402	3,497	3,484

For transactions relating to related party receivables, refer note 46

10 DEFERRED TAX ASSETS (NET)

The components of deferred tax balances are as under:

	(₹ million)	
	Mar-24	Mar-23
Deferred tax assets		
Employee retirement benefits obligation	403	316
Depreciation and amortisation	195	118
Allowance for doubtful debts, loans, advances and others	3,128	2,704
Disallowances under Section 40(a) and others	42	130
Transfers on account of acquisition of film business	13	32
	3,781	3,300
Deferred tax liabilities		
Other allowances	-	-
Deferred tax assets (net)	3,781	3,300

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11 OTHER ASSETS

	(₹ million)			
	Non-Current		Current	
	Mar-24	Mar-23	Mar-24	Mar-23
Capital advances (unsecured)	25	47	-	-
Other advances (unsecured)				
Considered good				
- to related parties	-	-	54	49
- to others	-	-	4,346	5,460
Considered doubtful	-	-	395	485
	-	-	4,795	5,994
Less: Loss allowance for doubtful advances	-	-	395	485
	-	-	4,400	5,509
Prepaid expenses	143	97	458	960
Balance with government authorities	-	-	3,737	3,648
Total	168	144	8,595	10,117

For transactions relating to related party advances, refer note 46.

12 INVENTORIES (VALUED AT LOWER OF COST / UNAMORTISED COST OR NET REALISABLE VALUE)

	(₹ million)	
	Mar-24	Mar-23
Raw tapes	16	15
Media content *	58,561	62,664
Under production - Media content	7,264	6,869
Total	65,841	69,548

*Includes rights ₹ 7,965 Million (₹ 9,703 Million), which will commence at a future date. Inventories expected to be amortised 12 months after the year end is 63% (60%)

13 CURRENT INVESTMENTS

	(₹ million)	
	Mar-24	Mar-23
Investments at Amortised Cost		
Others-Unquoted		
372 (372) 10.02% Secured redeemable non-convertible debentures of ₹ 684,785/- each of Zee Learn Limited	255	255
Less: Provision for diminution in value of investments (refer note 30)	255	255
Total	-	-
(All the above securities are fully paid-up)		
Aggregate carrying value of unquoted investments	-	-
Aggregate value of diminution in value of unquoted investment	255	255

Notes

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14 TRADE RECEIVABLES (UNSECURED)

	(₹ million)	
	Mar-24	Mar-23
Considered good	16,032	15,640
With significant increase in credit risk *	109	174
Credit Impaired *	3,240	2,541
Trade receivables (gross)	19,381	18,355
Less: Loss allowance for doubtful debts	3,562	3,024
Total	15,819	15,331

For transactions relating to related party receivables, refer note 46. For ageing refer note 44(D)(ii)

* The amount of trade receivables where credit risk is assessed on individual basis aggregate ₹ 3,349 Million (₹ 2,715 Million) for which loss allowance has been fully recognised.

For unbilled revenue refer note 9

15 CASH AND BANK BALANCES

	(₹ million)	
	Mar-24	Mar-23
a Cash and cash equivalents		
Balances with banks		
In Current accounts	2,860	1,920
In Deposit accounts	3,935	1,410
Cheques in hand	1,169	849
Cash in hand	-	0
	7,964	4,179
b Bank balances other than (a) above		
In deposit accounts	31	98
In unclaimed dividend accounts		
- Preference shares	25	25
- Equity shares	24	29
	80	152
Total	8,044	4,331

'0' (zero) denotes amounts less than a Million.

16 EQUITY SHARE CAPITAL

	(₹ million)	
	Mar-24	Mar-23
Authorised *		
2,000,000,000 (2,000,000,000) Equity shares of Re. 1/- each	2,000	2,000
	2,000	2,000
Issued, subscribed and paid-up		
960,519,420 (960,519,420) Equity shares of Re. 1/- each fully paid-up	961	961
Total	961	961

* Authorised capital of 2,100,000,000 (2,100,000,000) Redeemable Preference shares of ₹ 10/- (₹ 10/-) each is not considered above.

Notes

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a) Reconciliation of number of Equity shares and Share capital

	Mar-24		Mar-23	
	Number of Equity shares	₹ Millions	Number of Equity shares	₹ Millions
At the beginning of the year	960,519,420	961	960,515,715	961
Add : Issued during the year	-	-	3,705	0
Outstanding at the end of the year	960,519,420	961	960,519,420	961

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

b) Terms / rights attached to Equity shares

The Company has only one class of Equity shares having a par value of Re. 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.

c) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares

Name of the Shareholders	Mar-24		Mar-23	
	Number of Equity shares	% Shareholding	Number of Equity shares	% Shareholding
HDFC Mutual Fund	60,311,148	6.28%	44,599,559	4.64%
OFI Global China Fund LLC	-	-	49,112,015	5.11%
ICICI Prudential Value Discovery Fund	-	-	75,798,184	7.89%
Nippon Life India Trustee Ltd-A/C Nippon India Multi Cap Fund	-	-	49,719,679	5.18%
Life Insurance Corporation of India	-	-	49,210,464	5.12%

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.

d) Shareholding of promoters

Name of the Promoters	Mar-24		
	Number of Equity shares	% Shareholding	% Change
Cyquator Media Services Private Limited	1,928,636	0.20%	-
Essel Corporate LLP	185,700	0.02%	-
Sprit Infrapower & Multiventures Private Limited	400	0.00%	-
Essel Infraprojects Limited	100	0.00%	-
Essel International Limited	1,327,750	0.14%	-
Essel Holdings Limited	1,718,518	0.18%	-
Essel Media Ventures Limited	33,155,180	3.45%	-

Notes

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Name of the Promoters	Mar-23		
	Number of Equity Shares	% Shareholding	% Change
Cyquator Media Services Private Limited	1,928,636	0.20%	-
Essel Corporate LLP	185,700	0.02%	-
Sprit Infrapower & Multiventures Private Limited	400	0.00%	-
Essel Infraprojects Limited	100	0.00%	-
Essel International Limited	1,327,750	0.14%	-
Essel Holdings Limited	1,718,518	0.18%	-
Essel Media Ventures Limited	33,155,180	3.45%	-

e) Employees Stock Option Scheme (ESOP)

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into Equity shares not exceeding in the aggregate 5% of the issued and paid-up capital of the Company as at 31 March 2009 i.e. up to 21,700,355 Equity shares of Re. 1/- each (enhanced to 43,400,710 Equity shares in view of Bonus issue in 2010 in ratio of 1:1), to the employees of the Company as well as that of its subsidiaries. The said ESOP 2009 was amended during an earlier year to align the Scheme in line with the requirements of Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations 2014 and provide flexibility to the Nomination and Remuneration Committee for determination of exercise price. The said scheme is administered by the Nomination and Remuneration Committee of the Board.

The movement in Options is as follows:

Particulars	Mar-23	
	Mar-24	Mar-23
	(₹ million)	
	Number of Options	
Opening at the beginning of the year	-	3,705
Exercised during the year	-	(3,705)
Outstanding at the end of the year	-	-

During the year, the Company recorded an employee stock compensation expense of ₹ Nil (₹ 0 Million) in the Statement of Profit and Loss.

The fair value of each Equity settled share based payment is estimated on the date of grant using the Black-Scholes-Merton model with the following assumptions:

Assumptions	Year 1	Year 2	Year 3
Exercise price of the option	Re. 1	Re. 1	Re. 1
Expected term of the option (in years)	1	2	3
Expected volatility of the underlying share for the expected term of the option	22%	20%	16%
Expected dividend yield on the underlying share for the expected term of the option	2.50	2.50	2.50
Risk-free interest rate for the expected term of the award	6-7%	6-7%	6-7%

The share options outstanding at the end of the year has a weighted average remaining contractual life of Nil days.

'0' (zero) denotes amounts less than a Million.

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17 OTHER EQUITY

	Mar-24	Mar-23
	(₹ million)	
Capital redemption reserve	20,231	20,231
Capital reserve on scheme of amalgamation	787	787
Capital reserve	456	456
Share based payment reserve		
As per last Balance Sheet	-	34
Less: Transfer to general reserve	-	(34)
	-	-
General reserve		
As per last Balance Sheet	4,030	3,996
Add: Transfer from share based payment reserve	-	34
	4,030	4,030
Retained earnings		
As per last Balance Sheet	70,648	72,009
Add: Profit for the year	3,015	1,639
Add: Re-measurement (loss) on defined benefit plans	(87)	(158)
Less: Income-tax impact thereon	22	40
Less: Payment of dividend on Equity shares	-	(2,882)
	73,598	70,648
Other comprehensive income (FVOCI)		
As per last Balance Sheet	-	3
Add: (Loss) on fair value of Equity instruments classified as fair value through other comprehensive income (net)	-	(3)
	-	-
	99,102	96,152

- Capital redemption reserve is created on redemption of redeemable preference shares issued.
- Capital reserve is related to merger / demerger / acquisition of business undertakings.
- Share based payment reserve is related to share options granted by the Company to its employee under its Employee Share Option Plan.
- General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
- Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders. It includes impact of remeasurement gain/ (losses) net of taxes on defined benefit plans on account of changes in actuarial assumptions or experience adjustments within the plans.
- Other comprehensive income includes cumulative gains and losses arising on the revaluation of investment in Equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those investments have been disposed off.

18 LONG-TERM BORROWINGS

	Mar-24	Mar-23
	(₹ million)	
Vehicle loans from bank, at amortised cost *	55	59
Less: Current portion of borrowings	23	19
Total	32	40

* Secured against hypothecation of vehicles. The borrowings carry interest rates ranging from 7.00% p.a. to 9.29% p.a. (7.00% p.a. to 9.25% p.a.) and are repayable upto January 2028 (February 2027)

During the previous year, the Company had been sanctioned a working capital limit in excess of ₹ 50 Million by bank on the basis of security of current assets. Pursuant to the terms of the sanction letter, the Company was not required to file any quarterly return or statement with such bank till such limit remained unutilised which was till certain part of the year. On renewal, the Company has not been sanctioned working capital limit in excess of ₹ 50 Million by banks or financial institutions on the basis of security of current assets.

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19 PROVISIONS

	(₹ million)			
	Non-Current		Current	
	Mar-24	Mar-23	Mar-24	Mar-23
Provision for employee benefits				
- Gratuity	1,497	1,185	105	70
Total	1,497	1,185	105	70

20 OTHER FINANCIAL LIABILITIES - CURRENT

	(₹ million)	
	Mar-24	Mar-23
Deposits received	145	156
Unclaimed Preference shares redemption / dividend	25	25
Unclaimed Equity dividends	24	29
Creditors for capital expenditure	32	77
Employee benefits payable	1,477	1,583
Other payables (refer note 37)	682	2,053
Total	2,385	3,923

For transactions relating to related party payables, refer note 46.

Dividend aggregating ₹ 4 Million (₹ 4 Million) unclaimed for a period of more than seven years is transferred to Investors' Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investors' Education and Protection Fund as at 31 March 2024.

21 OTHER CURRENT LIABILITIES

	(₹ million)	
	Mar-24	Mar-23
Advances received from customers	180	968
Deferred revenue	2,939	1,457
Statutory dues payable	1,034	944
Total	4,153	3,369

For transactions relating to related party payables, refer note 46.

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22 REVENUE FROM OPERATIONS

	(₹ million)	
	Mar-24	Mar-23
Services - Broadcasting revenue		
- Advertisement	38,939	38,596
- Subscription	32,166	28,189
- Theatrical revenue	4,509	2,351
- Sale of media content	4,516	4,044
- Transmission revenue	433	414
- Commission	155	175
Other operating revenue	32	450
Total	80,750	74,219

For details of contract assets, refer note 9 - other financial assets.

For details of contract liabilities, refer note 21 - other current liabilities.

23 OTHER INCOME

	(₹ million)	
	Mar-24	Mar-23
Interest income		
- Bank deposits	117	59
- Other financial assets	68	28
- Others	148	24
Dividend income	0	2,369
Gain on sale of investments classified as fair value through profit and loss	23	0
Profit on sale of property, plant and equipment / Investment property (net) (refer note 32)	400	-
Liabilities and excess provision written back	66	2
Rent income	243	243
Miscellaneous income	58	7
Total	1,123	2,731

'0' (zero) denotes amounts less than a Million.

Notes

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24 OPERATIONAL COST

	(₹ million)	
	Mar-24	Mar-23
a) Media content		
Opening Inventory	69,533	59,982
Add: Purchase of inventory	30,426	38,350
Less: Closing Inventory	65,826	69,533
Amortisation of inventory	34,133	28,799
Other production expenses	10,057	9,840
Media content	44,190	38,639
b) Telecast and technical cost	4,865	4,277
Total (a+b)	49,055	42,916

25 EMPLOYEE BENEFITS EXPENSE

	(₹ million)	
	Mar-24	Mar-23
Salaries and allowances *	8,119	6,055
Contribution to provident and other funds	520	468
Staff welfare expenses	156	230
Total	8,795	6,753

* Refer note 42 for gratuity disclosure.

26 FINANCE COSTS

	(₹ million)	
	Mar-24	Mar-23
Interest expense		
- vehicle loans	5	4
- lease liabilities	227	303
- others	361	284
Other financial charges	98	85
Total	691	676

Notes

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27 DEPRECIATION AND AMORTISATION EXPENSE

	(₹ million)	
	Mar-24	Mar-23
Depreciation on property, plant and equipment	1,518	1,547
Depreciation on investment property	10	10
Amortisation of intangible assets	699	360
Total	2,227	1,917

28 FAIR VALUE (GAIN)/LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	(₹ million)	
	Mar-24	Mar-23
Fair value (gain) / loss on financial assets (net)	(285)	236
Total	(285)	236

29 OTHER EXPENSES

	(₹ million)	
	Mar-24	Mar-23
Rent	49	27
Repairs and maintenance		
- Buildings	3	5
- Plant and machinery	159	158
- Others	619	493
Insurance	71	121
Rates and taxes	53	95
Electricity and water charges	165	168
Communication charges	116	86
Printing and stationery	14	117
Travelling and conveyance expenses	262	720
Legal and professional charges	438	367
Directors remuneration and sitting fees	50	40
Payment to auditors (refer note 41)	28	21
Corporate Social Responsibility expenses (refer note 43)	307	375
Hire and service charges	931	826
Advertisement and publicity expenses	9,120	9,269
Marketing, distribution and promotion expenses	1,559	1,195
Allowances for doubtful debts and advances	(132)	134
Foreign exchange loss (net)	36	20
Loss on sale / write off of property, plant and equipment (net)	-	3
Fair value change on assets held for sale (refer note 32)	79	-
Miscellaneous expenses	20	15
Total	13,947	14,255

Notes

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30 EXCEPTIONAL ITEMS

	(₹ million)	
	Mar-24	Mar-23
Provision for trade and other receivables (refer note 44(D)(ii))	-	1,068
Provision for diminution in value of investments classified as held for sale (refer note 32)	345	3,313
Other exceptional expenses #	2,784	2,032
Provision for diminution in value of investment *	-	255
Total	3,129	6,668

#During the year, as part of the restructuring, the employee termination related cost aggregating to ₹ 220 Million have been recorded as an exceptional item.

The Company has accounted ₹ 2,564 Million (₹ 1,762 Million) for certain employee and legal expenses pertaining to proposed Scheme of Arrangement (refer note 55).

Previous Year:

The Company had settled the dispute with Indian Performing Rights Society Limited (IPRS) in relation to the consideration to be paid towards royalty for the usage of literary and musical works. On 6 March 2023, the Company entered into the agreement with IPRS for settling its old disputes in light of the impending merger. The agreement entails settlement of the dues for the period 1 April 2018 to 31 March 2023. Accordingly, all the legal cases and proceedings filed by IPRS at various forums stands withdrawn.

The Company recorded an additional liability of ₹ 270 Million pertaining to earlier years as an 'Exceptional Item' by virtue of this settlement.

*In an earlier year, the Company had purchased 650 unlisted, secured redeemable non-convertible debentures (NCDs) of Zee Learn Limited (ZLL or issuer) guaranteed by the Company for an aggregate amount of ₹ 445 Million. The entire NCD were to be redeemed in phased manner by 31 March 2024. The principal outstanding is ₹ 255 Million.

National Company Law Tribunal (NCLT), Mumbai bench has admitted Corporate Insolvency petition under Section 7 of The Insolvency and Bankruptcy Code filed by Yes Bank Limited against ZLL vide its Order dated 10 February 2023 which was subsequently stayed by National Company Law Appellate Tribunal (NCLAT). On account of the uncertainties with respect to recoverability of the balances and delays during the year in receipt of instalments, the Company had made provision for the principal outstanding during year ended 31 March 2023 and has disclosed same as part of 'Exceptional items'.

31 TAX EXPENSE

The major components of income-tax for the year are as under:

	(₹ million)	
	Mar-24	Mar-23
Income-tax related to items recognised directly in the consolidated statement of profit and loss		
Current tax - current year	1,759	2,428
- earlier years	-	465
Deferred tax expense/(benefit)	(460)	(1,002)
Total	1,299	1,891
Effective tax rate	30.1%	53.6%

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A reconciliation of income-tax expense applicable to profit before income-tax at statutory rate to the income-tax expense at Company's effective income-tax rate for the year ended 31 March 2024 and 31 March 2023 is as follows:

	(₹ million)	
	Mar-24	Mar-23
Profit before tax	4,314	3,530
Income-tax		
Statutory income-tax rate of 25.168% (25.168%) on profit	1,086	888
Tax effect on non-deductible expenses	114	1,324
Additional allowance for tax purpose (net)	(105)	(596)
Reversal / (recognition) of deferred tax for earlier years	204	(191)
Short provision of earlier years	-	465
Tax expense recognised in the statement of profit and loss	1,299	1,891

Deferred tax recognised in Statement of other comprehensive income for the year ended

	(₹ million)	
	Mar-24	Mar-23
Employee retirement benefits obligation	(22)	(40)

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.168% (25.168%) for the year ended 31 March 2024. Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so.

Deferred tax recognized as on 31 March 2024

	(₹ million)			
Deferred tax (liabilities) / assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Employee retirement benefits obligation	316	65	22	403
Depreciation and amortisation	118	77	-	195
Allowance for doubtful debts, loans, advances and others	2,704	424	-	3,128
Disallowances under Section 40(a) and others	130	(88)	-	42
Transfers on account of acquisition of film business	32	(19)	-	13
Total	3,300	459	22	3,781

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Deferred tax recognized as on 31 March 2023

				(₹ million)
Deferred tax (liabilities) / assets in relation to:	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Employee retirement benefits obligation	239	37	40	316
Depreciation and amortisation	126	(8)	-	118
Allowance for doubtful debts, loans, advances and others	1,752	952	-	2,704
Disallowances under section 40(a) and others	85	45	-	130
Transfers on account of acquisition of film business	57	(25)	-	32
Total	2,259	1,002	40	3,300

32 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

			(₹ million)
	Mar-24	Mar-23	
Investment in subsidiary and others #	3,850	3,850	
Less: Provision for diminution / fair value change in value of investment	3,413	3,313	
	437	537	
Receivables from subsidiary #	372	372	
Freehold land and building \$	-	573	
Total	809	1,482	

\$The Company had entered into a memorandum of understanding for the disposal of freehold land which it no longer intends to use and sale transaction is in progress which is expected to be completed in the next 12 months. Accordingly, the same has been classified as Non-current asset classified as held for sale during the previous year. The sale transaction has been completed during the year and accordingly, profit of ₹ 417 million has been included in other income

#The Management as part of its portfolio rationalisation initiative and conditions of impending merger is in the process of either liquidating / discontinuing / selling certain entities (primarily Margo Networks Private Limited). Basis the same, the management has classified the investment in relation to these entities as Non-current Assets held for sale / disposal under Ind AS 105 ('Non-current Assets Held for Sale and Discontinued Operations'). During the year ended 31 March 2023, the Company had recorded impairment aggregating to ₹ 3,313 Million, as the losses incurred by such entities in the earlier financial years was recorded in the financial statements of those respective years. During the year ended 31 March 2024, the Management of the Company has estimated liability to fund the closure costs at ₹ 324 Million, which has been approved by the board and impairment of ₹ 21 Million which has been treated as exceptional item.

During the year, the Company has assessed and recorded a loss on fair valuation aggregating to ₹ 79 Million. The Management continues to believe, based on legal opinion, there is no change in the underlying circumstances which necessitate a reassessment of the carrying value of assets and the outcome of litigation as at balance sheet date.

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33 EARNINGS PER SHARE (EPS)

	Mar-24	Mar-23
a. Profit after Tax (₹ Million)	3,015	1,639
b. Weighted average number of Equity shares for basic EPS (in numbers)	960,519,420	960,519,318
c. Nominal value of Equity shares (Re.)	1	1
d. Basic EPS (₹)	3.14	1.71
e. Weighted average number of Equity shares for diluted EPS (in numbers)	960,519,420	960,519,420
f. Nominal value of Equity shares (Re.)	1	1
g. Diluted EPS (₹)	3.14	1.71

34 DISCLOSURES UNDER IND AS 116 ON LEASES

Operating leases:

The Company has made use of the following practical expedients available in its transition to Ind AS 116:

- Applied the exemption not to recognize Right-Of-Use (ROU) assets and liabilities for leases with less than twelve months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application.
- Applied a similar discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(a) The Company as a lessee:

- The following is the break-up of current and non current lease liabilities as at:

			(₹ million)
	Mar-24	Mar-23	
Current lease liabilities	643	600	
Non-current lease liabilities	1,489	2,118	
Total (refer note 44(D)(iii))	2,132	2,718	

- The table below provides details regarding the contractual maturities of lease liabilities (on undiscounted basis) as at:

			(₹ million)
	Mar-24	Mar-23	
Due in 1 st year	808	828	
Due in 2 nd to 5 th year	1,622	2,431	
Total	2,430	3,259	

- The following is the movement in lease liabilities during the year ended:

			(₹ million)
	Mar-24	Mar-23	
Opening balance	2,718	655	
Additions	16	2,527	
Finance expense	227	303	
Payment of lease liabilities	(828)	(767)	
Closing balance	2,132	2,718	

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The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(iv) The changes in the carrying amounts of ROU assets of land and buildings is as follows:

	(₹ million)	
	Mar-24	Mar-23
Opening balance	3,305	1,078
Additions	16	2,527
Reversals	(15)	(300)
Closing balance	3,306	3,305
Reversal of accumulated depreciation	15	300
Depreciation for ROU assets for the year	663	724

(v) Expenses relating to short-term leases and leases of low-value assets is ₹ 49 Million (27 Million).

The Company has entered into various lease contracts at various premises used in its operations. Leases of premises generally have lease terms upto 5 years.

(b) The Company as a lessor:

The Company has given part of its investment property under cancellable operating lease agreement. The initial term of the lease is for 9 to 12 months.

	(₹ million)	
	Mar-24	Mar-23
Lease rental income	243	243

35A CONTINGENT LIABILITIES

	(₹ million)	
	Mar-24	Mar-23
i Disputed indirect taxes*	2,325	1,426
ii Disputed direct taxes \$	879	878
iii Claims against the Company not acknowledged as debts #	210	232
iv Legal cases against the Company @	Not ascertainable	Not ascertainable

*Indirect tax disputes primarily include disputes for the service tax demand, availment of inadmissible input tax credit under Goods and Service Tax (GST) and others. The Company has filed / in the process of filing submission before the relevant authorities. The Company has reviewed all its pending indirect tax dispute litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements.

Further, during the year ended 31 March 2024, the Company received show cause cum demand notice (SCN) from Indirect Tax Authorities in relation to availment of inadmissible input tax credit under Goods and Service Tax (GST) aggregating to ₹ 1,736 Million (inclusive of consequential interest & penalty) which forms part of contingent liability. The Company has made payments / reversal of input credit of the SCN amount have been made under protest and to ensure the interest accrual on the same are limited. The Management based on legal advice, believes that these balances are recoverable and is taking the necessary legal recourse to challenge the SCN under the available law which have been initiated.

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

\$Income-tax demands mainly include appeals filed by the Company before various appellate authorities against 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 are likely to be decided in its favour and hence no provision is considered necessary.

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@ The Company 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.

b During an earlier year, the Company had 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 ₹ 1,236 Million (plus interest) in favour of the Company. BCCI had filed a petition before the Hon'ble High Court of Judicature at Madras challenging the Tribunal Award. The Company had also filed an execution petition in April 2018. During an earlier year, the Company has received ₹ 300 Million which was accounted as deposits received in other financial liabilities.

During the previous year, the Company entered into a Memorandum of Settlement, whereby ₹ 300 Million was agreed by both the parties as the settlement amount and accordingly the same was recorded as revenue.

36 CAPITAL AND OTHER COMMITMENTS

a Estimated amount of contracts remaining to be executed for capital expenditure not provided for (net of advances) is ₹ 304 Million (₹ 312 Million).

b Other commitments as regards media content and others (net of advances) are ₹ 26,410 Million (₹ 37,442 Million).

37 On 26 August 2022, the Company had entered into an agreement with Star India Private Limited ('Star') for setting out the basis on which Star would be willing to grant sub-license rights in relation to television broadcasting rights of the International Cricket Council's (ICC) Men's and Under 19 (U-19) global events for a period of four years (ICC 2024-2027) on an exclusive basis (Alliance Agreement). The Company / Board had identified this acquisition of strategic importance ensuring the Company is present in all 3 segments of the media and entertainment business. The performance of the Alliance Agreement was subject to certain conditions precedent including submission of financial commitments, provision of bank guarantee and corporate guarantee and pending final ICC approval for sub-licensing to the Company.

Till date, the Company has accrued ₹ 721 Million for bank guarantee commission and interest expenses for its share of bank guarantee and deposit as per the Alliance Agreement.

During the year ended 31 March 2024, Star has sent letters to the Company through its legal counsel alleging breach of the Alliance agreement on account of non-payment of dues for the rights in relation to first installment of the rights fee aggregating to USD 203.56 Million (₹ 16,934 Million) along with the payment for bank guarantee commission and deposit interest aggregating ₹ 170 Million and financial commitments including furnishing of corporate guarantee / confirmation as stated in the Alliance agreement. Based on the legal advice, the Management believes that Star has not acted in accordance with the Alliance Agreement and has failed to obtain necessary approvals, execution of necessary documentation and agreements. The Management also believes that Star by its conduct has breached the Alliance agreement and is in default of the terms thereof and consequently, the contract stands repudiated. The Company has already communicated to Star that the Alliance Agreement cannot be proceeded with for the reasons set out above and has also sought refund of ₹ 685 Million paid to Star.

During the year ended March 31 2024, Star initiated arbitration proceedings against the Company through its Notice of Arbitration dated 14 March 2024 (Arbitration Notice) by which it has sought specific performance of the Alliance agreement by the Company or in the alternative compensate Star for damages suffered which have not been quantified. The Company has taken necessary steps to defend Star's claim in the Arbitration.

The Board continues to monitor the progress of aforesaid matter. Based on the available information and legal advice, the Management believes that the Company has strong and valid grounds to defend any claims. Accordingly, the Company does not expect any material adverse impact with respect to the above as in its view the contract has been repudiated and no adjustments are required to the accompanying statements.

38 ATL Media Limited (ATL), an overseas wholly owned subsidiary of the Company incorporated in Mauritius is engaged in broadcasting business. Living Entertainment Limited, Mauritius (LEL), a related party of the Company, is a content provider. During the financial year ended 31 March 2016, ATL had entered into a Put Option agreement with LEL to acquire the issued share capital held by LEL to the extent of 64.38% in Veria International Limited (VIL) (another related party of the Company) at an exercise price of \$ 105 Million. The exercise period of the Put Option was from the agreement date till the expiry date, i.e. 30 July 2019. In order to secure a borrowing from Axis Bank Limited and Yes Bank Limited (Bank), LEL had assigned all its right, title, benefit and interest under the said Put Option agreement in favour of Axis Bank, DIFC Branch, the security trustee for the benefit of Axis Bank Limited and Yes Bank Limited. Based on certain representations made by LEL, the Put Option agreement was renewed and amended by the parties (ATL and LEL) on 29 July 2019 and extended till 30 December 2026, and the exercise price was set at \$52.50 Million (₹ 4,375 Million as at 31 March 2024, ₹ 4,313 Million as at 31 March 2023) for the same quantum of shares and LEL extended the assignment of the Put Option to the security trustee.

During the financial year ended 31 March 2020, the Bank invoked the Put Option pursuant to the assignment and demanded ATL to pay the exercise price. Subsequently, upon inquiry, ATL became aware of certain misrepresentations by LEL at the time of renewal of the Put Option

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agreement and consequently, ATL has rescinded the Put Option from the renewal date of the Put Option agreement and also filed a suit against LEL and the security trustee of the said Bank (security trustee subsequently excluded in the amended plaint filed during the quarter ended 30 September 2021) in the Hon'ble Supreme Court of Mauritius for inter-alia declaration that the amended Put Option agreement has been properly rescinded and no longer binding and enforceable. The matter is now sub-judice in Mauritius.

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

The Company is of the view, based on legal advice, that the LOC neither provides any guarantee, commitment or assurance to pay the Bank. On 26 June 2020, the Bank filed a plaint seeking ad-interim relief in the Hon'ble High Court of Bombay on the grounds that the aforesaid LOC provided to the Bank is a financial guarantee.

The Hon'ble High Court of Bombay, vide Orders dated 30 June 2020 and 19 August 2020 has refused/dissmised the ad interim relief sought by the Bank, including as part of the appeal proceedings filed by the Bank that were in favour of the Company. The primary suit filed by the Bank on 26 June 2020 is yet to be heard by the Hon'ble High Court of Bombay.

The Management has assessed the nature of the LOC and based on legal advice obtained, the LOC has not been considered as a financial guarantee by the Management, which would require recognition of a liability in the books of account of the Company. Further, based on an independent valuation of ATL obtained, the Management has determined that the LOC also does not result in any executory contract that is onerous on the Company which requires any recognition of liability in the books of account of the Company.

39 Electricity and water charges and repairs and maintenance (plant and machinery) are net off recoveries ₹ 147 Million (₹ 156 Million).

40 SEGMENT INFORMATION

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

41 PAYMENT TO AUDITORS

	(₹ million)	
	Mar-24	Mar-23
Audit fees	14	20
Certification	12	1
Reimbursement of expenses	2	0
Total	28	21

'0' (zero) denotes amounts less than a Million.

42 EMPLOYEE BENEFITS

The disclosures as per Ind AS 19 on 'Employee Benefits' are as follows:

a Defined contribution plans

'Contribution to provident and other funds' is recognised as an expense in Note 25 'Employee benefits expense' of the Statement of Profit and Loss.

b Defined benefit plans

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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	(₹ million)	
	Mar-24	Mar-23
	Gratuity (Non Funded)	
i) Expenses recognised during the year		
1 Current service cost	211	132
2 Interest cost	97	72
Total Expenses	308	204
ii) Amount recognised in other comprehensive income (OCI)		
1 Opening amount recognised in OCI	114	(44)
2 Remeasurement during the period due to		
- Changes in financial assumptions	104	107
- Changes in demographic assumptions	(13)	-
- Changes in experience charges	(3)	51
Closing amount recognised in OCI	202	114
iii) Net liability recognised in the Balance Sheet as at 31 March		
1 Present value of Defined Benefit Obligation (DBO)	1,602	1,255
2 Net liability	1,602	1,255
iv) Reconciliation of net liability recognised in the Balance Sheet		
1 Net liability at the beginning of year	1,255	950
2 Expense as per (i) above	308	204
3 Other comprehensive income as per (ii) above	87	157
4 Benefits paid	(48)	(56)
Net liability at the end of the year	1,602	1,255
v) The following payments are expected to defined benefit plan in future years :		
1 Expected benefits for year 1	115	72
2 Expected benefits for year 2 to year 5	521	291
3 Expected benefits beyond year 5	2514	2434
vi) Actuarial assumptions		
1 Discount rate	7.09%	7.31%
2 Expected rate of salary increase	8.50%	8.00%
3 Mortality	IALM (2012-14)	IALM (2012-14)

vii) The defined benefit plans expose the Company to actuarial risks such as interest rate risk, longevity risk and salary risk:

Interest risk: A decrease in the bond interest rate will increase the plan liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of plan participants will increase the plan's liability.

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viii) Sensitivity analysis

The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points:

	(₹ million)	
	Mar-24	Mar-23
1 Impact of increase in 50 bps on DBO - discount rate	1,540	1,198
2 Impact of decrease in 50 bps on DBO - discount rate	1,668	1,315
3 Impact of increase in 50 bps on DBO - salary escalation rate	1,669	1,316
4 Impact of decrease in 50 bps on DBO - salary escalation rate	1,538	1,197

Notes:

- The current service cost recognised as an expense is included in Note 25 'Employee benefits expense' as gratuity. The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

43 CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Gross amount required to be spent by the Company is ₹ 307 Million (₹ 375 Million)
- Amount spent during the year ended 31 March 2024 on ongoing projects:

Nature of activities	(₹ million)		
	Mar-24		Total
	Spent amount	Unspent amount	
Women and girl child empowerment	16	111	127
Integrated rural development	5	87	92
Others	8	80	88
Total	29	278	307

Provision of ₹ 278 Million has been recorded during the year with respect to liability for contractual obligation. The said amount is transferred to designated bank account before the due date as per the regulatory requirements.

Amount spent during the year ended 31 March 2023 on ongoing projects:

Nature of activities	(₹ million)		
	Mar-23		Total
	Spent amount	Unspent amount	
Women and girl child empowerment	231	115	346
Integrated rural development	16	-	16
Others	9	4	13
Total	256	119	375

Provision of ₹ 119 Million has been recorded during the year with respect to liability for contractual obligation. The said amount is transferred to designated bank account before the due date as per the regulatory requirements.

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c Movement of unspent amount

	(₹ million)			
	Mar-23	Utilisation from opening unspent	Current year unspent	Mar-24
Balance unspent	248	163	278	363

44 FINANCIAL INSTRUMENTS

A Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stake holders through optimisation of debt and equity balance. The Company is not subject to any externally imposed capital requirements. The Company's Risk Management Committee reviews the capital structure of the Company.

The following is net gearing ratio at the end of reporting period: (net debt divided by total 'equity').

Net debt = Total borrowings (including lease liabilities) less (Cash and cash equivalents + Bank balance other than cash and cash equivalents (excluding balance earmarked for unclaimed dividend) + Current investments).

Gearing ratio:

	(₹ million)	
	Mar-24	Mar-23
Total Debt *	2,188	2,777
Less: Cash and cash equivalent including mutual fund and bank deposit with original maturity between 3 to 12 months.	7,995	4,277
Net debt (A)	(5,807)	(1,500)
Total equity (B)	100,063	97,113
Net debt to equity ratio (A/B)	(0.06)	(0.02)

B Categories of financial instruments and fair value thereof

	(₹ million)			
	Mar-24		Mar-23	
	Carrying amount	Fair value	Carrying amount	Fair value
a Financial assets				
i) Measured at amortised cost				
Trade receivables	15,819	15,819	15,331	15,331
Cash and cash equivalents	7,964	7,964	4,179	4,179
Bank balances other than above	80	80	152	152
Loans (net of provision) (refer note 44(D)(ii))	-	-	-	-
Other financial assets	3,914	3,914	3,885	3,885
	27,777	27,777	23,547	23,547
ii) Measured at fair value through profit and loss account				
Investments				
Zee Studios Limited (optionally convertible debentures) *	2,103	2,103	1,857	1,857
Exfinity Technology Fund-Series II	368	368	330	330
	2,471	2,471	2,187	2,187

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(₹ million)

	Mar-24		Mar-23	
	Carrying amount	Fair value	Carrying amount	Fair value
b Financial liabilities				
i) Measured at amortised cost				
Trade payables	14,980	14,980	17,889	17,889
Other financial liabilities	2,386	2,386	3,923	3,923
Lease liabilities*	2,133	2,133	2,718	2,718
Vehicle loans *	55	55	59	59
	19,554	19,554	24,589	24,589

*Includes current maturities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values, since, the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

C Fair value measurement

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantative disclosures of fair value measurement hierarchy for assets and liabilities as at:

(₹ million)

	Mar-24	Mar-23	Fair Value Hierarchy	Valuation Technique(s) & key inputs used
Financial assets at fair value through profit and loss				
Zee Studios Limited (optionally convertible debentures) *	2,103	1,857	Level 3	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period and NAV statements.
Exfinity Technology Fund-Series II	368	330	Level 3	

* Includes current maturities.

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Reconciliation of Level 3 category of financial assets:

(₹ million)

	Mar-24	Mar-23
Opening balance	2,187	5,123
Additions	-	400
Regrouped under Non-current assets held for sale	-	(3,100)
Gain/ (loss) recognised	284	(236)
Closing balance	2,471	2,187

D Financial risk management objective and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, unsecured interest free deposits, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Senior Management oversees the management of these risks.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity price risk.

Foreign Currency risk

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. The Management has taken a position not to hedge this currency risk.

The carrying amounts of financial assets and financial liabilities the Company denominated in currencies other than its functional currency are as follows:

(₹ million)

Currency	Assets as at		Liabilities as at	
	Mar-24	Mar-23	Mar-24	Mar-23
United States Dollar (USD)	1,450	1,081	804	290
Euro (EUR)	1	1	1	1
Singapore Dollar (SGD)	-	-	(0)	4
Japanese Yen (JPY)	2	2	-	-
Mauritian Rupee (MUR)	-	-	5	-
Great Britain Pound (GBP)	1	-	-	-

'0' (zero) denotes amounts less than a Million.

Foreign Currency sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the rupee against the relevant foreign currencies. 10% is the sensitivity rate used while reporting foreign currency risk internally to key management personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated in monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit and the balance would be negative.

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(₹ million)

Currency	Sensitivity analysis			
	Mar-24		Mar-23	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
United States Dollar (USD)	(65)	65	(79)	79
Euro (EUR)	-	-	(0)	0
Singapore Dollar (SGD)	(0)	0	0	(0)
Japanese Yen (JPY)	(0)	0	(0)	0
Mauritian Rupee (MUR)	1	(1)	-	-
Great Britain Pound (GBP)	(0)	0	-	-

'0' (zero) denotes amounts less than a Million.

The Company is mainly exposed to USD currency fluctuation risk.

The Company's sensitivity to foreign currency assets has increased during the current year mainly due to overall increase in assets in foreign currency.

The Company's sensitivity to foreign currency liabilities has decreased during the current year mainly on account of overall decrease in liabilities in foreign currency.

Interest rate risk

The borrowings of the Company include vehicle loan which carries fixed coupon rate and consequently the Company is not exposed to interest rate risk.

The Company's investment in debt instruments and loans given by the Company are at fixed interest rates, consequently the Company is not exposed to interest rate risk.

Other price risk

The Company is exposed to equity price risks arising from equity investments. The Company's equity investments are held for strategic rather than trading purposes.

Price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks of the investments at the end of the reporting period. If the prices had been 10% lower / higher.

(₹ million)

Fair value through profit and loss and Fair value through other comprehensive income	Sensitivity analysis			
	Mar-24		Mar-23	
	Decrease by 10%	Increase by 10%	Decrease by 10%	Increase by 10%
Fair value through profit and loss for the year ended would (decrease) / increase by	37	(37)	33	(33)

ii Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises principally from the Company's receivables, deposits given, loans given, investments made and balances at bank.

The maximum exposure to the credit risk at the reporting date is primarily from investments made, loans given and trade receivables.

In case of trade receivables, the Company does not hold any collateral or other credit enhancements to cover its credit risks. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109 on 'Financial Instruments', the Company uses expected credit loss model to assess the impairment loss or gain.

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Trade receivables are non-interest bearing and the average credit period is 45 days. The Company's exposure to customers is diversified and except for one customer, no other customer contributes to more than 10 % of outstanding trade receivables and unbilled revenue.

Based on historical data, loss on collection of receivables is not material hence no additional provision is considered. The unsatisfied performance obligation is expected to be completed in one year or less.

The carrying amounts of trade receivables outstanding from the due dates as at 31 March 2024 is follows:

(₹ million)

	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
a Considered good	8,775	6,566	372	220	5	95	16,033
b which have significant increase in credit risk	-	0	1	108	0	0	109
c Credit impaired	-	0	0	0	157	430	587
Disputed							
a Considered good	-	-	-	-	-	-	-
b which have significant increase in credit risk	-	-	-	-	-	-	-
c Credit impaired	-	-	-	593	1	2,058	2,652
Total	8,775	6,566	373	921	163	2,583	19,381

'0' (zero) denotes amounts less than a Million.

The carrying amounts of trade receivables outstanding from the due dates as at 31 March 2023 is follows:

(₹ million)

	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
a Considered good	8,279	6,816	461	2	36	46	15,640
b which have significant increase in credit risk	-	0	1	173	0	0	174
c Credit impaired	-	0	0	0	192	318	509
Disputed							
a Considered good	-	-	-	-	-	-	-
b which have significant increase in credit risk	-	-	-	-	-	-	-
c Credit impaired	-	-	-	1	7	2,024	2,032
Total	8,279	6,816	462	176	234	2,387	18,355

'0' (zero) denotes amounts less than a Million.

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The carrying amount of following financial assets represents the maximum credit exposure:

	(₹ million)	
	Mar-24	Mar-23
Movement in allowance for credit loss during the year was as follows :		
Balance at the beginning of the year	3,024	2,945
Add: Provided during the year	552*	93
Less: Write off during the year	(14)	(14)
Balance as at the end of the year	3,562	3,024
Net trade receivables	15,819	15,331

*Includes amount to aggregating to ₹ 594 million provision pertaining to previous year for SNL for legal proceedings have now been considered adequate to cover any expected credit loss on account of non-collection of balance for services delivered

Trade receivable consists of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of the accounts receivable.

- A During an earlier year, Siti Networks Limited (SNL) legally ceased to be a related party and the Company had provided commitments for funding shortfalls in Debt Service Reserve Account (DSRA guarantee) in relation to certain financial facilities availed from banks by SNL. During the year ended 31 March 2023, the Company had reached a settlement with certain lenders of SNL. Full payments have been made in accordance with the terms of settlement and the Company has stepped into the shoes of the lenders of SNL as per the applicable law to recover the amounts from SNL, as confirmed by the Insolvency Resolution Professional of SNL. The Company has adequate provisions to meet the Company's obligations to meet any remaining DSRA claim. The IRP of SNL has also accepted operational creditor claims of the Company and the same will be settled as part of the overall resolution process.

Considering the financial condition of SNL, the Company without prejudice to its legal rights had fully provided for the balances recoverable from SNL.

- B The Company, in an earlier year, had given an Inter-corporate Deposit (ICD) aggregating ₹ 1,500 Million. On account of delays in recovery of the amount, the ICD was assigned to certain related parties (refer note 46) to secure payment of ₹ 1,706 Million (including accrued interest up to the date of assignment). Further, since there are delays in receiving payment from these related parties, the aforesaid amount has been provided during an earlier year. The Company has initiated arbitration proceedings against the said parties for recovering the amounts and the the arbitrator granted an award in favour of the Company. Subsequent to the year end, the Company has filed execution application to enforce the award.
- C During the year, the Company has made provision for slow moving financial assets aggregating ₹ Nil Million (₹ 474 Million) (including for DSRA guarantee recovery) resulting in aggregate provision of ₹ 2,815 Million (₹ 2,815 Million).

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit-rating agencies. The credit risk on mutual funds, non-convertible debentures, certificates of deposit and other debt instruments is limited because the counterparties are generally banks and financial institutions with high credit ratings assigned by credit rating agencies.

iii Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company's principal source of liquidity are cash and cash equivalents and the cash flow generated from operations. The Company consistently generated cash flows from operations which together with the available cash and cash equivalents and current investment provides adequate liquidity in short term as well as in the long term. Trade and other payables are non-interest bearing and the average credit term is 45 days.

The table below provides ageing of trade payables as at 31 March 2024

	(₹ million)						
	Accruals	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables							
a MSME	-	774	-	-	-	-	774
b Others	3,995	2,844	6,602	559	62	136	14,198

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	(₹ million)						
	Accruals	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
c Disputed dues – MSME	-	-	-	-	-	-	-
d Disputed Others dues	-	-	-	-	-	7	7
Total	3,995	3,618	6,602	559	62	143	14,979

The table below provides ageing of trade payables as at 31 March 2023

	(₹ million)						
	Accruals	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Trade payables							
a MSME	-	590	-	-	-	-	590
b Others	4,448	17	12,276	347	23	176	17,287
c Disputed dues – MSME	-	-	-	-	-	-	-
d Disputed Others dues	-	-	-	-	-	12	12
Total	4,448	607	12,276	347	23	188	17,889

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2024 as per applicable IND AS.

	(₹ million)				
	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial liabilities					
Trade payables and other financial liabilities	17,365	-	-	17,365	17,365
Lease liabilities	643	1,489	-	2,132	2,132
Borrowings	23	32	-	55	55
Total	18,031	1,521	-	19,552	19,552

The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2023 as per applicable IND AS.

	(₹ million)				
	Due in 1st year	Due in 2 to 5th year	Due after 5 years	Total	Carrying value
Financial liabilities					
Trade payables and other financial liabilities	21,812	-	-	21,812	21,812
Lease liabilities	600	2,118	-	2,718	2,718
Borrowings	19	40	-	59	59
Total	22,431	2,158	-	24,590	24,590

The amount of financial guarantees included in contingent liabilities are the maximum amounts the Company could be forced to settle under the arrangement for the full guaranteed amount if the amount is claimed by the counterparty to the guarantee.

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- 45** Final dividend on Equity shares for the year ended 31 March 2023 of Re. Nil per share (₹ 3 per share) aggregating to ₹ Nil (₹ 2,882 Million) was paid during the year.

The Board of Directors of the Company at its meeting held on 17 May 2024 has recommended final dividend of Re. 1 per Equity share (face value of Re. 1 each) aggregating to ₹961 Million for the financial year ended 31 March 2024. The dividend is subject to approval at the ensuing Annual General Meeting of the Company.

46 RELATED PARTY DISCLOSURES

a) List of parties where control exists

Subsidiary companies

i Wholly owned (direct and indirect subsidiaries)

Asia Multimedia Distribution Inc.; Asia Today Limited ; Asia Today Singapore Pte Limited; Asia TV USA Limited; Asia TV Limited; ATL Media FZ-LLC; ATL Media Ltd.; Zee Studios Limited (formerly known as Essel Vision Productions Limited); Expand Fast Holdings (Singapore) Pte. Limited (stuck off on 4 September 2023); OOO Zee CIS Holding LLC; OOO Zee CIS LLC; Pantheon Productions Limited (liquidated on 23 September 2022); Taj TV Limited; Zee TV South Africa (Proprietary) Limited; Zee Unimedia Limited (ceased to be subsidiary w.e.f. 17 August 2023); Z5X Global FZ-LLC; Zee Studios International Limited (liquidated on 23 September 2022); Zee Entertainment UK Limited (Formerly known as Zee UK Max Limited) (Incorporated on 28 September 2023).

ii Other subsidiaries

Margo Networks Private Limited (extent of holding 80%)

b) Associates

Asia Today Thailand Limited (extent of holding 25% through Asia Today Singapore Pte Limited upto 21st Dec 2022)

c) Joint Venture

Media Pro Enterprise India Private Limited (extent of holding 50% through Zee Studios Limited)

d) Other Related parties consist of companies controlled by key management personnel and its relatives with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Asian Satellite Broadcast Private Limited; Cyquator Media Services Private Limited; Creantum Security Solutions Private Limited; Digital Subscriber Management and Consultancy Services Private Limited; Diligent Media Corporation Limited; Edisons Infrapower & Multiventures Private Limited; Essel Corporate LLP; Essel Finance Business Loans Limited; Essel Finance Management LLP; Essel Infra Projects Limited; Elouise Green Mobility Limited (formerly known as Essel Green Mobility Limited); Essel Realty Private Limited; Essel Utilities Distribution Company Limited; Evenness Business Excellence Services Private Limited (Formerly known as Essel Business Excellence Services Limited); Konti Infrapower & Multiventures Private Limited; Living Entertainment Enterprises Private Limited; Omnitrade Marketing Services Private Limited; Pan India Network Infravest Limited; Pan India Network Limited; Real Media FZ-LLC; Veria International Limited; Widescreen Holdings Private Limited; Zen Cruises Private Limited, E-City Digital Cinemas Pvt Ltd; Play Games 24x7 Private Limited.

Directors / Key Management Personnel

Mr. Punit Goenka (Managing Director & CEO); Mr. Rohit Kumar Gupta (Chief Financial officer), Mr. Ashish Agarwal (Company Secretary). Mr. R Gopalan (Independent Director - Chairman); Mr. Adesh Kumar Gupta (Non-Executive Director- ceased to be a director w.e.f. 16 December 23); Mr. Piyush Pandey (Independent Director- resigned w.e.f. 23 March 2023); Ms. Alicia Yi (Independent Director- ceased to be a Director w.e.f.13 July 23); Mr. Sasha Mirchandani (Independent Director- ceased to be a Director w.e.f. 24 December 23); Mr. Vivek Mehra (Independent Director- ceased to be a Director w.e.f. 24 December 23); Uttam Prakash Agarwal (Independent Director- appointed w.e.f. 17 December 23); Shishir Babhubhai Desai (Independent Director- appointed w.e.f. 17 December 23); Deepu Bansal (Independent Director- appointed w.e.f. 13 October 23); Venkata Ramana Murthy Piniseti (Independent Director- appointed w.e.f. 17 December 23).

Relatives of Key Management Personnel

Amit Goenka

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e) Disclosure in respect of related party transactions and balances as at and during the year:

Particulars	(₹ million)	
	Mar-24	Mar-23
Transactions during the year		
i Revenue from operations		
- Share of subscription income payable		
Subsidiaries	331	929
- Commission		
Subsidiaries	155	176
- Transmission income		
Subsidiaries	274	284
- Sales of media content		
Subsidiaries	1,131	1,225
- Other operating income		
Subsidiaries	458	193
Other related parties	3	-
ii Other income		
- Rent / miscellaneous income		
Other related parties	3	4
- Interest income		
Subsidiaries	-	0
iii Purchase of media content		
Subsidiaries	1,645	1,777
iv Purchase of services		
Subsidiaries	2,436	2,589
Other related parties	668	695
v Recoveries / (reimbursement) (net) *		
Subsidiaries	(90)	140
Other related parties	2	2
vi Investments purchased / subscribed		
Subsidiaries	-	400
vii Assets purchased		
Subsidiaries	57	-
viii Loans, advances and deposits given		
Other related parties	42	-
ix Loans, advances and deposits repayment given		
Other related parties	-	10
x Provision for Diminution in value of Investment		
Subsidiaries	100	3,313
xi Remuneration to key managerial personnel		
Short term employee benefits @	280	351
xii Commission and sitting fees		
Non-executive directors	50	40
xiii Dividend paid		
Director (Nil, ₹ 7,470/-)	-	0

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Particulars	(₹ million)	
	Mar-24	Mar-23
Balance as at 31 March		
i Investment		
Subsidiaries	7,969	7,823
ii Trade receivables		
Subsidiaries	290	461
Other related parties	-	0
iii Loans, advances and deposits given (Refer note 44(d)(ii))		
Subsidiaries	-	49
Other related parties	384	342
iv Other receivables		
Subsidiaries	450	557
Other related parties	15	15
v Trade advances and deposits received		
Other related parties	14	14
vi Trade / other payables		
Subsidiaries	2,450	2,186
Other related parties	26	33

@ Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

0' (Zero) denotes amounts less than a million.

f Disclosure in respect of material related party which account for 10% or more of the transactions and balances as at and during the year:

Particulars	(₹ million)	
	Mar-24	Mar-23
Transactions during the year		
i Revenue from operations		
- Share of subscription income payable		
ATL Media Limited	331	929
- Commission		
ATL Media FZ-LLC	141	155
Others	14	21
- Transmission income		
Asia Today Limited	229	208
ATL Media Limited	45	76
- Sales of media content		
Asia Today Limited	920	806
ATL Media Limited	211	419
- Other operating income		
ATL Media Limited	458	193
Other	3	-

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Particulars	(₹ million)	
	Mar-24	Mar-23
ii Other income		
- Rent / miscellaneous income		
Creantum Security Solutions Pvt. Ltd	2	2
Diligent Media Corporation Limited	1	2
- Interest income		
Margo Networks Private Limited	-	0
iii Purchase of media content		
Zee Studios Limited	1,317	1,690
ATL Media Limited	328	87
iv Purchase of services		
ATL Media FZ-LLC	1,409	1,552
Asia Today Limited	534	567
Digital Subscriber Management and Consultancy Services Private Limited	550	525
Z5X Global FZ LLC	484	450
Others	127	190
v Recoveries / (reimbursement) (net) *		
Z5X Global FZ LLC	268	188
Margo Networks Private Limited	(324)	-
ATL Media Limited	(34)	(48)
Others	2	2
vi Investments purchased / subscribed		
0.001% Non cumulative optionally convertible debentures of Margo Networks Private Limited	-	400
vii Assets purchased		
Margo Networks Private Limited	57	-
viii Loans, advances and deposits given		
Digital Subscriber Management and Consultancy Services Private Limited	42	-
ix Loans, advances and deposits repayment given		
Essel Corporate LLP	-	10
x Provision for Diminution in value of Investment		
Debentures - Margo Networks Private Limited	-	3,100
Equity investment in Margo Networks Private Limited	100	213
xi Remuneration to key managerial personnel		
Punit Goenka (refer note 52) @ *	197	351
Rohit Kumar Gupta@	52	53
Ashish Agarwal@	31	24
xii Commission and sitting fees		
Non-executive directors	50	40
xiii Dividend paid		
Director (Nil, ₹ 7,470/-)	-	0

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Particulars	(₹ million)	
	Mar-24	Mar-23
Balance as at 31 March		
i Investment		
Equity Shares of Zee Multimedia Worldwide (Mauritius) Limited	2,584	2,584
Equity Shares of ATL Media Ltd.	2,515	2,515
Debentures - Zee Studios Limited	2,103	1,857
Others	767	867
ii Trade receivables		
Asia Today Limited	107	104
ATL Media Limited	127	237
Z5X Global FZ LLC	56	96
Others	0	24
iii Loans, advances and deposits given (Refer note 44(d)(ii))		
Digital Subscriber Management and Consultancy Services Private Limited	382	340
Zee Studios Limited	-	49
Widescreen Holdings Private Limited (Net of Provision)	-	-
Konti Infrapower & Multiventures Private Limited (Net of Provision)	-	-
Edisons Infrapower & Multiventures Private Limited (Net of Provision)	-	-
Asian Satellite Broadcast Private Limited (Net of Provision)	-	-
Others (net of provision)	2	2
iv Other receivables		
Margo Networks Private Limited	383	372
ATL Media FZ LLC	67	185
Others	15	15
v Trade advances and deposits received		
Essel Infra Projects Limited	12	12
Essel Finance Management LLP	2	2
Others	0	0
vi Trade / other payables		
ATL Media FZ LLC	959	1,050
Asia Today Limited	604	87
ATL Media Limited	493	773
Z5X Global FZ LLC	300	250
Others	120	59

@ Does not include provision made for gratuity and leave encashment as they are determined on actuarial basis for all the employees together.

* Managerial remuneration aggregating to ₹ 101 Million is in excess of limits prescribed under SEBI LODR Regulation 17(6)(e) and is subject to approval from the shareholders in the ensuing annual general meeting.

'0' (Zero) denotes amounts less than a million.

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47 DETAILS OF STRUCK OFF COMPANIES

Name of the struck off company	Balance type	(₹ million)	
		Balance outstanding as at 31 March 24	Balance outstanding as at 31 March 23
Aquarius Mediaa Private Limited	Advances received from customers	-	0
Nine Spheres Broadcast (India) Private Limited	Advances received from customers	-	0
Deetya Advertising Agency Private Limited	Advances received from customers	-	0
24 Fps Films Private Limited	Advances received from customers	-	0
The Rise Pictures Private Limited	Advances received from customers	-	0
Parambaria Edible Oil Private Limited	Advances received from customers	-	0
Passion Movies Private Limited	Advances received from customers	-	0
Innamuri Venkat Yellow Productions Private Limited	Trade Receivable	0	0
R K Digital Cable Service Private Limited	Trade Payable	-	2
Dhubri Cable Tv Network Private Limited	Trade Payable	0	0
Saanvi Pictures Private Limited	Other advances	0	0
Nilgiri Cable Tv Private Limited	Trade Payables	0	0
Hornbill Media Pvt Ltd	Trade Payables	0	0
Kriarj Entertainment Private Limited	Trade receivables	3	3
Yes India Digital Network Private Limited	Trade receivables	2	2
Alleppey Digital Private Limited	Trade payables	0	0
Atrix Educare Business Private Limited	Advances received from customers	0	0
Malayora Digital Cable Vision Private Limited	Trade receivables	0	0
Novabase Digital Entertainment Private Limited	Trade receivables	8	8
Shiv Digitek Private Limited	Trade payables	-	0
Venkata Sai Jk Communication Media Private Limited	Trade payables	-	0
Yes India Digital Network Private Limited	Trade payables	0	0

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

None of the aforesaid companies are related parties in accordance with related party definition as per Section 2(76) of the Companies Act, 2013.

- 48** a The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entity(ies) (intermediaries) with the understanding that the intermediary shall;
- i directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or
 - ii provide any guarantee, security, or the like to or on behalf of the ultimate beneficiaries.
- b The Company has not received any fund from any other person(s) or entity(ies), including foreign entity(ies) (funding party) with the understanding (whether recorded in writing or otherwise) that the funding party shall;
- i directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - ii provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

49 DISCLOSURE REQUIRED UNDER SECTION 22 OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006.

The information regarding Micro or Small Enterprises as required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

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The principal amount and the interest due thereon remaining unpaid as at the end of each accounting year are as follows:

	(₹ million)	
	Mar-24	Mar-23
Principal amount due to Micro and Small Enterprises	774	590
Interest due on above		
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the suppliers beyond the appointed day during each accounting year.	-	-
Principal amount due to Micro and Small Enterprises which was paid beyond the appointed day as per the MSMED Act, 2006.	117	144
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006.	-	-

50 INFORMATION UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

a Investments made

There are no investments by the Company other than those stated under note 8 and note 13 in the Financial Statements.

b Guarantees given

	(₹ million)	
	Mar-24	Mar-23
Commitment for meeting shortfall funding towards revolving Debt Service Reserve Account (DSRA) obligation against financial facilities availed by the borrowers ((Refer note 43(d)(ii)A))	-	-

c Securities provided

There are no securities provided during the year.

d Loans Given

There are no loans given by the Company during the year.

51 During the year, the Company has made political contribution of ₹ Nil (₹ Nil).

52 MANAGERIAL REMUNERATION

Remuneration paid or provided in accordance with Section 197 of the Companies Act, 2013 to the Managing Director & CEO, included in Note 25 'Employee benefits expense' is as under:

	(₹ million)	
	Managing Director & CEO	
	Mar-24	Mar-23
Salary and allowances *	274	351
Less: Excess remuneration paid in previous year as per limits prescribed under SEBI LODR 17(6)(e)	77	-
Net salary and allowances	197	351
Contribution to provident fund	0	0

'0' (zero) denotes amounts less than a Million.

* Salary and allowances include basic salary, house rent allowance, leave travel allowance and performance bonus but excluding gratuity provided on the basis of actuarial valuation.

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53 FINANCIAL RATIOS

	Mar-24	Mar-23	% change
a Current Ratio	5	4	15%
b Debt-Equity Ratio	0	0	-24%
c Debt Service Coverage Ratio	8	6	27%
d Return on Equity Ratio	3%	2%	1%
e Inventory turnover ratio	1	1	9%
f Trade Receivables turnover ratio	5	5	11%
g Trade payables turnover ratio	4	4	3%
h Net capital turnover ratio	1	1	5%
i Net profit ratio	4%	2%	2%
j Return on Capital employed	5%	4%	1%
k Return on investment (%)	18%	7%	12%

Explanation for change in ratios exceeding 25% compared to previous year

a Debt Service Coverage Ratio

During the year, there is increase in profit after tax.

Ratios	Numerator	Denominator
a Current Ratio	Current assets	Current liabilities
b Debt-Equity Ratio	Total debt	Shareholders' equity
c Debt Service Coverage Ratio	Profit after tax + Depreciation and amortisation + interest expense + Loss on sale / write off of property, plant and equipments	Interest expense + principal repayment of borrowings
d Return on Equity Ratio	Net profit after tax less preference dividend	Average Shareholders' equity
e Inventory turnover ratio	Operating cost	Average inventories
f Trade Receivables turnover ratio	Revenue from operations	Average trade receivables
g Trade payables turnover ratio	Operating cost + Other expenses	Average trade payables
h Net capital turnover ratio	Revenue from operations	Working capital (current assets - current liabilities)
i Net profit ratio	Net profit after tax (after exceptional items)	Revenue from operations
j Return on Capital employed	Profit before interest and tax	Tangible net worth + total debt + deferred tax liability
k Return on investment (%)	Other income excluding dividend	Average cash and cash equivalent, loans and other marketable securities

54 ADDITIONAL DISCLOSURE WITH RESPECT TO AMENDMENT TO SCHEDULE III

- i The Company has not been declared wilful defaulter by any bank or financial institution or any lender.
- ii There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- iii There are no loans or advances (Other than those already disclosed under Note 46) in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

55 The Board of Directors of the Company, at its meeting on 21 December 2021, had considered and approved the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 (Scheme), whereby the Company and Bangla Entertainment Private Limited (BEPL) (an affiliate of Culver Max Entertainment Private Limited (Culver Max) (formerly known as Sony Pictures Networks India Private Limited) shall merge in Culver Max in accordance with terms of Merger Corporation Agreement (MCA). After receipt of requisite approvals / NOC's from shareholders and certain regulators including NSE, BSE, SEBI, CCI, ROC etc., the Scheme was sanctioned by the Hon'ble National Company Law Tribunal, Mumbai (NCLT) on 10 August 2023. Both the parties had been engaged in the process of obtaining the balance regulatory approvals, completion of closing formalities for the merger to be effective as per MCA.

Post expiry of the long stop date on 21 December 2023, as per the terms of the MCA, the Company initiated good faith discussions with Culver Max to agree on revised effective date. On 22 January 2024, Culver Max and BEPL issued a notice to the Company purporting to terminate the MCA entered into by the parties in relation to the Scheme and have sought termination fee of USD 90,000,000 (United States Dollars Ninety Million) on account of alleged breaches by the Company of the terms of the MCA and initiated arbitration for the same before the Singapore International Arbitration Centre (SIAC).

Based on legal advice, during the year, the Company issued a reply to Culver Max and BEPL specifically denying any breach of its obligations under the MCA and reiterating that the Company has made all commercially reasonable efforts to fulfil its closing conditions precedents and obligations in good faith. The Company believes that the purported termination of the MCA is wrongful and the claim of termination fee by Culver Max and BEPL is legally untenable and the Company has disputed the same. The Company reserves its right to make claims including counter claims against Culver Max / BEPL for breaches of the MCA at the appropriate stage.

Further Culver Max and BEPL sought emergency interim reliefs from an Emergency Arbitrator appointed by the SIAC requesting to injunct the Company from approaching the Hon'ble NCLT for implementation of the Scheme which was heard by SIAC and no relief was granted to Culver Max and BEPL vide the order rejected by the Emergency Arbitrator by an award dated 4 February 2024.

The Company had filed an application before the Hon'ble NCLT seeking directions to implement the Scheme as approved by the shareholders and sanctioned by the Hon'ble NCLT on 12 March 2024. Subsequent to the year end, the Company decided to withdraw the said application since despite all its efforts to implement the Scheme, Culver Max was opposing the same by filing multiple applications. Hon'ble NCLT has heard the application dated 17 April 2024, filed by the Company seeking to withdraw the implementation application, for which the order is reserved.

The Board of Directors continue to monitor the progress of aforesaid matters. Based on legal opinion, the management believes the above claims against the Company including towards termination fees are not tenable and does not expect any material adverse impact on the Company with respect to the above and accordingly, no adjustments are required to the accompanying statement.

56 The Securities and Exchange Board of India (SEBI) had passed an ex-parte interim order dated 12 June 2023 and Confirmatory Order dated 14 August 2023 (SEBI Order) against one of the current KMP of the Company for alleged violation of Section 4(1) and 4(2)(f) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices (FUTP) relating to Securities Market) Regulations, 2003.

On 30 October 2023, the Hon'ble Securities Appellate Tribunal (SAT) set aside the above order passed by SEBI granting relief to the current KMP. The SAT order also recorded that the SEBI will continue with the investigation.

Pursuant to the above, SEBI has issued various summons and sought comments/ information/explanation from Company, its subsidiary, directors under period of consideration and KMPs who have been providing information to SEBI from time to time, as requested.

With respect to the ongoing enquiry being conducted by SEBI, a writ petition challenging the same has been filed by an ex-director before the Hon'ble Bombay High Court against SEBI during the quarter wherein the Company has been impleaded as a respondent. The Company has filed its reply to the writ petition. The final adjudication of the petition is pending.

The management has informed the Board of Directors that based on its review of records of the Company / subsidiary, the transactions (including refunds) relating to the Company/ subsidiary were against consideration for valid goods and services received.

On 23 February 2024, the Company has constituted an "Independent Investigation Committee" (Committee) headed by and under the chairmanship of Former Judge, Allahabad High Court and comprising of 2 independent directors of the Company, to review the allegations against the Company with a view to safeguard interest of the shareholders against widespread circulation of misinformation, market rumours, etc. The Committee is currently in progress of taking necessary steps as per aforesaid terms of reference.

The Board of Directors continues to monitor the progress of aforesaid matters. Based on the available information the management does not expect any material adverse impact on the Company with respect to the above and accordingly, believes that no adjustments are required to the financial statements.

The Company had also received a follow-up communication from the Ministry of Corporate Affairs (MCA) for the ongoing inspection under section 206(5) of the Companies Act, 2013 against which the Company had submitted its response.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

57 In an earlier year, Zee Studio Limited, a subsidiary had been allotted plot of land on lease for the purpose of construction of film studio by Rajasthan State Industrial Development & Investment Corporation Limited (RIICO), Jaipur. The subsidiary had constructed the studio on the aforesaid plot of land.

This lease was subsequently cancelled by RIICO primarily on account of construction related dispute. The cancellation order challenged by ZSL by way of review application before the concerned authorities which has been rejected vide order dated 16 October 2023.

Based on the legal opinion obtained, the subsidiary has initiated the process for further necessary action for obtaining appropriate relief (including filing of appeal at appropriate forums). The Management considering the merits and facts of the case including legal opinion believes it has a strong legal position and there is no impairment of the investment in the subsidiary.

58 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies which use accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. During the current year, with respect to the accounting software used for maintenance of books of account, the audit trail (edit logs) feature was enabled at the application level and was operational throughout the year. However, the audit trail feature was not enabled for any direct changes made at the database level considering the enablement can lead to downtime and inefficiencies. Further, the Company uses an internally developed accounting software for maintaining its digital subscriptions records which does not have a feature of recording audit trail (edit log) facility. Based on Management assessment, the non-availability of audit trail functions to the extent specified above will not have any impact on the performance of the accounting software, as Management has all other necessary controls in place which are operating effectively.

The Company uses an accounting software (SaaS based) for maintaining its payroll records which has a feature of recording audit trail (edit log) facility. Presently, the log has been activated at the application level. The database of the accounting software is operated by a third-party software service provider and the availability of audit trail (edit logs) are not covered in the 'Independent Service Auditor's Assurance Report on the design and operation of controls' ('Type 2 report' issued in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information) at database level.

59 Other than those disclosed elsewhere, there are no other subsequent events that occurred after the reporting date.

60 The standalone financial statements of the Company for the year ended 31 March 2024, were reviewed by the Audit Committee on 16th May 2024 and subsequently approved for issue by the Board of Directors at their respective meeting held on 17th May 2024.

In terms of our report attached

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Gautam Wadhwa
Partner
Membership No: 508835

Place: Mumbai
Date: 17 May 2024

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO
DIN: 00031263

Rohit Kumar Gupta
Chief Financial Officer

Place: Mumbai
Date: 17 May 2024

Uttam Prakash Agarwal
Director
DIN: 00272983

Ashish Agarwal
Company Secretary

Last Five Years Financial Highlights

₹ in Millions

Year Ending March 31	Consolidated					Standalone				
	2024 @	2023 @	2022 @	2021	2020	2024	2023	2022	2021	2020
Revenue Account										
Income from Operations	86,372	80,879	81,857	77,299	81,299	80,750	74,219	75,111	66,654	72,935
Total Expenses	77,300	69,868	64,054	59,398	64,953	71,797	63,924	57,397	47,844	53,789
Operating Profit	9,072	11,011	17,803	17,901	16,346	8,953	10,296	17,714	18,809	19,146
% to Income from Operations	10.5%	13.6%	21.7%	23.2%	20.1%	11.1%	13.9%	23.6%	28.2%	26.3%
Other Income	1,293	797	1,201	1,104	2,836	1,123	2,732	1,193	2,624	2,309
PBIDT and Fair Value adjustments	10,365	11,808	19,005	19,005	19,182	10,076	13,027	18,907	21,433	21,455
Financial Expenses	721	702	438	571	1,449	691	676	404	526	1,390
Fair value through profit and loss	(38)	(58)	37	1,962	2,597	(285)	236	(1,744)	2,161	3,314
Depreciation / Amortisation	3,091	3,127	2,213	2,649	2,706	2,227	1,917	1,106	1,457	1,776
Add: Share of Results of Associates and Joint Ventures	4	(1)	1	(1)	(24)	-	-	-	-	-
Profit Before Tax & Exceptional Items	6,595	8,036	16,318	13,822	12,406	7,443	10,198	19,141	17,290	14,975
Exceptional Items	(2,784)	(3,355)	(1,333)	(1,266)	(2,843)	(3,129)	(6,669)	(1,271)	(1,266)	(2,843)
Taxation	1,819	2,167	4,447	4,625	4,317	1,299	1,891	4,481	4,814	4,614
Profit After Tax before non controlling interest	1,992	2,514	10,538	7,931	5,246	3,015	1,639	13,389	11,210	7,518
Less: Non Controlling Interest	-	-	(88)	(70)	(19)	-	-	-	-	-
Profit After Tax for the year	1,992	2,514	10,626	8,001	5,265	3,015	1,639	13,389	11,210	7,518
% to Total Income	2.3%	3.1%	12.7%	10.1%	6.2%	3.7%	2.1%	17.5%	16.2%	10.0%
Dividend	961	-	2,882	2,401	288	961	-	2,882	2,401	288
Dividend Rate	100%	-	300%	250%	30%	100%	-	300%	250%	30%
Capital Account										
Share Capital - Equity	961	961	961	961	960	961	961	961	961	960
Share Capital - Preference	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	107,767	106,258	107,667	99,985	92,479	99,102	96,152	97,516	86,516	75,320
Deferred Tax Balances	(4,542)	(4,229)	(3,080)	(3,151)	(2,742)	(3,781)	(3,300)	(2,259)	(2,409)	(2,219)
Non-Controlling Interests	-	-	-	129	110	-	-	-	-	-
Loan Funds**	32	40	21	14	2,986	32	40	20	13	2,985
Capital Employed	104,218	103,030	105,569	97,939	93,793	96,314	93,853	96,238	85,081	77,046
Eff. Capital Employed	108,760	107,259	108,649	101,089	96,536	100,095	97,153	98,497	87,490	79,265
Eff. Network	108,727	107,219	108,627	100,946	93,439	100,063	97,113	98,477	87,477	76,280
Tangible and intangible assets	12,137	13,787	13,123	12,667	13,979	7,526	8,916	6,864	5,850	7,183
Investments (Including Current Investments)	391	349	651	7,983	3,248	7,900	9,616	11,651	14,503	8,543
Net Assets	91,690	88,894	91,795	77,289	76,566	80,888	75,321	77,723	64,728	61,320
Capital Deployed	104,218	103,030	105,569	97,939	93,793	96,314	93,853	96,238	85,081	77,046
Closing market price per share of Re. 1	138.55	212.25	288.35	203.20	123.95	138.55	212.25	288.35	203.20	123.95
Market capitalisation	133,080	203,870	276,965	195,175	119,052	133,080	203,870	276,965	195,175	119,052

"0" (Zero) denotes amounts less than a million

@ Financial highlights for 2024, 2023 and 2022 are calculated based on Continuing operations of the Group

Performance Ratios - An Analysis

Year Ending March 31	Consolidated					Standalone				
	2024 \$	2023 \$	2022 \$	2021	2020	2024	2023	2022	2021	2020
Financial Performance										
Advertisement Income/Income from Operations (%)	47.0%	50.2%	53.7%	48.5%	57.6%	48.2%	52.0%	55.7%	53.3%	60.5%
Subscription Income/Income from Operations (%)	42.4%	41.2%	39.7%	42.0%	35.5%	39.8%	38.0%	36.9%	42.3%	32.8%
Operating Profit/Income from Operations (%)	10.5%	13.6%	21.7%	23.2%	20.1%	11.1%	13.9%	23.6%	28.2%	26.3%
Other Income/Total Income (%)	1.5%	1.0%	1.4%	1.4%	3.4%	1.4%	3.6%	1.6%	3.8%	3.1%
Programming Cost/Income from Operations (%)	52.8%	49.8%	44.9%	44.8%	44.4%	54.7%	52.1%	45.9%	40.4%	43.5%
Personnel Cost/Income from Operations (%)	11.8%	10.2%	10.1%	10.6%	9.6%	10.9%	9.1%	9.2%	10.3%	8.6%
Selling and Admin Expenses/Income from Operations (%)	19.4%	20.9%	18.8%	17.7%	23.2%	17.3%	19.2%	16.7%	17.1%	19.4%
Total Operating Cost/Income from Operations (%)	89.5%	86.4%	78.3%	76.8%	79.9%	88.9%	86.1%	76.4%	71.8%	73.8%
Financial Expenses/Income from Operations (%)	0.8%	0.9%	0.5%	0.7%	1.8%	0.9%	0.9%	0.5%	0.8%	1.9%
Tax/Income from Operations (%)	2.1%	2.7%	5.4%	6.0%	5.3%	1.6%	2.5%	6.0%	7.2%	6.3%
PAT for the year/Total Income (%)	2.3%	3.1%	12.7%	10.1%	6.2%	3.7%	2.1%	17.5%	16.2%	10.0%
Tax/PBT (%)	47.7%	46.3%	29.7%	36.8%	45.1%	30.1%	53.6%	25.1%	30.0%	38.0%
Dividend Payout/PAT for the year (%)	48.3%	0.0%	27.3%	30.3%	5.5%	31.9%	0.0%	21.5%	21.4%	3.8%
Dividend Payout/Effective Networth (%)	0.9%	0.0%	2.7%	2.4%	0.3%	1.0%	0.0%	2.9%	2.7%	0.4%
Balance Sheet										
Debt-Equity ratio (Total loans/ Eff. Networth) (%)	0.0%	0.0%	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	0.0%	3.9%
Current ratio (Current assets/Current liabilities) (x)	5.0	4.3	5.0	4.2	4.0	4.6	4.0	4.9	4.0	3.4
Capital Output Ratio (Inc from Ops/ Eff. Capital employed) (x)	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9
Tangible / intangible assets Turnover (Inc from Ops/ Tangible / intangible assets)^ (x)	9.8	7.7	8.5	8.7	8.2	12.9	9.7	13.4	16.5	13.8
Cash & cash equivalents/Total Eff. capital employed (%)	11.0%	7.5%	11.7%	10.8%	7.6%	8.0%	4.5%	6.4%	7.1%	6.1%
RONW (PAT for the year/ Eff. Networth) (%)	1.8%	2.3%	9.7%	7.9%	5.6%	3.0%	1.7%	13.6%	12.8%	9.9%
ROCE (PBIT/ Eff. Capital employed) (%)	4.2%	5.0%	14.2%	13.0%	11.4%	5.0%	4.3%	18.6%	18.9%	17.1%
Per Share Data #										
Total Income per share (₹)	91.3	85.0	86.5	81.6	87.6	85.2	80.1	79.4	72.1	78.4
Dividend per share (₹)	1.00	0.00	3.00	2.50	0.30	1.00	0.00	3.00	2.50	0.30
Indebtedness per share (₹)	0.0	0.0	0.0	0.0	3.1	0.0	0.0	0.0	0.0	3.1
Book value per share (₹)	113.2	111.6	113.1	105.0	97.3	104.2	101.1	102.5	91.1	79.5
Earnings per share (₹)	2.1	2.6	11.1	8.3	5.5	-	-	-	-	-
PE Ratio -Price/EPS Ratio (Share Price as of March 31.) (x)	66.8	81.1	26.1	24.4	22.6	-	-	-	-	-

Note :

\$ Performance ratios for 2024, 2023 and 2022 is calculated based on Continuing operations of the Group

**Loan funds represents non current portion of borrowings i.e. redeemable preference shares, other borrowings and vehicle loans.

^ Excludes Goodwill on consolidation of ₹ 3,303 million (₹ 3,302 million) and ₹ 1,261 million (₹ 1,261 million) for the consolidated and standalone entity respectively.

Annualised