

CONSISTENCY & CHANGE

ANNUAL REPORT 2015-16

Zee Entertainment Enterprises Limited



॥ वाचस्पतिः कथयन्ति ॥
THE WORLD IS MY HOUSE



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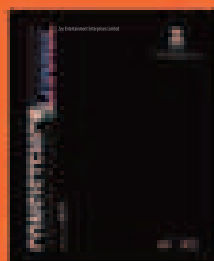
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ROUTE MAP TO AGM VENUE ATTENDANCE SLIP & PROXY FORM



ON THE COVER CONSISTENCY & CHANGE:


This year's Annual Report Cover depicts the juxtaposition of Consistency and Change as concepts that are distinct, yet inextricably linked. Change emerges from an ability to be consistent.



View online at zeetelevision.com/investor-relations/financials-annual.html

View Quarterly Results at zeetelevision.com/investor-relations/report-earning-release.html

FORWARD LOOKING STATEMENTS: In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our future prospects and capabilities and take investment decisions. This report and other statements - written and oral - that we periodically make contain announcements and communication that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these assertions will be realised, although we believe we have been prudent in our communication. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any observation, whether as a result of new information, future events or otherwise.



OUR WORLD IS WITNESSING A FRENETIC PACE OF CHANGE.

MANY FACETS OF LIFE WHICH ARE COMMONPLACE TODAY WERE UNTHINKABLE AS RECENTLY AS A FEW YEARS AGO.

THERE'S CHANGE SWEEPING ACROSS CONSUMER ASPIRATIONS AND BEHAVIOUR, WHICH IN TURN, IS DISRUPTING THE DYNAMICS OF MANY TRADITIONAL INDUSTRIES. TECHNOLOGY IS ENABLING HYPER-PERSONALISATION AND HYPER-LOCALISATION. YET, RELATIVELY 'OLD-WORLD' VALUES SUCH AS TRUST, DELIVERY AND QUALITY REMAIN RELEVANT.

MUTUALLY EXCLUSIVE OR TWO SIDES OF THE SAME COIN?

THE WORLD IS IN THE THROES OF REMARKABLE CHANGE. IT IS SWEEPING ACROSS EVERY FACET OF LIFE.

FY 2015-16 WAS A REMARKABLE YEAR ON MANY FRONTS. INDIA ACHIEVED A RECORD GROWTH, AND CAME TO BE ACKNOWLEDGED AS THE WORLD'S BRIGHT SPOT.

AS ONE OF THE WORLD'S MOST PROMINENT GLOBAL CONTENT BRAND, ZEEL HAS LED THE INDUSTRY THROUGH ITS TRANSFORMATIONAL CYCLE WITH A ROBUST BLEND OF CONSISTENT PERFORMANCE AND AN EARLY ADOPTION OF CHANGE.

IN 2015-16, ZEEL MAINTAINED ITS TRACK RECORD OF DELIVERING AN INDUSTRY-LEADING PERFORMANCE ACROSS KEY METRICS. WE CONTINUED TO REMAIN FOCUSED ON DELIVERING HIGH-IMPACT CONTENT THAT OUR VIEWERS LOVE. WE DO THIS BY BEING TRUE TO OUR VALUES AND OUR STRATEGIC PRIORITIES.

YET, THERE IS VISIBLE CHANGE. WE ARE STRUCTURING OUR BUSINESS AND OPERATING FRAMEWORK WITH A CLEAR FOCUS ON DIVERSE REVENUE STREAMS. WE ARE REALIGNING OUR CONTENT STRATEGY TO CONVERGE SEAMLESSLY WITH THE DIGITAL ECOSYSTEM. WE ARE OFFERING MORE HOLISTIC SOLUTIONS TO OUR ADVERTISERS TO LEVERAGE THE POWER OF OUR NETWORK BETTER.

FOR US AT ZEEL, OUR BUSINESS IS ALL ABOUT CELEBRATING EMOTIONS AND DELIVERING POSITIVE OUTCOMES TO ALL STAKEHOLDERS. BEING TRUE TO OUR ETHOS, CONTINUING TO LEAD BY INNOVATION, AND AN ABILITY TO ANTICIPATE AND EMBRACE THE NEW, ARE ENABLERS OF OUR SUCCESS.

HERE'S TO
CONSISTENCY.
HERE'S TO
CHANGE.

ZEEL AT A GLANCE

THE WORLD
IS MY FAMILY

ZEEL IS A WORLDWIDE
MEDIA BRAND OFFERING
CONTENT IN MULTIPLE
LANGUAGES, WITH A
STRONG PRESENCE IN
171 COUNTRIES AND A TOTAL
VIEWERSHIP OF OVER
1 BILLION PEOPLE AROUND
THE GLOBE.

HIGHLIGHTS FY 2015-16

17.9%

NETWORK SHARE

₹ 58,515
MILLION

TOTAL REVENUE



ZEEL is proud to be a part of the Essel Group which has completed 90 glorious years. Essel Group's journey has been exciting and challenging. Today, the Group is a multi-billion dollar business conglomerate, present across diverse businesses such as media, entertainment, packaging, infrastructure, education, technology and so on. The Group caters to various customer segments in 171 countries globally. From a humble beginning in 1926, in Mandi Adampur, the Essel Group has today transformed into a vibrant conglomerate, efficiently managed by the 5th generation of its founders.

MISSION

TO BECOME THE WORLD'S LEADING GLOBAL MEDIA COMPANY FROM THE EMERGING MARKETS.
AS A CORPORATION, WE ARE DRIVEN BY INNOVATION AND CREATIVITY THAT FOCUSES ON GROWTH, WHILE DELIVERING EXCEPTIONAL VALUE TO OUR CUSTOMERS, OUR VIEWERS AND ALL OUR STAKEHOLDERS.

₹ **10,267**
MILLION

PROFIT AFTER TAX

₹ **15,095**
MILLION

EBITDA

With a strong presence in over 171 countries and a total viewership of 1 Billion plus people around the globe, Zee Entertainment Enterprises Ltd. (ZEEL) is a worldwide media brand offering content in multiple languages. ZEEL is preponderate in its homeland, India and is the largest global content company across genres and platforms, with more than 2,22,703 hours of television content. It comprises of 38 international and 33 popular domestic channels, making ZEEL an all-encompassing, globally appealing brand. With rights to more than 3,818 movie titles from premiere studios featuring iconic film stars, ZEEL houses the world's largest Hindi film library.

Brand ZEEL has added value to the lives of its internal and external stakeholders which include shareholders, bankers, investors, employees and business partners; since the day of its launch in 1992. ZEEL considers each one of these stakeholders as integral members and aims at making the entire world a part of this large, proliferating family. Inspired by this thought, ZEEL embraces the concept of 'Vasudhaiva Kutumbakam – The World is My Family', as its underlying ethic and brand positioning.

ZEEL has bagged many distinguished awards since its inception. Notable amongst them have been the Dun & Bradstreet Corporate Award and the IMC Award for Excellence in Media.

It has also been ranked as the number one brand in the media category, in prestigious rankings like the ET 500 and Fortune 500.

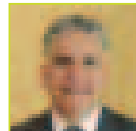
ZEEL - GLOBALLY ACCLAIMED

VIEW

WORLD

ZEEL AS A GLOBAL CASE STUDY

INSEAD, one of the world's leading and largest graduate business schools published a comprehensive case study about ZEEL. It was titled 'Act Globally, Think Globally: ZEE Entertainment's Worldwide Growth' and was written by Stephen Mezas, Professor of Entrepreneurship and Family Enterprise at INSEAD and Colin J. Killick. This case study is being used as a study material for class discussion at the Institute. It gives an account of ZEEL's international strategy with valuable insights from ZEEL MD & CEO, Mr. Punit Goenka as well as other senior management team. The case also discusses ZEE's Global flexibility and adaptability as well as the benefits of going global.



"ZEEL IS A PIONEER IN PRIVATE SATELLITE TV SPACE AND HAS ACHIEVED NOTEWORTHY SUCCESS IN A SHORT TIME SPAN.

THE REMARKABLE SUCCESS OF ZEE IN THE GLOBAL ARENA INSPIRED US TO RESEARCH AND DEEP DIVE INTO ITS ENTREPRENEURIAL JOURNEY.

IT IS AMONGST THE FEW BRANDS FROM THE EMERGING MARKETS TO HAVE GAINED WORLDWIDE TRACTION."

— STEPHEN MEZAS,
PROFESSOR OF ENTREPRENEURSHIP AND FAMILY ENTERPRISE AT INSEAD

WHAT MAKES ZEEL GLOBAL?

>1 BILLION

VIEWERSHIP

171

COUNTRIES

33

DOMESTIC CHANNELS

38

INTERNATIONAL CHANNELS

INTERBRAND'S BEST INDIAN BRANDS

ZEEL is the only media brand to enter into Interbrand's recently released '30 Best Indian Brands Report 2015'. This reinforces ZEEL's objective of being ranked amongst the Top Global Media Brands by the year 2020.

We firmly believe and espouse the fact that Brand is our most treasured Intangible Asset. Interbrand's comprehensive brand valuation methodology covers the key areas of financial analysis, Role of Brand index, and Brand Strength scores. Beyond resulting in a numeric value, Interbrand's assessment includes an appreciation of where and how brand and business value can be cultivated. The Best Indian Brands ranking employs the same rigorous methodology that is used for Interbrand's annual Best Global Brands report.

Interbrand

Creating and managing
brand value™

#1

INDIAN MEDIA BRAND

RANKED ACROSS PRESTIGIOUS RANKINGS

ET 500

FORTUNE 500

BT 500

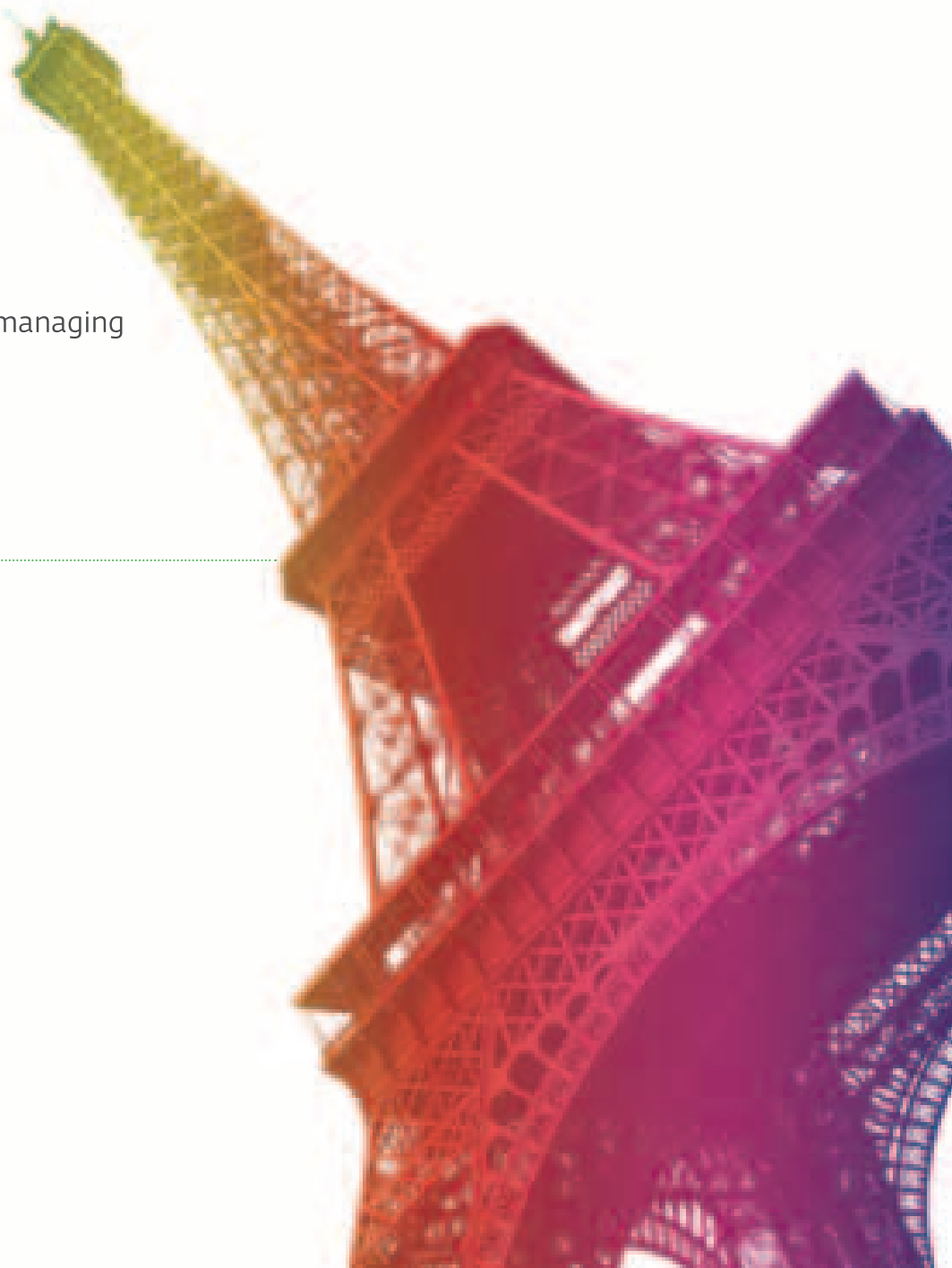
INTERBRAND'S BEST INDIAN BRANDS

2,22,703

HOURS OF CONTENT

3,818

MOVIE TITLES



PORTFOLIO OF BRANDS

DIVERSE & DISTINCT

HINDI GEC



REGIONAL ENTERTAINMENT



HINDI CINEMA



ENGLISH ENTERTAINMENT



SPORTS



HD CHANNELS



MUSIC, LIFESTYLE & NICHE



SELECT INTERNATIONAL CHANNELS



DIGITAL



OTHER VERTICALS



KEY PERFORMANCE INDICATORS

GROWING CONSISTENTLY

INCOME FROM OPERATIONS ₹ Millions

58,515

FY 2016	
FY 2015	48,837
FY 2014	44,217

↑ 19.82%

EBITDA ₹ Millions

15,095

FY 2016	
FY 2015	12,538
FY 2014	12,043

↑ 20.39%

PROFIT BEFORE TAX ₹ Millions

15,817

FY 2016	
FY 2015	14,040
FY 2014	13,191

↑ 12.66%

PROFIT AFTER TAX ₹ Millions

10,267

FY 2016	
FY 2015	9,775
FY 2014	8,921

↑ 5.03%