

ZEE ENTERTAINMENT
ENTERPRISES LIMITED

CIN No: L92132MH1982PLC028767

2013-14
ANNUAL REPORT



॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY



WHAT'S INSIDE



In a world of disappearing geographic boundaries, people inevitably come close to each other. People of different nationalities comprise of what we call at ZEE, One World.



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DIFFERENT PERSPECTIVES. ONE WORLD.

ZEE was established with the commitment to deliver people a better choice of quality entertainment.



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ONE BRAND ZEE

Today, ZEE is widely acclaimed in the domestic and global media and entertainment industry. The brand aids value creation in diverse ways.



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MESSAGE FROM THE CHAIRMAN

ZEE is a young company at heart that promotes refreshing ideas for India and the world.



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AWARDS & ACCOLADES

Punit Goenka, MD & CEO, ZEEL bags the prestigious "Media Person of the Year" award at the IAA Leadership Awards.

ONE FAMILY

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Attendance Slip & Proxy Form

The vision of 'One World' has always held timeless allure for humanity, transcending barriers of geographies, languages, cultures and faith.

Technology is now turning this vision into reality. It is breaching age-old hurdles and widening the world of human aspirations and entertainment.

At Zee Entertainment Enterprises Limited (ZEE), we are proud to be a part of this movement for global solidarity.

We believe entertainment is a great unifier, and our innovative content has touched millions of people globally.

Our creativity, technology edge and operational excellence have elevated industry benchmarks to a new height.

However, we need to travel further, get closer and win many more hearts.

We aim to be a leading global media powerhouse by the year 2020, entertaining and inspiring a billion viewers.

We are enlarging our big picture to best fit the world.



ONE ZEE. ONE ANTHEM.



CANTONESE

我的印度位於七大洋之側。
跨越陸地，跨過崎嶇坎坷，
印度與世界融合，
我的印度與世界不再有阻隔。

世界就是我的家。

॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY



ENGLISH

My India nestles beyond the seven seas
Across the earth, across every nook and corner
My India has forged bonds with hearts worldwide
My India transcends every border.

The world is my family.

॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY



MELAYU

Indiaku terletak nun jauh melangkaui
tujuh lautan.
Merentasi dunia, merentasi setiap sudut.
India telah memikat hati seluruh dunia.
Indiaku melangkaui setiap sempadan.

Dunia ini adalah keluargaku.

॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY



HINDI

सात समंदर पार बसी है मेरे देश की दुनिया
धर्ती का हर कोना कोना मेरे देश की दुनिया
सबसे रिश्ता बांध चुकी है मेरे देश की दुनिया
सरहद सीमा लांग चुकी है मेरे देश की दुनिया

वसुधैव कुटुम्बकम्

॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY



RUSSIAN

Моя Индия уютно примостилась за семью морями.
По всей Земле, в самых потаенных уголках.
Индия установила связи с сердцами по всему миру.
Моя Индия не знает границ.

Моя семья - весь мир.

॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY



DIFFERENT VOICES. ONE WORLD.



I PERSONALLY LIKE ZEE'S CURRENT STANCE OF ENVISIONING THE ENTIRE WORLD AS ONE FAMILY.

SHAH RUKH KHAN

Film Actor / Producer

Q. WHAT DO YOU THINK HAS BEEN ZEE'S CONTRIBUTION TO THE ENTERTAINMENT INDUSTRY?

A. ZEE is like a Family to me. My association with this Family, goes way back to the early nineties. To me, ZEE resonates the word "Entertainment". Be it any genre, ZEE has proven to be a leader. I personally like its current stance of envisioning the entire World as One Family. I think it is an extremely noble and generous approach, which only a Global Media Brand like ZEE can embrace.



ZEE IS THE CREATOR AND FATHER OF THE INDIAN TELEVISION AND ENTERTAINMENT INDUSTRY

MR. SAM BALSARA

Chairman and Managing Director
Madison Communications Private Limited

Q. What role does ZEE play for an advertiser's investment to grow?

A. ZEE is the creator and father of the Indian Television and Entertainment industry that reaches today to an audience of over 730+ Million all over the world, and is one of the most vibrant media companies in the world. Generally, most innovators are not good at building and enlarging on their initial discovery. But, ZEE has done that and today

commands a very substantial market share with a large bouquet that covers virtually every genre and language. ZEE has also demonstrated over the years that while it pursues growth, it's a disciplined soldier when it comes to cost control, and thereby delivers outstanding value to advertisers on one hand and shareholders on the other.



ZEE HAS ALWAYS BEEN THE MOST DEPENDABLE PROVIDER OF REACH TO INDIANS NOT ONLY IN INDIA, BUT ACROSS THE WORLD.

MR. VIKRAM SAKHUJA

Global CEO
Maxus Global

Q. What are your thoughts on the Return on Investment (ROI), which ZEE delivers to the advertisers?

A. ZEE's ROI to brands comes from being the one-stop shop for reaching and connecting with Indian families. To grow in today's environment brands need platforms that provide reach, and content that brands leverage to connect with consumers. As the pioneer of C&S in India, ZEE has always been the most dependable provider of reach to

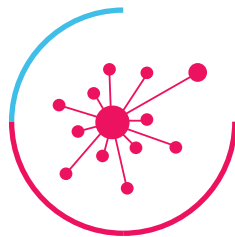
Indians not only in India, but across the world. But importantly, in an increasingly digital world where a programme brand attempts to reach individual consumers directly, ZEE's brand positioning *Vasudhaiva Kutumbakam*, provides the environment and enduring properties that brands seeking families need to connect with consumers.

ONE MINUTE TO KNOW ZEE BETTER

THAT IS YOU, THIS IS I, IS THE WAY
OF THE NARROW MINDED.

FOR THOSE OF EVOLVED THOUGHT,
THE WORLD IS ONE FAMILY.

ZEE has embraced the above maxim from the Indian *Upanishads* (the meaning of *Vasudhaiva Kutumbakam*), thereby elevating its brand identity globally. ZEE was established with the commitment to deliver people a better choice of TV and quality entertainment. Since inception, ZEE has endeavoured to provide differentiated entertainment to people through multiple platforms.



NUMBER OF DOMESTIC CHANNELS

33

FY 2014

32

FY 2013



ZEE'S AVERAGE TVT (IN MILLION)

435

FY 2014

383

FY 2013



TOTAL VIEWER BASE (IN MILLION)

730+

FY 2014

670+

FY 2013



Read more on “About Brand ZEE” on page 10

Today, brand ZEE inspires trust across a wide cross-section of people. It is pushing its boundaries forward to realise its vision of being a leading global media powerhouse by the year 2020.

BRAND ZEE HAS BAGGED THE IMC FUSION AWARD FOR EXCELLENCE IN MEDIA, AND HAS ALSO BEEN THE ACHIEVER OF THE DUN & BRADSTREET ROLTA CORPORATE AWARD FOR TWO YEARS SUCCESSIVELY.

A GLOBAL MEDIA BRAND

ZEE has emerged as a frontrunner in the media and entertainment industry, not in India alone, but globally. ZEE’s audience reach and ‘viewership share’ is growing from strength to strength.

ZEE’s evolution as a global media brand is vindicated by its 730+ Million viewers, across 169 countries. The brand respect and recall drive diverse media offerings, comprising a substantial proportion of earnings of each portfolio.

Such has been the success of brand ZEE that it has been ranked as the number one media brand in prestigious rankings like the ET 500 and BS 1000 list. The brand has also bagged the IMC Fusion Award for Excellence in Media. It has been the achiever of the Dun & Bradstreet Rolta Corporate Award for two years successively.

We believe our ‘One World’ philosophy has strengthened brand ZEE significantly. Today, brand ZEE inspires trust across a wide cross-section of people. It is pushing its boundaries forward to realise its vision of being a leading global media powerhouse by the year 2020.

DIFFERENT PERSPECTIVES. ONE WORLD.



AMANDA

Business Development Manager, China



LEYLA ERZANUKAEVA

Programming Head, UK



MARIA LIZA GINTING

Country Head, Indonesia



MUHAMMAD DACCAR

AVP - Programming, MENAP



DEVIKA

Account Manager, Indian Ocean Islands & Francophone Africa



AYA MOHAMED,

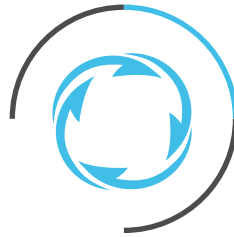
Programming Co-ordinator, MENAP

ONE VISION



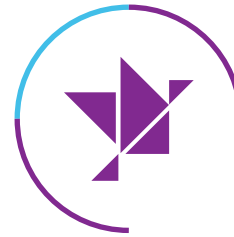
CONSUMER FOCUS

Our Company's strategies are driven by the needs of the consumer. Our success can be measured by the satisfaction achieved by our consumer.



INTEGRITY

We observe strict ethical standards through editorial independence and creative expression, in order to earn the trust of our viewers and subscribers.



CREATIVITY

Key to our value system is innovation and originality. We recognise and have a high regard for individual expression and creative freedom in our quest to provide consumer satisfaction.



EXCELLENCE

We accord a high premium to maintaining superlative standards throughout our Company. We encourage our employees to come up with smarter ideas within the fastest possible time.



GROWTH DRIVEN

We are committed to delivering consistent revenue and cash flow growth in order to provide our shareholders a good return. Our objective is to grow our people, market and businesses around the world.

ONE MISSION

To become the world's leading global media company from the emerging markets. As a Corporation, we will be driven by innovation and creativity and would focus on growth, while delivering exceptional value to our consumers, our viewers and all our stakeholders.

ONE BRAND ZEE

A business accustomed to evolving market dynamics, requires **understanding and development of superior solutions for its consumers**. It requires conscious efforts to build a culture to sustain and enhance its leadership position.

Corporate branding is the new-age tool to build a culture to adapt to market-driven businesses. ZEE's corporate brand is a confluence of the Company's vision, culture and values with its systems and networks. This builds a unique value proposition for consumers. The contribution of the Corporate Brand to the Enterprise Value currently stands at 26% as on 31 March, 2014.

A corporate brand's influence is typically seen in the context of stakeholder groups, such as employees, consumers, investors, bankers and even governments. Today, ZEE is widely acclaimed in the domestic and global media and entertainment industry. The brand aids value creation in diverse ways.



What does corporate brand value of ZEE mean to the Company?

- ▶ A corporate brand is the second largest asset-class contribution to the Enterprise Value, second only to the operating intangibles.
- ▶ This is attributable in large part to the nature of business and the high barriers of entry, which requires a strong pedigree.
- ▶ Not surprisingly, the biggest role of the corporate brand is in new business/channel incubation and industry representation.
- ▶ In these segments, nearly half the value is corporate reputation.
- ▶ With reputation playing a key role in driving value, it is imperative that the 3 drivers of pioneering, prudence and predictable be invested into further.



Read more about “Our Brand Pillars” from [page 12](#) onwards

BRAND VALUATION FINDINGS



26%

The contribution of the Corporate Brand to the Enterprise Value as on 31 March, 2014.

3

KEY VALUE DRIVERS FOR BRAND ZEE

PIONEERING

A LEADER IN MORE WAYS THAN ONE

PRUDENT

A BUSINESS MODEL BUILT AROUND THE PRINCIPLES OF SUSTAINABILITY

PREDICTABLE

A TRUSTED COMPANY FOR HEALTHY FINANCIAL RETURNS

PIONEERING FORESEEING THE BIG PICTURE

How do we strengthen our
ethos, 'The World is my Family'
every single moment?

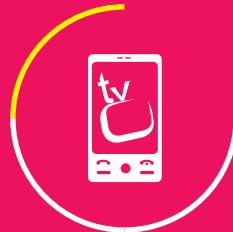
The answer is an interesting paradox: we are reaching further; at the same time, we are getting closer, transcending geographic, linguistic and cultural barriers. In addition, we are not restricted to a single platform.

At ZEE, we are not progressing alone. We are also driving the industry forward. Our pioneering spirit has made entertainment more aligned to people's evolving aspirations globally.

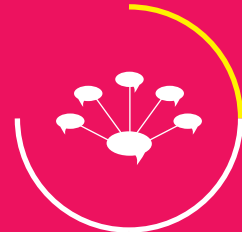
**ONE
WORLD**


1ST

To launch a Bollywood movie channel in Indonesia


1ST

To launch Over-The-Top (OTT) platform in India


1ST

Indian media and entertainment company to feature in Fortune 500 list of companies

PIONEERING GLOBAL OFFERINGS

At ZEE, our strategy has been to offer specific content to relevant markets. Our initial offering was limited to Indian content, targeted to South-Asian people living across the globe. As we gained popularity, we started dubbing the content in the local language of the particular region, expanding our viewer base to global audiences.

As the next strategic step we started creating content especially for the global audience, elevating the brand ZEE to new levels. Today, we deliver content for the global audience through 35 dedicated international channels across 169 countries.

PIONEERING ENTERTAINMENT CONVENIENCE

At ZEE, we are always focused to offer greater value to our consumers. Our consistent endeavour to leverage advanced technology has taken us closer to people and widened our reach.

In line with the evolving television viewing experience, Ditto TV was the first Over-The-Top (OTT) platform offering in India. ZEE's new-age platform delivers Live TV, video-on-demand, music, news and much more to viewers on their mobile phones, tablets, desktops and laptops.

PIONEERING INNOVATIVE CONTENT

ZEE's evolution is an interesting story in itself. The journey began with the launch of India's first private satellite television channel way back in 1992, giving birth to an entire television industry in itself. We have always believed in the need and relevance to create content, which is entertaining.

We have pioneered the launch of home grown content formats in the Indian television space. Shows like Dance India Dance have given our viewers an opportunity to witness such rich talent of the country, and has also given a platform to the talent. Over the years, we have built on our strengths of drama, movies, news, sports and reality shows, offering valuable entertainment programming to our viewers.

PRUDENT FOSTERING LONG-TERM VALUE

At ZEE, our global strategies and execution are based on sensible business prudence, balancing risks and returns. We are confident that our foresight and fortitude will help us touch one billion people by 2020.

As a pioneer of India's Television Industry, ZEE has consistently followed transparency in its operations and businesses. Such an approach has enabled us to win the trust of a diverse community of stakeholders.

**ONE
WORLD**

BRAND RANKING

FY 2014 vs. FY 2013

13

Ranks higher in Economic Times 500 list of companies for 2013; currently at 229 vis-a-vis 242 last year

QUICK GLANCE

FY 2014 vs. FY 2013

21%

Growth in advertising revenues

NUMBERS COUNT

FY 2014 vs. FY 2013

11%

Growth in subscription revenues

PRUDENT STRATEGIES

Starting with two hours of programming in 1992, ZEE has marched steadfastly towards its vision of unifying the entire world as One Family.

We ventured into international market, concentrating on Indian audiences, slowly re-formatting our offerings to suit the local audiences in the international markets. As digitisation gathers momentum in India a new horizon of opportunity is being created for a creative content creator like ZEE.

PRUDENT RETURNS

We are among India's leading media and entertainment companies owing to our unrivalled reach, encouraging advertisers to associate with us. Our diverse channel portfolio and multi-country presence touches 730+ Million people, providing quality entertainment and creating higher return on investments for advertisers. This has resulted in growth in our advertising revenues and subscription revenues by 21% and 11% respectively over FY 2013.

PRUDENT DECISIONS

Mr. Punit Goenka, ZEE's MD & CEO played a strategic role in establishing the Broadcast Audience Research Council (BARC). BARC is formed in association with The Indian Broadcasting Foundation (IBF), the Indian Society of Advertisers (ISA) and Advertising Agencies Association of India (AAAI).

BARC's primary objective is to conduct and commission market research using appropriate research methodologies and provide accurate, up-to-date and relevant findings relating to broadcast audience, including TV ratings.

PREDICTABLE FULFILLING STAKEHOLDER EXPECTATIONS

At ZEE, our multiple revenue platforms and cost-management initiatives help us deliver sustainable stakeholder returns. It is a predictable pattern that stakeholders expect from us. We are committed to fulfilling their expectations by strengthening current operations and leveraging future opportunities.

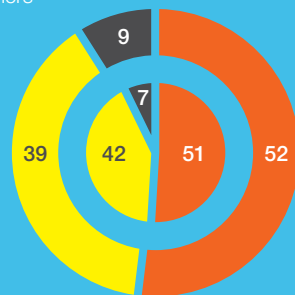
Our sterling financial performance demonstrates our industry leadership and emergence as a global media and entertainment player. It is a testimony to our ambition to achieve broad-based growth, create a wider entertainment canvas and build a profitable business. In the long run, this approach will translate into enhanced shareholder returns.

**ONE
WORLD**

PROPORTION OF TOTAL REVENUE

(%)

- Advertising
- Subscription
- Others



FY 2013 FY 2014

QUICK FACTS

FY 2014 vs. FY 2013

25%

Increase in
Profit Before Tax

24%

Increase in
Net Profits

FACTS AND FIGURES

FY 2014 vs. FY 2013

30%

Increase in
Market Capitalisation

29%

Increase in
ZEE's share price

PREDICTABLE REVENUE GENERATION

In the last five years, ZEE's revenues grew at 15.30% CAGR. Besides, we widened our business significantly, adding more channels, countries and platforms to our network.

The consolidated revenue during FY 2014 grew by 20% y-o-y to ₹ 46,024 Million. The phased implementation of Digital Addressable System (DAS) in India helped subscription revenues rise by 11% y-o-y. At the time when household budgets were constrained, our consistent performance showcases our balanced business model and long-term growth potential.

PREDICTABLE PROFITABILITY

One of the key measures of our profitability is improving cost-efficiency of our operations. At ZEE, we improved the margins successfully by rationalising overhead costs, apart from making sustained synergic investments.

ZEE's EBITDA increased by 26% in FY 2014 to ₹ 12,043 Million, and profit after tax was pegged at ₹ 8,921 Million. At ZEE, our sustainable profitability, aligned with our performance, defines our success.

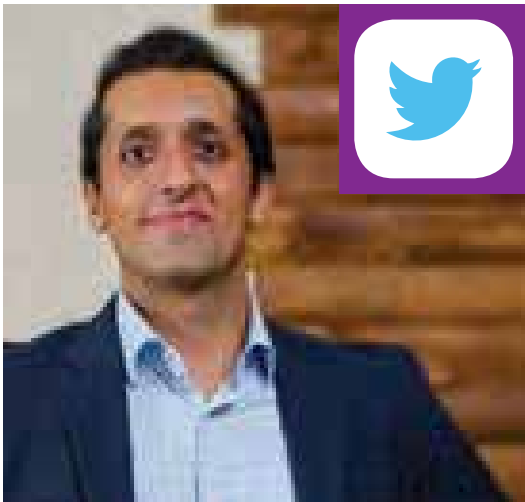
PREDICTABLE SHAREHOLDER WEALTH CREATION

The strength of a business model is determined by the flexibility with which it balances investments in growth and cash returns to shareholders. At ZEE, we consistently pay high dividends to our shareholders, supported by higher earnings per share. This year we announced a 200% dividend for our stakeholders.

We have underlined our dominant position in stock markets with high yield returns for the second consecutive year. Despite volatility in stock markets, ZEE's stock registered over 20% appreciation in 2013, making it the **media stock of the year!**

(Source: www.televisionpost.com)

DIFFERENT EMOTIONS. ONE WORLD.



WE ARE HOPING THAT OUR PARTNERSHIP WITH ZEE WILL HELP ACCELERATE A SECOND SCREEN TV CONVERSATION.

RISHI JAITLEY

India Market Director
Twitter

Q. What is the potential that ZEE holds in the Digital Media Space?

A. ZEE has a plethora of rich and engaging content and Twitter is currently home to much of the 'second screen conversation' about such interesting content. The platform is ideal for people to share their thoughts about what they are watching, and to interact with others; sometimes even the stars of the shows themselves. Thanks to searchable hashtags

and promoted tweets that TV networks can place ads directly into the middle of those conversations. We are hoping that our partnership with ZEE will help accelerate a second screen TV conversation already happening on the platform and inspire more engagement with their advertisers.



EVERY MORNING I PRACTICE YOGA, IT'S AN AMAZING POSSIBILITY TO ATTEND AN INDIAN GURU LESSON

ANNA

ZEE viewer
Housewife, Moscow

Q. What role does ZEE play in your life?

A. It's very important to have a channel that you can watch with your children, to spend some time together. I have a 12 year-old girl, she is quite grown-up for the cartoons but still very young to watch programmes for adults which usually contain violence. ZEE TV is a great alternative.

Q. How has ZEE contributed to your entertainment needs for the last several years?

A. I'm pleased with everything that is related with Indian culture. I practice yoga every morning, and it is amazing that I can do so without leaving my house. All I have to do is turn on Zee TV. I am a busy person, but when it is time for the new episode of Jodha Akbar, everyone in the house knows not to disturb Mommy!



JOHN REID

President & COO
Columbus Communications Inc.



ZEE PROVIDES
CONTENT THAT IS
RELEVANT TO A
SIGNIFICANT SEGMENT
OF OUR CONSUMER
BASE

Q. How has ZEE's presence in the Caribbean added value to the international distribution ecosystem?

A. We view ZEE as an important content partner as Columbus continues to make strides in our commitment to provide a variety of programming to suit the unique and complex viewing demands of the Caribbean.

ZEE provides content that is relevant to a significant segment of our consumer base, and we are pleased to partner with them as we continue to expand viewing options in the region.

Q. What has been ZEE's role in being the cultural ambassador of India to the rest of the world?

A. We understand that being cultural ambassadors for India is important to ZEE; we congratulate ZEE on its role to help promote Indian culture, through content

that highlights India's rich heritage and complexities to new and emerging markets and especially in areas in which there is interest and demand.



EKATERINA

ZEE viewer
Manager, Noginsk



USUALLY MY
HUSBAND JOINS
ME TO WATCH
A MOVIE AND IT
HELPS US TO
BE UNITED EVEN
MORE!

Q. What role does ZEE play in your life?

A. For me Zee TV is a perfect way to escape any troubles and tiredness. After a hard working day in the office I don't want to see news on TV. I need to relax and get positive emotions.

Q. How has ZEE contributed to your entertainment needs for the last several years?

A. I remember watching Bollywood movies with my mom, which are popular in Russia since I can remember. It's kind of a family thing. Usually my husband joins me to watch a movie and it helps us enjoy togetherness. We both look forward to movie premieres on Zee TV Russia.



ESPECIALLY I WANT TO THANK ZEE TEAM FOR COOKING SHOWS. I GET MANY COMPLIMENTS ON MY CULINARY ABILITIES.

ALEXANDRA

ZEE viewer
Student, Moscow

Q. What role does ZEE play in your life?

A. Ever since I first turned on ZEE, I have not shifted my loyalties. I have everything I need on this network. I want to especially thank the team at ZEE for their cookery show, which have won me many compliments for my culinary skills.

Q. How has ZEE contributed to your entertainment needs for the last several years?

A. I enjoy serials on ZEE! Beautiful and breathtaking stories about passionate love make me believe that one day I'll meet my handsome prince. I hope ZEE continues to bring us such awesome content!



I HAVE BEEN ASSOCIATED WITH ZEE WITHIN ITS FIRST 3 YEARS OF INCEPTION. SO THAT MAKES ME ONE OF ITS EARLIEST FAMILY MEMBERS.

SONU NIGAM

Singer

Q. What place does ZEE hold in your life? How has ZEE evolved in these years?

A. ZEE to me is my extended family. One doesn't need to be regularly in touch with one's family to make sure they stay family. Our case is similar. I have been associated with ZEE within its first 3 years of inception. So that makes me one of its earliest members. I have been a witness to its work culture, and its vision.

Through the years ZEE has been instrumental in bringing innovative ideas in the business, thereby creating newer opportunities and introducing new talents.

The best thing about ZEE, that makes it stand out from the rest, is its interesting blend

between corporate discipline and emotional and personal ethics and approach. That's a rare feat and a very unique quality for a media house of this grandeur. I personally feel it is this personal touch, passion and warmth that adds to the soul of ZEE's functioning.

I am proud to have been associated with ZEE for the longest time and consider this as one of the highlights of my professional and artistic journey. All my best wishes and compliments to ZEE and may this journey keep bringing about smiles in more and more people's lives.



ZEE HAS INVESTED IN REGIONAL LANGUAGES, CABLE, DTH AND MOST IMPORTANTLY GROWING ITS BUSINESS GLOBALLY.

VANITA KOHLI-KHANDEKAR

Media specialist and author of "The Indian Media Business."

Q. What are your thoughts about ZEE being a pioneer in the media and entertainment industry?

A. In the early nineties at a time when no one thought of India as a TV market, Subhashji made a 'crazy' bid for space on the only satellite broadcasting into India and China. To my mind that shows entrepreneurship, vision and an appetite

for risk that any budding economy should have plenty of. ZEE has invested in regional languages, cable, DTH and most importantly growing its business globally. Much of this has come without any competitive pressure to do it.

Q. What are your views on ZEE's evolution in the past decade with changes in the media and entertainment space in our country?

A. The Indian media and entertainment space invites hyperbole easily. That is because it is the largest market for anything and everything. The second largest TV market, the largest producer of films and the fastest growing print industry, among other things. It is however also terrifically fragmented and chaotic. This is because structurally no one segment has had the time to evolve and mature fully. Almost all media segments - print, TV, radio, films - saw liberalisation simultaneously. So investment started flowing into them and they all started

growing together and fighting with each other. In the US for instance, first newspapers ruled, matured, then radio came and then came TV. In India, a voluminous and heterogeneous market, all media is booming simultaneously. This calls for companies with extraordinary tenacity, vision, and organisational abilities to make money, scale up and remain relevant. That is why ZEE's growth is so phenomenal. In a completely free market with dozens of broadcasters, raucous cable operators and a somewhat inefficient regulatory framework, its steadiness and growth stands out.

MESSAGE FROM THE CHAIRMAN



Today, we touch over 730 Million viewers, who embrace our brand affectionately. This viewing fraternity belongs to one family, the ZEE family. Across varied cultures, geographic and demographic landscapes, millions of people repose trust in us.

Dear Shareholders,

There is a power in universal unity, which can hardly be overemphasised. It touches all life forms and recognises and respects their existence as part of a universal family.

Taking a cue from that distilled wisdom of ancient Indian tradition we have evolved our corporate credo, “*Vasudhaiva Kutumbakam* – The World is My Family”. I firmly believe we will be a key driver in enhancing the global media and entertainment industry. Our objective is not just to disseminate information or entertain our viewers with innovative and engaging content, but to enrich lives and strengthen bonds that unite countries, cultures and traditions, despite obvious differences. We started our journey from India, which itself celebrates ‘Unity in Diversity’; and now we are taking forward this message from India to the world.

Today, we touch over 730 Million viewers, who embrace our brand affectionately. This viewing fraternity belongs to one family, the ZEE family. Across varied cultures, geographic and demographic landscapes, millions of people repose trust in us. But is it the end of the road for us? No. We want to extend our entertainment universe further; and we know for sure that despite challenges it will be an immensely fulfilling journey to take. We want

ZEE is a young company at heart that promotes refreshing ideas for India and the world. Ideas that entertain, educate and help elevate the lives of people.



Read more about "Our People" on [page 40](#)

to take our quality entertainment to a billion viewers by 2020, and ZEE is fully equipped to embrace that challenge.

What gives us the confidence at a time of suboptimal global and domestic economic growth and a general climate of pessimism? My answer would be our seasoned experience and expertise, which has seen many a rough weather. I would say our experience and expertise is not an overnight phenomenon. It has been acquired for decades, and this knowledge has enabled us to outperform the domestic industry growth average for two consecutive years. We don't see the evolving entertainment aspirations of the global community as a roadblock, but as a catalyst to unleash our creativity.

According to the latest PWC report, the global media and entertainment market is estimated to grow at 5.6% CAGR over the next five years, generating US\$ 2.2 trillion revenues. In line with these growth opportunities, we are now raising the bar in terms of our brand reach and recall. As a step in this direction, we have launched our operations in the Indonesian and Thailand markets.

The latest KPMG report states that the domestic television industry is valued at ₹ 417 Billion. The industry addresses over 161 Million TV households across India. The transformation from cable viewing to digitisation is still continuing. Digitisation has been instrumental in enhancing the industry's transparency levels. The Phase I and II roll out restructured the industry's standards. With the consumers ready to pay for quality content, complete digitisation will entail multiple benefits, such as industry growth, transparency and increased ARPUs for industry players.

At ZEE, it has been our constant endeavour to catalyse the positive industry trends. This mechanism will further enhance the overall ecosystem, generating mutual benefits to valued channel partners. The timely implementation of digitisation's Phase III and IV is definitely important for the benefit of the entire industry.

ZEE is a young company at heart that promotes refreshing ideas for India and the world. Ideas that entertain, educate and help elevate the lives of people. The result

is a widening fraternity of viewers and a consistent growth rate of over 20%, yet again outperforming the industry. On the social responsibility front, we are also focusing on reaching out to the community in more ways than one. We are helping promote reading and literacy across Rajasthan and Uttarakhand. Our team has established 20 primary school libraries, and we will continue to support such initiatives in the coming years.

I am confident that ZEE has miles to go, thanks to our vision of creating a global family of viewing fraternity; a family which is widening every single day. Our Team has the commitment and the calibre to compete with the best in the global entertainment universe, and together we will take brand ZEE to new heights of excellence.

I thank all our stakeholders, whose unstinted support and guidance has contributed to our stellar performance in FY 2014. We will continue to live our values and turn opportunities into business achievements in the years to come.

DR. SUBHASH CHANDRA

Chairman

Zee Entertainment Enterprises Ltd.

MD & CEO's MESSAGE



The future of India's M&E industry continues to be promising. ZEE will continue to raise the bar in terms of content innovation, operational excellence and global footprint to sustain its industry leadership.

Dear Shareholders,

Can we have a business model, which enshrines family values and yet performs sustainably with sound financial prudence globally?

Can we go beyond the traditional creator-consumer mindset?

Can we learn, adapt and change and yet stay deeply rooted to 'The World Is My Family' ethos?

At ZEE, we believe it's possible and our conviction is reflected in our corporate brand positioning. Our aim is to take it further. There is an interesting paradox in this proposition. The further we go across geographies, the closer we get to our vision of 'One World'.

Our success depends on three fundamental brand value drivers - Pioneering, Prudent, and Predictable which were articulated in the recently conducted Corporate Brand Valuation Study. Our business operations revolve around these pillars, and we believe that the resulting synergies have brought sustainable growth to the organisation. Pioneer – for all the industry firsts that ZEE has to its credit, because of which the industry looks up to ZEE in terms of innovations and industry leadership; Prudent – giving the best input to output ratio in the industry; and Predictable – emerging as the most effective shock-proof option for investments and delivering consistent value to investors.

In this challenging market scenario, in order to sustain leadership, one needs to be vigilant and cater to the evolving aspirations of viewers. This makes it imperative for us to deliver content solutions that are innovative globally.

Our international expansion remains integral to our philosophy of embracing 'One World'. Our strategic launches include Zee TV Canada in HD and Zee Bioskop in Indonesia (being the first Bollywood movie channel in Bahasa region). Besides, Zee UK's two free-to-air channels, Lamhe and Zing, are ranked as UK's top viewed Asian channels. Extending the success of Dance India Dance, the USA edition of the show was a grand success in the region.

To strengthen our presence in domestic markets, we launched another brand - '&'. With plans to unveil a bouquet of channels, we successfully launched the first product under this brand, '& Pictures' - a 24-hours movie channel. We launched Zee Anmol, the Hindi GEC Channel across two platforms (television and mobile) simultaneously. We also launched Zindagi, which offers premium mass content to Indian audiences. These steps have increased our channel bouquet to 33 channels in the domestic market and 35 dedicated channels internationally.

ZEE has performed commendably in FY 2014 in a slow-growth era, with a steady quarter to quarter growth. During FY 2014, ZEE's revenue stood at ₹ 44,217 Million with EBITDA of ₹ 12,043 Million and Net Profit of ₹ 8,921 Million. In addition, we also issued bonus preference shares to the Equity share holders on the occasion of completion of 20 years of broadcasting business of the company. The results prove that our strategies are in the right direction and that we have been able to elevate our expertise in line with changing times. In an environment of high inflation and tighter household budgets for discretionary spend, we have been able to gain more viewership share and in turn mindshare. Having more than 730 Million viewers today, we are on course to reach a billion viewers by 2020.

The industry did mature to a considerable extent in the last financial year, especially after the roll-out of digitisation Phase I and II. In terms of advertising revenue (10-11%), the

ZEE will continue to raise the bar in terms of content innovation, operational excellence and global footprint to sustain its industry leadership.

year was not encouraging for the industry. On the contrary, ZEE's growth in advertising revenue has been 21%. In the next 2-3 years, I believe the market will certainly improve, with a CAGR of 12-14%.

In case of subscription revenues, the DTH ARPU's have shown a positive trend. While digitisation has brought multiple niche channels for the viewers, it hasn't resulted in a dramatic shift in the viewing preferences. GECs have maintained the same share of viewing over the niche channels. The growth trend for subscription revenues largely depends on the roll out of the Phase III and IV of digitization. The timely roll out of these phases will certainly benefit the industry.

The regional market witnessed growth in line with industry growth rates, with Zee Marathi showing the fastest growth rate. The 12 minutes advertisement CAP rule by TRAI has been implemented by ZEE. While the volume of advertising revenues declined, the effect was transferred to the advertisers by a specific hike in advertising rates.

The FY 2014 continued to be another encouraging year, as our contribution to the entertainment landscape received further recognition. We are ranked as the No.1 Media Company in the prestigious ET 500 list of companies. Ditto TV was recognised for Best

Mobile Application (Entertainment), Innovation in the Mobile Industry (Best audience migration to the mobile industry) and Best Application/Content Development Platforms (mobile browsers). The successful launch of '& Pictures' resulted in Designomics Awards 2013 for 'Digital Use and Social Media Innovation.

The future of India's M&E industry continues to be promising. Currently valued at ₹ 417 Billion, it is poised to reach ₹ 885 Billion by 2018, as per the latest KPMG report. ZEE will continue to raise the bar in terms of content innovation, operational excellence and global footprint to sustain its industry leadership.

As you read this, the global ZEE family is gaining strength, crossing borders and winning hearts. We have always believed that true innovative entertainment starts with people, who bond as family; and we will continue to have faith in the global family ethos. With your constant support and encouragement, we will be able to extend the ZEE family to new frontiers and geographies.

PUNIT GOENKA

MD & CEO

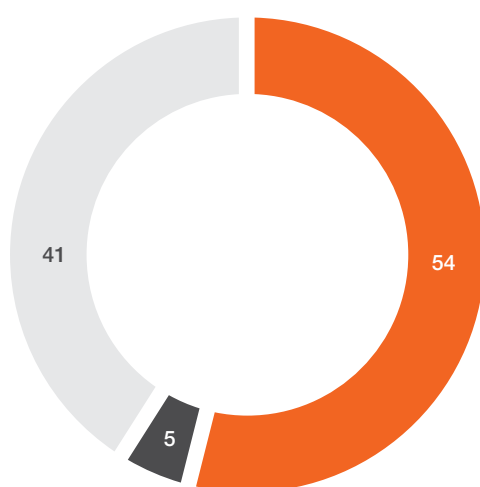
Zee Entertainment Enterprises Ltd.

AIMING HIGHER

OPERATIONAL HIGHLIGHTS

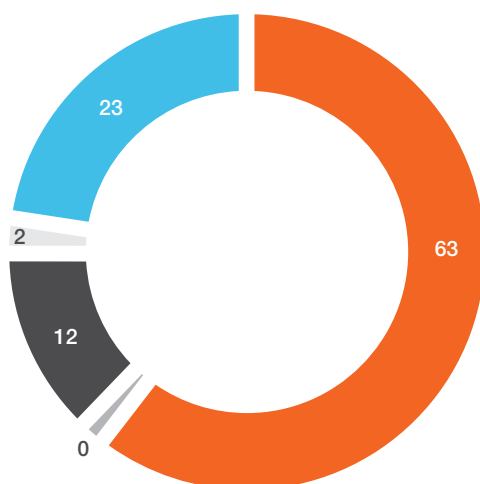
REVENUE FROM OPERATIONS (%)

● Advertising ● Subscription ● Others



DISTRIBUTION OF EXPENSES (%)

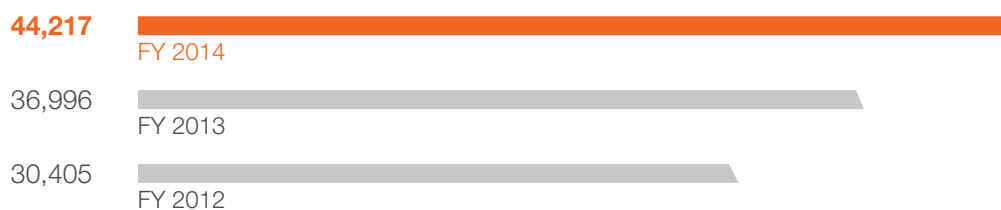
● Operational cost ● Finance cost
● Employee benefits expense
● Depreciation and amortisation expense
● Other expenses



FINANCIAL HIGHLIGHTS

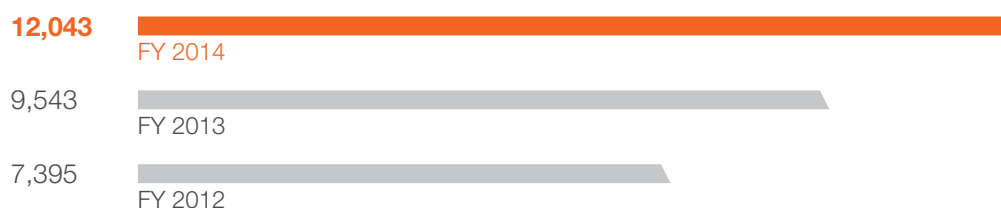
INCOME FROM OPERATIONS

(₹ Million)



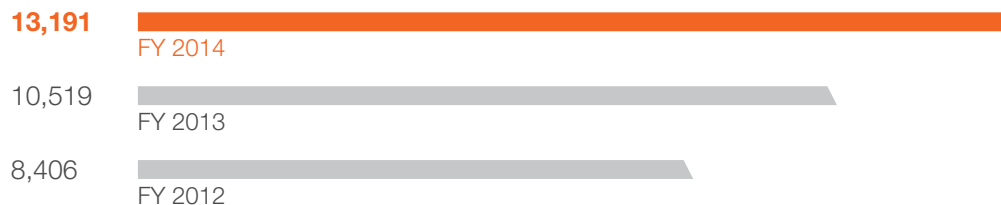
EBIDTA

(₹ Million)



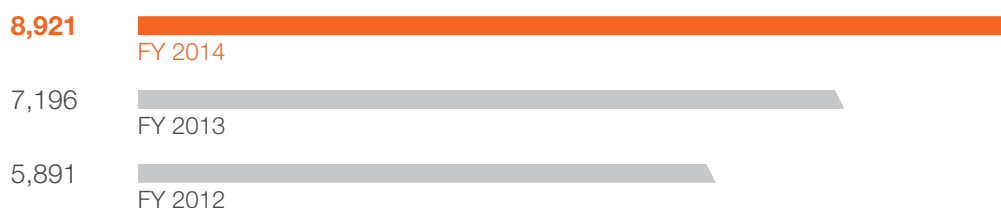
PROFIT BEFORE TAX

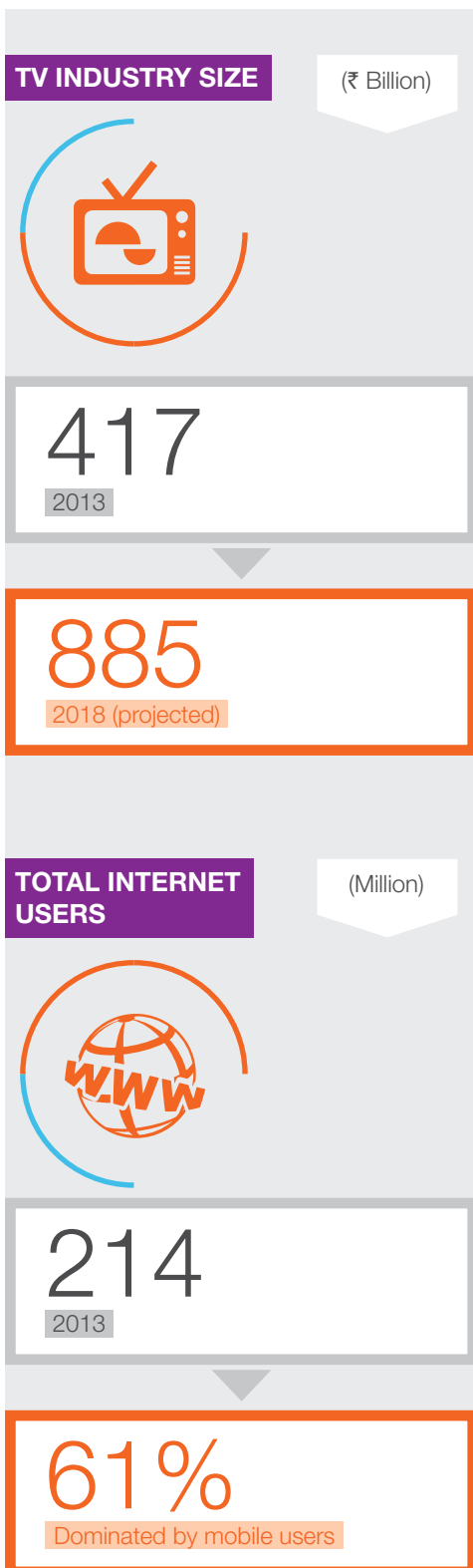
(₹ Million)



PROFIT AFTER TAX

(₹ Million)

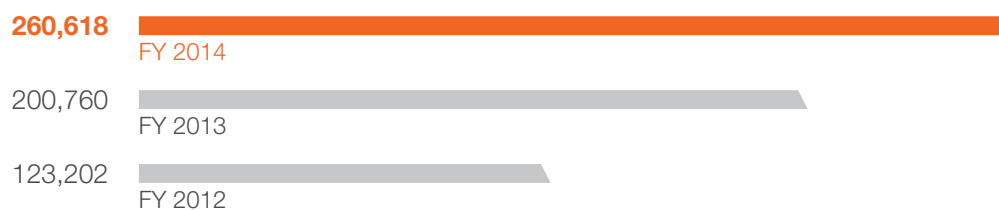




KEY FIGURES FOR SHAREHOLDERS

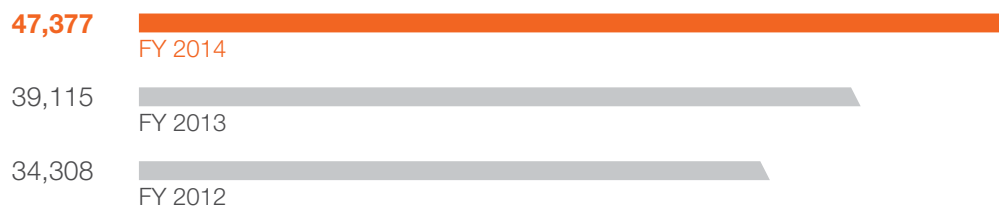
MARKET CAPITALISATION

(₹ Million)



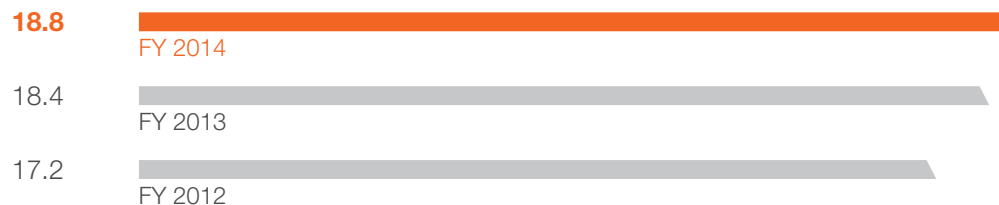
NETWORTH

(₹ Million)



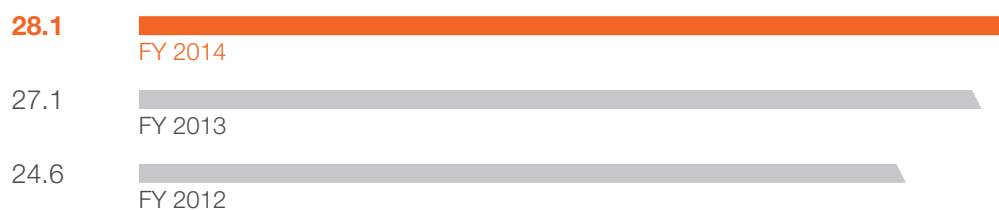
RONW

(%)



ROCE

(%)



ONE KNOWLEDGE PLATFORM

India as a country has always been an active participant in global affairs. ZEE conceptualised on two knowledge platforms for intellectuals of our country. An interactive platform, ZEE Leadership Series and ZEE MindSpace is one of its kind, bringing global intellectuals together.



An intellectually inspiring event, conceptualised to create an interactive platform for industry leaders to discuss, debate and ideate on global issues. Besides, these events (acting as revenue generating brand intellectual properties) ensure attractive revenues and strengthen our brand recall and respect.

In the first of many series, the theme for ZEE Leadership Series 2013 was 'One World: Risk, Opportunities and Excellence'. As

the global geographic barriers erase and technology bridges dreams, 'One World' is the prevailing idea. The ones to succeed shall be those individuals, who have the ability to capitalise on opportunities and empower the nation. The two speakers for the ZEE Leadership Series, 2013 were thoughtfully selected, inspiring the audiences with their stories of brilliance, creativity and courage.



CAPTAIN RICHARD PHILLIPS

Captain of the Maersk Alabama, the only US cargo ship to be attacked by pirates in the last 200 years, Richard is a true hero. Held hostage by Somali pirates, the Captain was determined to save his crew and ship. The Captain's story is one of tremendous individual bravery, leadership and eventually, of triumph.



FREDRIK HAREN

Swedish entrepreneur, publisher and author, Fredrik Härén has, in the past few years, become one of the most talked-about names in the field of creativity. Founder of creativity company interesting.org and author of the best sellers – The Idea Book and The Developing World, Fredrik has worked with multiple companies delivering more than 1500 speeches in over 40 countries.



▲ Dr. Subhash Chandra, Chairman, giving inaugural address at ZEE Leadership Series.

As the global geographic barriers erase and technology bridges dreams, 'One World' is the prevailing idea. The ones to succeed shall be those individuals, who have the ability to capitalise on opportunities.



▲ Punit Goenka, MD & CEO – ZEE addressing the delegates at ZEE Leadership Series.



▲ Delegates listening to speakers at ZEE MindSpace



A unique platform bringing together the marketing gurus of the Indian Corporate Inc., ZEE MindSpace series is designed for like-minded people to discuss and debate on the challenges of marketing. The theme for ZEE MindSpace 2014 was 'Challenging Environment', highlighting the challenges for

marketing professionals to succeed in today's evolving landscape. The speakers for this event enlightened the business audiences with the challenges of the 21st century workplace and how 'right attitude' can lead to survival and success.



ANDERS SORMAN NILSSON

Anders Sorman Nilsson is a reformed lawyer, and the founder and creative director of the Sydney and Stockholm based research company – Thinque. His unique global perspectives have been helping leaders, teams, and business owners in the USA, Europe, Asia and Australia make sense of and harness disruptive trends in innovations, generations and communications. His misfit insights have recently been manifested in his book Thinque Funky: Upgrade Your Thinking and amplified by endorsements via AFR Boss Magazine, Wired (UK), and Monocle.



ROB LILWALL

Rob Lilwall is a British-born, Hong Kong-based TV adventurer, writer and motivational speaker. His expeditions have seen him travelling on foot, by bicycle, and by boat, through some of the harshest corners of the Earth. Rob expounds upon the attitudes of – Effective goal-setting, Daring Creative thinking and Self-Discipline.

A unique platform bringing together the marketing gurus of the Indian Corporate Inc., ZEE MindSpace series is designed for like-minded people to discuss and debate on the challenges of marketing.

OPERATIONAL CANVAS

TOUCHING GLOBAL AUDIENCE



ZEE TV CANADA IN HD

Zee TV, the South Asian Entertainment Network in partnership with Ethnic Channels Group Limited (ECG), Canada's largest distributor of third language television services, launches Zee TV Canada in HD.



ZEE BIOSKOP

ZEE launched operations in Indonesia with the launch of ZEE Bioskop.



ZEE LAMHE

Targeted to the UK viewers, the channel identity plays on life's simple and special moments, creating an emotional connect with the audience's unique memories of their early UK life.

HINDI SHOWS



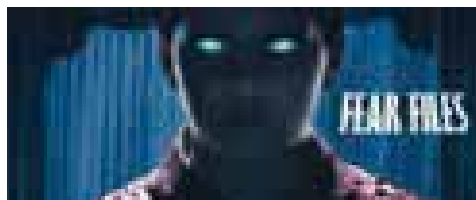
PAVITRA RISHTA

The popular television show has won two international awards.



DANCE INDIA DANCE

This popular reality show has made a place for itself in the Guinness Book of World Records.



FEAR FILES

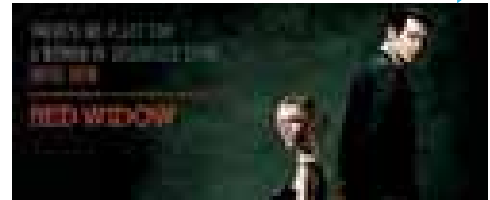
Fear Files has won Silver at the prestigious Indian Digital Media Awards 2013 for the best use of technology.



DID SUPER MOMS

Extending the biggest dance platform on Indian television, DID Super Moms gave Indian mothers a chance to relive their dreams of dancing.

ENGLISH SHOWS



RED WIDOW

USA's super hit series was premiered for the first time on Indian television through Zee Café.



LOST

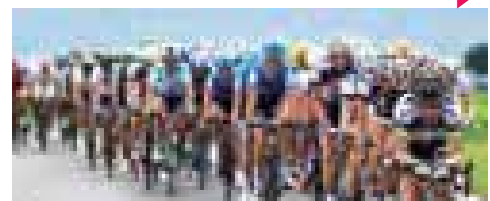
The popular serial starring Hollywood's hottest talents, featured on Zee Café.



HOUSE OF CARDS

An American political drama television series, House of Cards was featured on Zee Café.

SPORTS



BIGGEST SPORTS CONTENT PROVIDER

Ten Sports bagged the rights to broadcasts 2014 Asian Games and four other Asian Olympic Competitions.

REGIONAL CHANNELS



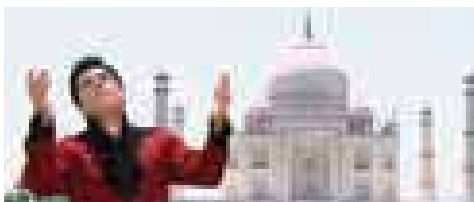
ZEE BANGLA

Reality show 'Dadagiri Unlimited' was back with its Season 4 to win over the hearts of the Bengali population.



ZEE MARATHI

Introduced Uncha Maza Zoka Puraskar 2013, to recognise women achievers in Maharashtra.



ZEE SALAAM

Zee Salaam, India's only Islamic TV channel is No.1 yet again.



ZEE TALKIES

The roaring success of 'Maharashtra Favourite Kon' 2013 (the only viewers' choice awards for Marathi Cinema Industry) made Zee Talkies reach highest TVTs since launch.

OTHER HIGHLIGHTS



ZEE CARE

A CSR initiative which will endeavour to make a difference in the lives of underprivileged children through education.

CORPORATE



BUSINESS TODAY'S 500 MOST VALUABLE COMPANIES

Ranked 59th, up from 81st in 2012.

ECONOMIC TIMES 500 COMPANIES

Ranked 229th against 242nd last year.

BUSINESS STANDARD LIST OF INDIA'S TOP MEDIA FIRMS

ZEE became a part of the billion-dollar media club, making it one of the leading media companies in India.

NEW CHANNELS LAUNCHED



& PICTURES

The recently launched hindi movie channel strives to offer the best of movies to the audiences through unique interactive campaigns.



ZEE ANMOL

First channel in the Indian television space to be simultaneously launched on mobile and television platforms.



ZINDAGI

The channel aims to showcase stories from across the border with cultural backgrounds, morals and values that are also intrinsic to India.



ZEE BIOSKOP

Indonesia's first Bollywood channel with some of the greatest Bollywood movies on the offering.



ZEE NUNG

A Bollywood channel dubbed in Thai, customised and packaged for the local audiences.

A WIDER ANGLE

HINDI GEC



Zindagi

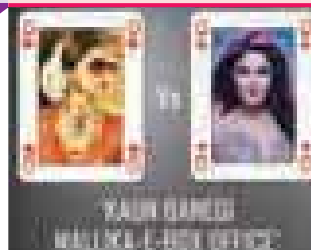


ENGLISH ENTERTAINMENT

MUSIC

ZSTUDIO

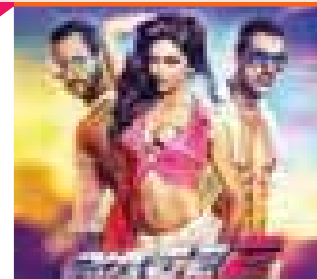
Zcafé



Zetc

REGIONAL GEC

MOVIE CHANNELS



Spictures



ALTERNATIVE LIFESTYLE

HD



ZSTUDIO

INTERNATIONAL



فيلم ہندی



EDUTAINMENT

DIGITAL OFFERINGS

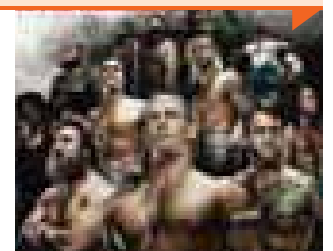
NICHE OFFERINGS



india.com



SPORTS



BOARD OF DIRECTORS



DR. SUBHASH CHANDRA

Non-Executive Chairman



EXPERIENCE

Non-Executive Chairman of the Board and Promoter of Essel Group of Companies.

Consistently demonstrated his ability to identify new businesses and lead them on the path to success.

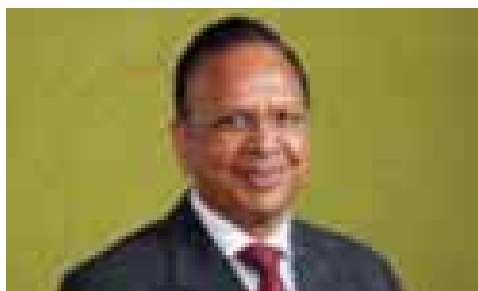
His industry leading businesses include television networks and film entertainment, cable systems, theme parks, flexible packaging, family entertainment centres and infrastructure.



ACHIEVEMENTS

For his contributions to the industry, Dr. Chandra has been awarded the 2011 International Emmy Directorate Award at their 39th International Emmy Awards night in New York. He also received the Honorary Doctorate of Business Administration from the University of East London (UEL).

He became the first Indian ever to receive a Directorate Award recognizing excellence in television programming outside the United States.



SUBODH KUMAR

Executive Vice Chairman



QUALIFICATION

Holds an M.Sc in Physics and several diplomas and management certificates from IIM-A, IIM-B, IIM-C, Harvard Business School, IDS Sussex, IMF amongst other Ivy League institutions.



EXPERIENCE

Mr. Kumar had one of the most illustrious careers in the Indian Administrative Service, spanning 35 years, heading various key government agencies with stellar integrity and transparency. He has made many noticeable contributions to the areas of his work and most notably made modifications to the Development Control Regulations thereby drastically reducing the manipulation in the building industry.



ASHOK KURIEN

Non-Executive Director



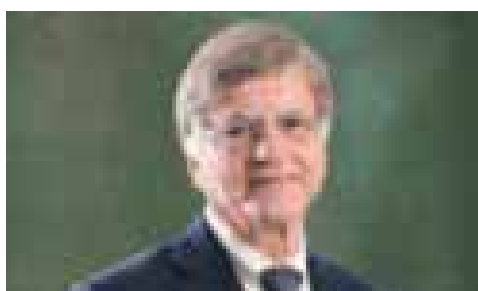
EXPERIENCE

One of the Founder Promoters, associated with ZEE since its inception.

One of the Founder partners of Hanmer & Partners, one of India's top-three public relations agencies; Flora2000, one of the leading global online flower distribution

services, and Remindo, an Intranet 2.0 Office Communication Network.

He also works as a special advisor to the US\$ 7 Billion Publicis Group.



LORD GULAM K. NOON

Independent Director



QUALIFICATION

Holds five honorary degrees from various leading British Universities.



EXPERIENCE

An accomplished entrepreneur, who founded Bombay Halwa Limited, a Company engaged in the business of manufacturing Indian confectionery, Indian savories and aviation catering.

Member of the House of Lords, UK.


PROF. R. VAIDYANATHAN
Independent Director

QUALIFICATION

Fellow Member in Management (Doctorate) from the Indian Institute of Management, Kolkata.

Masters from the Indian Statistical Institute and graduate from Loyola College, Chennai.


EXPERIENCE

Known for his commendable contribution in the areas of Corporate Finance, Risk Management and Pensions.

Professor of Finance and Control at the Indian Institute of Management, Bangalore and UTI Chair Professor in the area of Capital Markets.


PROF. SUNIL SHARMA
Independent Director

QUALIFICATION

Prof. Sharma has earned a Fellow (Ph.D) in Business Policy from the Indian Institute of Management, Ahmedabad, and Bachelors in Mechanical Engineering from UP Technical University.


EXPERIENCE

Prof. Sharma's specialization is in strategy formulation under uncertainty, innovation management, and organizational capabilities. He teaches courses on strategy, consulting, and innovation. His most recent consulting assignment was to formulate the vision and mission, review the organizational set-up and suggest a new organization structure, and develop a business model for the Competition Commission of India.


PROF. (MRS.) NEHARIKA VOHRA
Independent Director

QUALIFICATION

Prof. Neharika Vohra, Professor in Organisational Behaviour at the Indian Institute of Management, Ahmedabad, holds two post-graduate degrees and first ranker in Graduation and is a post-graduate in Psychology in India. She also holds Ph.D in Social Psychology from University of Manitoba, Canada.


EXPERIENCE

She has been the recipient of various awards and recognition in her professional field including 'Best Teacher Award' by University of Manitoba, 'Young Psychologist Award' by International Union of Psychologists. 'Learning Luminary Award' by OD Roundtable and 'Woman Achievers Award' by FICCI Ladies organisation.


PUNIT GOENKA
Managing Director & CEO

QUALIFICATION

A graduate from Bombay University, also participated in various intensive Management Education programmes like Young Managers programme at INSEAD, France and a programme on "Birthing of Giants" hosted by Young Entrepreneurs' Organisation and MIT Enterprise Forum, Inc., Boston, USA


EXPERIENCE

Started his career with the Essel Group, which has diversified business interest in the areas of media, entertainment, gaming, packaging and telecommunications.

SENIOR MANAGEMENT TEAM

At ZEE, we have a high-quality management team, that continuously addresses the challenges and believe in themselves to take the Company to the next level.



PUNIT GOENKA
Managing Director & CEO



AMITABH KUMAR
Technology



ARUN KAPOOR
Affiliate Revenue



ASHISH SEHGAL
Advertisement Revenue



ATUL DAS
Corporate Development



BHARAT RANGA
Content



DEBASHISH GHOSH
Digital



DEEPAK JAIN
International Business - Africa



K. JAYARAMAN
Distribution

		
M. LAKSHMINARAYANAN <i>Legal & Secretarial</i>	MIHIR MODI <i>Finance & Strategy</i>	MUKUND CAIRAE <i>International Business - UAE</i>
		
NEERAJ DHINGRA <i>International Business - UK</i>	RAJENDRA MEHTA <i>Human Resources</i>	RAJESH SETHI <i>Sports</i>
		
ROLAND LANDERS <i>Corporate Brand</i>	ROMIL RAMGARHIA <i>Commercial</i>	SAMEER TARGE <i>International Business - USA</i>
		
SHARADA SUNDER <i>Regional HSM</i>	SUNITA UCHIL <i>International Advt. Sales and Syndication</i>	SUSHRUTA SAMANTA <i>International Business - APAC</i>

NEW BUSINESS VERTICALS

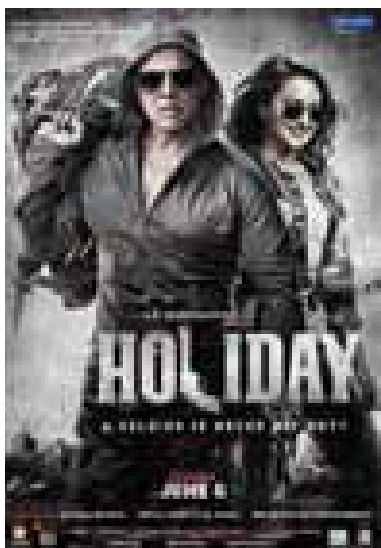


MUSIC COMPANY

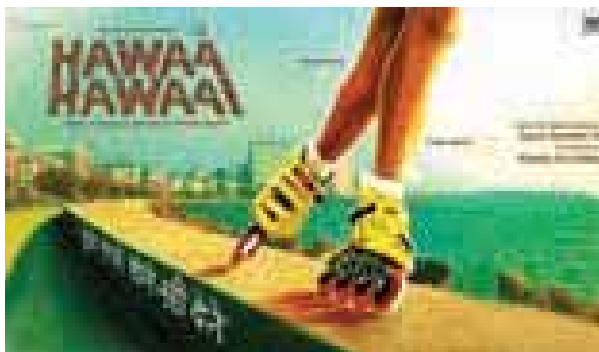
ZEE MUSIC COMPANY

Indian music is blissful and touches the deepest chords of the human heart globally. The digital platform (mobile and internet services) has strengthened Indian music's global recognition. This technological advancement will take Indian music to new heights of achievement.

Identifying the opportunities in Indian Music industry, ZEE has launched 'Zee Music Company', entering into the country's ₹ 960 crore music market. The Company foresees the music industry to grow significantly, touching ₹1780 crore by 2018. ZEE has already partnered with the country's leading production houses like Reliance Entertainment and Fox Star Studios, with plans to partner with Dharma Productions, Excel Entertainment and more in future. Zee Music Company expects to come out with music rights for more than 20 motion pictures in 2014.



◀ HOLIDAY



▲ HAWAA HAWAAI



◀ HUMSHAKALS



EXTENDING OUR BOUNDARIES

The strong growth in the Indian digitisation space has propelled the distribution business in the country. With first two successful phases of the DAS implementation, ZEE and Star have discontinued their alliance, to continue the distribution at independent levels. After achieving success, ZEE would now deliver content in the most efficient manner through Taj Television India (P) Limited (100% subsidiary).

After successfully addressing the anomalies in the analog market, curbing piracy and introducing transparency, ZEE would strengthen the distribution platform to cater to the stakeholder community at large.

AWARDS & ACCOLADES

AWARDS AT ZEE ARE A RECOGNITION OF SUSTAINED EFFORTS IN DELIVERING QUALITY ENTERTAINMENT TO ITS CONSUMERS.

As in previous years, ZEE received numerous awards at various platforms. Apart from the several corporate awards, the promoters of the Company were honoured for their contribution and commitment to ZEE's growth in the entertainment and media space.



▲ Punit Goenka, MD & CEO, ZEEL receives The Economic Times - '40 under Forty' - India's Hottest Business Leaders Award 2014



▲ Dr. Subhash Chandra, Chairman, received the Honorary Doctorate of Business Administration from the University of East London (UEL).



▲ Punit Goenka, MD & CEO, ZEEL bags the prestigious "Media Person of the Year" award at the IAA Leadership Awards



▲ Dr. Subhash Chandra, Chairman, delivers a keynote at the IAA Knowledge Conclave 2013



▲ Punit Goenka, MD & CEO, ZEEL honored as 'Entrepreneur of the Year' at the Asia Pacific Entrepreneurship Awards 2014

FAMILY STARTS WITH PEOPLE



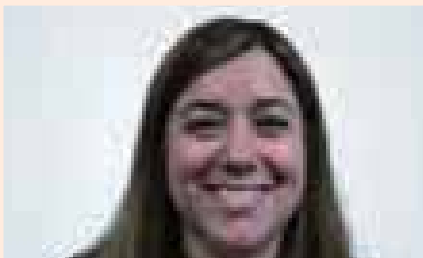
ANINE EHLERS
Senior Sales Manager, South Africa



LEONID YURGELAS
General Manager, United Kingdom



LALITA
Manager - Administration, Indian Ocean Islands & Francophone Africa



JODI GOLDBLATT
Senior Manager Advertising Sales, United States



TSAKANE MABASA
Financial Accountant, South Africa



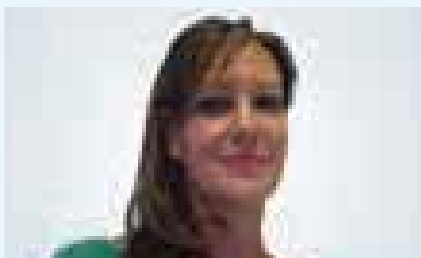
LOVENA
Senior Account Manager, Indian Ocean Islands & Francophone Africa



ANNE DOYLE
Head HR, United States



COLLEEN CASSELL
Director Advertising Sales, United States



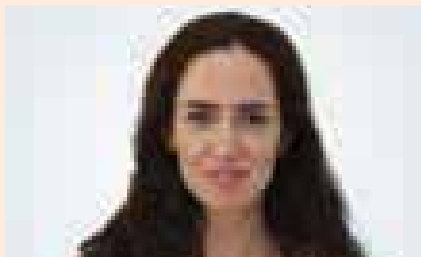
LEILA
Regional Head, Indian Ocean Islands & Francophone Africa



NADER SHEHATA
Senior Manager – On Air Promotions, Programming Department, MENAP



ADILAH
Head of Sales, Indian Ocean Islands & Francophone Africa



DIALA MONSEF
Manager – Dubbing, Programming Department, MENAP

AT ZEE, OUR GLOBAL FAMILY STARTS WITH OUR VERY OWN PEOPLE, WHO LIVE OUR PASSION TO TOUCH THE WORLD EVERY SINGLE DAY. A MULTI-CULTURAL WORK ENVIRONMENT ACCELERATES CROSS-POLLINATION OF IDEAS TO MAKE THE ENTERTAINMENT UNIVERSE RICHER AND MORE VARIED.

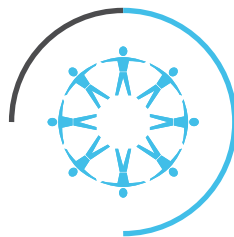


12

Total nationalities of people working with ZEE

TALENTED PEOPLE

At ZEE, our team drives our growth engine. The organisation continues to invest in their development, so that new leaders can emerge to take the organisation forward. To help our employees deliver their best, we are focused on creating 'One World' within ourselves. In most of our international offices, we have three different ethnicities of people working together. With ever widening global operations, we consciously work towards internal mobility, ensuring cultural continuity and knowledge dissemination. Such an approach complements and facilitates the nurture of local talent across multiple geographies.



2,200+

Total strength of team ZEE

BOND OF TOGETHERNESS

At ZEE, we know that our people will always be the key to our success. As a conscious effort to bind over 2,200 global audience, we launched 'zeeconnect' – our global audiences intranet platform. This has enabled easy exchange of information and helped strengthen global solidarity. In addition, we also conducted a series of conferences, bringing employees on a single platform, to share ideas, success stories and strategies for the Company.



1,727

No. of person days invested in training

THE BEST PLACE TO WORK

At ZEE, we encourage a high-performance culture. We have embarked on our journey to be among the Top 100 'Best Places to Work', charting out the best of people practices through our project 'SAMWAD'. We empower our team with assigning new projects or positions across the Company.

We also recently launched the ZEE talent management programme to create a pool of future leaders, elevating the organisation to higher orbits of success. ZEE's Current Trust Index score has increased to 74% in the current year from 65% in the previous year.

GREAT PLACE TO WORK

74%

Current Trust Index Score for 2013-14

65%

Trust Index Score in 2012-13

BUSINESS RESPONSIBILITY

BUSINESS RESPONSIBILITY AND SOCIAL RESPONSIBILITY COMPLEMENT OUR VISION OF 'ONE WORLD.'



Read more about
"Governance Practices"
on page 66

BUSINESS RESPONSIBILITY

We believe, our business touches lives in more ways than one. Therefore, it involves a sense of responsibility.

We strive to comply with regulatory bodies, fulfil legal obligations and create ethical internal policies and procedures. While we aim to realise our dream of building 'One World', we are committed to mitigate potential business risks and capitalise on emerging opportunities.

Our internal corporate governance team has created a strong governance structure, which is aligned with the Company's policies. The integrated framework provides support to create strategic policies, specific targets and benchmarks to move ahead.

Our industry leadership drives us to develop a sustainable organisation. ZEE's business responsibility revolves around meeting the following priorities:



BRAND ZEE

Sustain industry leadership and continue to scale new heights of achievement



PERFORMANCE-DRIVEN

Set feasible targets and encourage operational transparency



REWARDS

Acknowledge employee contributions towards fulfilling organisational goals



TALENT-DRIVEN

Identify talent, support and nurture them



UNDER OUR CSR BRAND-ZEE CARE, OUR KEY FOCUS HAS BEEN ON WOMEN EMPOWERMENT AND CHILD EDUCATION. TO REALISE OUR DREAM OF BUILDING 'ONE WORLD', WE ARE COMMITTED TO MITIGATE POTENTIAL BUSINESS RISKS AND CAPITALISE ON EMERGING OPPORTUNITIES.

SOCIAL RESPONSIBILITY

We remain relevant on the societal platform with multiple initiatives. In 2013, we funded the setting up of 20 libraries across Rajasthan and Uttarakhand. These libraries catered to over 2,490 students, providing them access to various study materials. The libraries created additional resources for children around those regions. ZEE delivered around 12,000 books, especially selected by parents, teachers and government officials of those regions.

ROOM TO READ AND ZEE

It was a milestone for ZEE to partner with 'Room to Read', a global organisation. 'Room to Read' envisions a society in which all children should pursue quality education to acquire knowledge and contribute to their respective communities and the world. ZEE will enhance literacy levels across Rajasthan and Uttarakhand by setting up libraries through this partnership, elevating lives of over 2,400 children.



ROOM TO READ'S PARTNERSHIP WITH ZEE IS TO MAKE THE WORLD A BETTER PLACE FOR FUTURE GENERATIONS.

MR. JOHN WOOD

Founder
Room to Read

Q. What are your thoughts on ZEE's contribution to the society?

A. As the world becomes more interconnected, it is incumbent on all of us to work together to solve society's most pressing challenges.

Room to Read's partnership with Zee Entertainment Enterprises Ltd., which has promoted literacy and cultivated a love for reading among thousands of children in India is a perfect example of how the corporate world can take action to inspire positive change and make the world a better place for future generations.



93+

Teachers impacted through professional development trainings



12,000+

Books provided across 20 libraries

CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. SUBHASH CHANDRA
Non – Executive Chairman

SUBODH KUMAR
Executive Vice Chairman

ASHOK KURIEN
Non – Executive Director

LORD GULAM K. NOON
Independent Director

PROF. R. VAIDYANATHAN
Independent Director

PROF. SUNIL SHARMA
Independent Director

PROF. (MRS.) NEHARIKA VOHRA
Independent Director

PUNIT GOENKA
Managing Director & CEO

SENIOR MANAGEMENT

PUNIT GOENKA
Managing Director & CEO

AMITABH KUMAR
Technology

ARUN KAPOOR
Affiliate Revenue

ASHISH SEHGAL
Advertisement Revenue

ATUL DAS
Corporate Development

BHARAT RANGA
Content

DEBASHISH GHOSH
Digital

DEEPAK JAIN
International Business – Africa

K. JAYARAMAN
Distribution

M. LAKSHMINARAYANAN
Legal & Secretarial

MIHIR MODI
Finance & Strategy

MUKUND CAIRAE
International Business – UAE

NEERAJ DHINGRA
International Business – UK

RAJENDRA MEHTA
Human Resources

RAJESH SETHI
Sports

ROLAND LANDERS
Corporate Brand

ROMIL RAMGARHIA
Commercial

SAMEER TARGE
International Business – USA

SHARADA SUNDER
Regional HSM

SUNITA UCHIL
International Advt. Sales and Syndication

SUSHRUTA SAMANTA
International Business – APAC

AUDITORS

M/S MGB & CO.

COMPANY SECRETARY

M. LAKSHMINARAYANAN

BANKERS

BNP Paribas
Deutsche Bank
ING Vysya Bank Ltd.
Standard Chartered Bank
Yes Bank Ltd.

REGISTERED OFFICE

Continental Building,
135, Dr. A. B. Road, Worli,
Mumbai - 400 018.
Maharashtra, India.

www.zeetelevision.com

[in](#) [tw](#) [f](#) /ZEECorporate

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Attendance Slip & Proxy Form

ONE WORLD

NOTICE

Notice is hereby given that the Thirty Second Annual General Meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited will be held at 'Nehru Auditorium', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Friday, the 18th day of July 2014, at 11.00 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company - on a standalone and consolidated basis, for the financial year ended 31 March, 2014 including the Balance Sheet as at 31 March, 2014, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To confirm the pro-rata Dividend paid on the Preference Shares of the Company for the financial year ended 31 March, 2014.
3. To declare Dividend of ₹ 2 per Equity share for the financial year ended 31 March, 2014.
4. To appoint a Director in place of Dr Subhash Chandra (DIN 00031458), who retires by rotation, and being eligible, offers himself for reappointment.
5. To re-appoint M/s MGB & Co., Chartered Accountants, Mumbai, having Firm Registration No. 101169W, as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made there under read with Schedule IV of the Act, Prof Sunil Sharma (DIN 06781655) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22 January, 2014 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period up to 21 January, 2017."

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED that pursuant to Section 149, 152 and other applicable provisions of Companies Act 2013 ('Act') and the rules made there under read with Schedule IV of the Act, Prof (Mrs) Neharika Vohra (DIN 06808439) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12 March, 2014 and who holds office up to the date of this Annual General Meeting in terms of Section 161 (1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for the period up to 11 March, 2017."

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

"RESOLVED that, pursuant to the provisions of Section 149 of the Companies Act, 2013 ('Act') and the rules made there under, Mr Subodh Kumar, IAS (Retd) (DIN 02151793), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22 January, 2014 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Act and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director, be and is appointed as Director of the Company, liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to Section 196, 203 and other applicable provisions of Companies Act, 2013 (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company hereby accords its approval for appointment of Mr Subodh Kumar (DIN 02151793) as a Whole-Time Director designated as ‘Executive Vice Chairman’ of the Company for a period of 3 years with effect from 1 February, 2014, on such terms and at such remuneration as set out in the explanatory statement annexed to this Notice.

RESOLVED FURTHER that

- a) the aggregate of salary, perquisites and allowances of Mr Subodh Kumar, Executive Vice Chairman of the Company in any one financial year shall not exceed the limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 (including applicable rules, if any) as amended from time to time;
- b) in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr Subodh Kumar, Executive Vice Chairman, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013; and
- c) the Board (including any Board Committee exercising powers conferred by this resolution) be and is hereby authorised, in its absolute discretion and from time to time, to fix, within the range of remuneration detailed in the explanatory statement, the salary and other allowances / entitlements including performance bonus / incentive, if any, of Mr Subodh Kumar.”

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Lord Gulam Noon (DIN 00391683), Independent Director of the Company who was earlier appointed as a Director retiring by rotation and therefore retires by rotation at this Annual General Meeting, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation for a period up to 31 March, 2017.”

The Register of Members and Share Transfer Books of the Equity Shareholders of the Company will remain closed from Saturday 12 July, 2014 to Friday, 18 July, 2014 (both days inclusive). Share Transfers received in order at the Registered Office of the Company or at the office of the Registrar of the Company, by 5.30 p.m. on 11 July, 2014, will be processed for payment of equity dividend, if declared, to the transferees or their mandatees.

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid on 23 July, 2014, to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar on or before 11 July, 2014 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business day on 11 July, 2014.

By Order of the Board

M Lakshminarayanan

Chief Compliance Officer & Company Secretary

Place : Mumbai

Date : 21 May, 2014

Registered Office:

Continental Building, 135, Dr Annie Besant Road, Worli, Mumbai 400 018

CIN: L92132MH1982PLC028767

Email:shareservice@zee.esselgroup.com

NOTICE

NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company. A person can act as proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of the total Equity Share Capital of the Company. Any Member holding more than 10% of the total Equity share capital of the Company may appoint a single person as proxy and in such a case, the said person shall not act as proxy for any other person or member. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
3. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.
4. Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board for appointment / re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

In connection with appointment / re-appointment of Prof Sunil Sharma, Prof (Mrs) Neharika Vohra and Lord Gulam Noon in terms of Section 149 read with Schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declarations made by each of them that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Board is of opinion that they fulfill the conditions specified in the Act and the rules made there under and they are independent of the management of the Company.

5. Members who are holding Company's shares in dematerialised form are required to bring details of their Beneficiary Account Number for identification.
6. Members who wish to obtain information on the Financial Statements for the year ended 31 March, 2014, may send their queries at least seven days before the AGM to the Chief Compliance Officer & Company Secretary at the registered office of the Company or at Email ID shareservice@zee.esselgroup.com
7. Equity Dividend for the financial year ended 31 March, 2007, declared by the Company & erstwhile ETC Networks Ltd (now merged with the Company) which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') in October 2014 & August 2014 respectively.

Members, who have not encashed their dividend warrants, issued by the Company and/or ETC Networks Ltd, for the financial year ended 31 March, 2007, or any subsequent financial years, are requested to lodge their claims with the Company's Registrar and Share Transfer Agent. Members are advised that in terms of provisions of Section 125 of the Companies Act, 2013, the person whose unclaimed dividend is transferred to IEPF shall be entitled to get refund out of the fund in accordance with rules made under Section 125 of Companies Act, 2013.

8. Electronic Copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in permitted mode. The Annual Report may also be accessed in the Company's Corporate Website www.zeetelevision.com.
9. Members are requested to notify immediately about any change in their address / e-mail address /dividend mandate / bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to the Company's

Registrar and Share Transfer Agent, M/s Sharepro Services (India) Pvt. Ltd., at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 and/or at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021. Shareholders holding Equity Shares of the Company in physical form may register their email address with the Registrar and Share Transfer agent of the Company to receive all communications by the Company including Annual Report and Notice of Meeting(s) by email, by sending appropriate communication on sharepro@shareproservices.com.

10. E-voting

In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The E-voting period for all items of business contained in this Notice shall commence from Saturday the 12 July, 2014 at 9.00 a.m. and will end on Monday, the 14 July, 2014 at 6.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialised form as on the cutoff date of 20 June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting there after. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.

The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on 20 June, 2014.

11. The Company shall appoint an Independent Professional as Scrutiniser to conduct the E-voting in a fair and transparent manner. The Scrutiniser shall within a period of not exceeding 3 working days from the conclusion of voting period, shall unblock the votes in presence of two witness, who are not in employment of the Company and after scrutinising such votes received shall make a Scrutinisers report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
12. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutiniser's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
13. The instructions and process for e-voting are as under:
 - Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
 - Now click on 'Shareholders' tab to cast your votes
 - Now, select the 'Electronic Voting Sequence Number (EVSN)' along with 'Zee Entertainment Enterprises Limited' from the drop down menu and click on 'SUBMIT'
 - Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - Now, fill up the following details in the appropriate boxes:

NOTICE

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (in Capital) (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name Manish Kumar with sequence number 1 then enter MA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter the default number 1234 in the Dividend Bank details field.

- After entering these details appropriately, click on 'SUBMIT'
- Equity Shareholders holding Equity shares in Physical form will then reach directly to the EVSN selection screen. However Equity Shareholders holding shares in Demat form will now reach 'Password Change' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- Equity Shareholders holding shares in physical form can use these details only for e-voting on the resolutions contained in this Notice.
- Click on the relevant EVSN on which you choose to vote.
- On the voting page, you will see Description of Resolution(s) and option for voting Yes/No for voting. Select the option yes or no as desired. The option 'YES' implies that you assent to the resolution & 'NO' implies that you dissent to the resolution
- Click on the Resolution file link if you wish to view the entire Notice.
- After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page
- If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot password & enter the details as prompted by the system.
- Institutional Equity Shareholders (i.e. other than individuals, HUF, NRI etc) are required to log on <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board resolution and Power of Attorney which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at www.evotingindia.co.in under help section or write an email to CDSL on helpdesk.evoting@cdslindia.com or to the Investor relations officer of the Company on shareservice@zee.esselgroup.com

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT 2013

Item No. 6

Based on recommendation of the Nomination Committee of the Board of Directors and after reviewing confirmation of independence received, the Board of Directors of the Company at the meeting held on 22 January, 2014 appointed Prof Sunil Sharma, faculty of Strategic Management in Indian Institute of Management, Ahmedabad, as an Additional Director of the Company, in the category of Independent Directors. Pursuant to Section 161(1) of the Companies Act 2013, Prof Sharma holds his office till the date of this Annual General Meeting. Appropriate notice has been received by the Company from a member proposing appointment of Prof Sunil Sharma as Director of the Company and requisite consent has been received from Mr Sunil Sharma pursuant to provisions of Section 152 of the Companies Act 2013. In the opinion of the Board, Prof Sunil Sharma who is proposed to be appointed as an Independent Director of the Company for the period up to 21 January, 2017 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management.

Brief Profile and other details of Prof Sunil Sharma forms part of the Corporate Governance Report.

Your Board recommends the Ordinary resolution as set out in Item No 6 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Prof Sunil Sharma (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

Item No. 7

Based on recommendation of the Nomination Committee of the Board of Directors and after reviewing confirmation of independence received, the Board of Directors of the Company at the meeting held on 12 March, 2014 appointed Prof (Mrs) Neharika Vohra, faculty in Indian Institute of Ahmedabad in the area of Organisational Behaviour, as an Additional Director of the Company, in the category of Independent Directors. Pursuant to Section 161(1) of the Companies Act 2013, Prof Neharika Vohra holds her office till the date of this Annual General Meeting. Appropriate notice has been received from a member proposing appointment of Prof Neharika Vohra as Director of the Company and requisite consent has been received from Prof Neharika Vohra pursuant to provisions of Section 152 of the Companies Act 2013. In the opinion of the Board, Prof (Mrs) Neharika Vohra who is proposed to be appointed as an Independent Director of the Company for the period up to 11 March, 2017 fulfils the conditions specified under Section 149(6) and Schedule IV of the Companies Act 2013 and is Independent of the management.

Brief Profile and other details of Prof (Mrs) Neharika Vohra forms part of the Corporate Governance Report.

Your Board recommends the Ordinary resolution as set out in Item No 7 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Prof (Mrs) Neharika Vohra (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution.

Item No. 8 & 9

At the meeting held on 22 January, 2014, the Board of Directors of the Company had, based on recommendation of Nomination Committee of the Board of Directors, approved appointment of Mr Subodh Kumar, IAS (Retd) as an Additional Director of the Company. Pursuant to Section 161(1) of the Companies Act 2013, Mr Subodh Kumar holds office till the date of this Annual General Meeting and appropriate notice has been received from a member proposing appointment of Mr Subodh Kumar as Director of the Company. Requisite consent has been received from Mr Subodh Kumar pursuant to provisions of Section 152 of the Companies Act 2013.

NOTICE

Further, at the same meeting held on 22 January, 2014, subject to approval of Members, the Board had approved appointment of Mr. Subodh Kumar as a Whole time Director of the Company designated as Executive Vice Chairman on such terms and at remuneration detailed herein, which is within the limit of 5% of Net profits of the Company as prescribed under Section 197 read with Schedule V of the Companies Act, 2013. The said remuneration was based on the recommendations of the Remuneration Committee.

(1) Tenure

The appointment of Mr Subodh Kumar as the Executive Vice Chairman shall be valid for a period of 3 years from 1 February, 2014.

(2) Remuneration

- a) **Salary:** ₹ 15,44,383 (comprising of Basic Salary of ₹ 10,50,000 and Personal Allowance of ₹ 4,94,383) per month in the scale of ₹ 15,00,000 to ₹ 30,00,000 per month, with the authority to the Board of Directors to determine any merit based increase from time to time within the said scale.
- b) **Performance Bonus / Incentive:** Annual Performance Bonus / Incentive as may be approved by the Board based on the performance criteria laid down by the Company.
- c) **Perquisites & Allowances:** In addition to the Salary & Performance Bonus / Incentive, Mr. Subodh Kumar shall be entitled to following perquisites and allowances:
 - i. Company leased accommodation or House Rent Allowance in lieu thereof subject to a maximum of 50% of Basic Salary as per rules of the Company.
 - ii. Leave Travel Allowance (subject to maximum of 10% of Basic Salary)
 - iii. Medical Reimbursements, Club Fees, Personnel Accident & Medical Insurance, use of chauffeur driven company car, telecommunication facilities at residence and such other perquisites and allowances in accordance with rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.

d) Overall Remuneration:

The aggregate of salary, perquisites and allowances in any one financial year shall not exceed the limits prescribed under Section 198, 309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the said or relevant applicable provisions of Companies Act, 2013 for the time being in force.

- e) In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of the Executive Vice Chairman, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule XIII of the Companies Act, 1956 or relevant applicable provisions of Companies Act, 2013.

Brief Profile and other details of Mr Subodh Kumar forms part of the Corporate Governance Report.

Your Board recommends the Ordinary resolutions as set out in Item No 8 & 9 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Mr. Subodh Kumar (whose appointment is proposed in these resolutions and who is interested to the extent of remuneration that may be paid to him) are in any way concerned or interested in these resolutions.

Item No. 10

Lord Gulam Noon, Independent Director of the Company appointed from 31 January, 2006 and was liable to retire by rotation as per the terms of the said appointment, retires at the ensuing Annual General Meeting in pursuance of applicable provisions of erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of Companies Act, 2013, Lord Gulam Noon is proposed to be appointed as an Independent Director, not liable to retire by rotation, for a term up to 31 March, 2017.

Lord Gulam Noon has provided confirmation about his independence. In the opinion of the Board Lord Noon fulfills the conditions of independence prescribed under Section 149 of Companies Act, 2013.

Brief Profile and other details of Lord Gulam Noon forms part of the Corporate Governance Report.

Your Board is of the opinion that the continued association of Lord Gulam Noon as Independent Director would be of immense benefit to the Company and it is desirable to continue to avail the services of Lord Noon as Independent Director.

Your Board recommends the Ordinary resolution as set out in Item No 10 for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Lord Gulam Noon (whose appointment is proposed in this resolution) are in any way concerned or interested in the resolution

By Order of the Board

M Lakshminarayanan

Chief Compliance Officer & Company Secretary

Place : Mumbai

Date : 21 May, 2014

Registered Office:

Continental Building

135, Dr Annie Besant Road

Worli, Mumbai 400 018

CIN: L92132MH1982PLC028767

Email:shareservice@zee.esselgroup.com

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Thirty Second Annual Report and the Audited Financial Statements of the Company for the year ended 31 March, 2014.

RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, in relation to the Annual Financial Statements for the Financial Year 2013-2014, your Directors confirm that:

- The Financial Statements of the Company - comprising of the Balance Sheet as at 31 March, 2014 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards read with the requirements specified in Schedule VI of the Companies Act, 1956 and that no material departures have been made from the same;
- Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2014, and, of the profit of the Company for the year ended on that date; and
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended 31 March, 2014 is summarised below:

Particulars	(₹ Millions)	
	Year ended 31.03.2014	Year ended 31.03.2013
Revenue from Operations	30,757	25,659
Other Income	1,845	1,189
Total Income	32,602	26,848
Total Expenses	20,852	17,329
Profit before Tax	11,750	9,519
Provision for Taxation (net)	4,027	3,112
Profit after Tax	7,723	6,407
Add: Balance brought forward	15,998	13,328
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	2,822	-
Add: Proposed Dividend (including tax) on Equity Shares bought back and cancelled	-	8
Amount available for appropriations	20,899	19,743
Appropriations:		
Dividend		
Equity Shares	1,921	1,919
Preference Shares	86	-
Tax on Dividend		
Equity Shares	326	326
Preference Shares	15	-
General Reserve	2,000	1,500
Balance carried forward	16,551	15,998

Your Directors
recommend
payment of
Equity Dividend
of ₹ 2.00 per
equity share of
₹ 1/- each

THE COMPANY RECORDED

a commendable advertising growth of **21%** in FY 2014



Read more on “Revenue from Operations” on [page 92](#)

24.09%
Share of profits
paid out as
equity dividend
and dividend
distribution tax

EQUITY DIVIDEND

Your Directors recommend payment of Equity Dividend of ₹ 2.00 per equity share of ₹ 1/- each and such Equity Dividend, upon approval by the Members of the Company at the ensuing Annual General Meeting, shall be payable on the outstanding equity capital as at the book closure date. The outflow on account of equity dividend and the tax on such dividend distribution, based on current paid-up capital of the Company would aggregate to 2,247 Million, resulting in a payout of 24.09% of the profits of the Company on a stand-alone basis.

PREFERENCE DIVIDEND

In accordance with the terms of issuance of 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each, issued by the Company during the year under review as Bonus Preference Shares in pursuance of the Scheme of Arrangement approved by the equity shareholders at Court Convened meeting and the Hon'ble Bombay High Court vide order passed on 20 December, 2013, your Company had paid Preference Dividend @ 6% per annum for the period from the date of allotment i.e. 6 March, 2014 until 31 March, 2014. The outflow on account of the said Preference Dividend together with the tax on such dividend distribution, based on paid-up Preference Share Capital as at 31 March, 2014 was 101 Million.

BUSINESS OVERVIEW

Your Company recorded a commendable advertising revenue growth of 21% in Financial Year 2014 though the year gone by witnessed a muted growth in the Indian economy which had an impact on the overall television advertising spends recording low double digit growth, that too in spite of the lack luster GDP growth of below 5%.

Financial Year 2014 being the landmark year for the television industry in many ways, witnessed

- implementation of 12 minute advertising cap by majority of the broadcasters;
- change in television measurement metric from GRPs to TVTs;
- formation of a joint industry body Broadcast Audience Research Council (BARC), for nationwide audience research;
- implementation of second phase of digitisation in 38 cities of the country which, though has seen implementation delays, is a positive development to boost subscription revenues; and
- the latest TRAI tariff order, which permitted the inflation linked hike of 27.5% in Reference Interconnect Offer rates (in two stages) and is likely to further provide a positive fillip to the subscription revenues.

Your Company had a very successful financial year reflecting focus on delivering superior performance with strong financial results. During the year, the Company enhanced its product portfolio both in domestic as well as international markets, with the launch of:

- **Zee Anmol** - a free-to-air Hindi General Entertainment Channel which is the first channel in the Indian television space to be simultaneously launched on mobile and television platforms. Positioned as 'Dil Choo Jaaye', Zee Anmol is a channel that believes in touching people's hearts through real, genuine emotions that will be depicted through some of the best shows that Indian Television has ever seen;

DIRECTORS' REPORT

- **&pictures** - an interactive Hindi movie channel aimed at targeting the younger mindset. This channel endeavors to build upon the existing film and digital resources to create a continuing conversation with an audience that is interested in staying connected and engaged with the world around them;
- **Zee Bioskop** – a 24/7 Bollywood movies channel in Indonesia, fully dubbed or subtitled in Bahasa language;
- **Zee Lamhe** - a free-to-air general entertainment channel which was launched in Europe showcases the best of South-Asian entertainment.

The flagship television channel, **Zee TV** improved its viewership share significantly during the year with the launch of several successful shows, including Dance India Dance – Season 4, Jodha Akbar, Aur Pyar Ho Gaya, Do Dil Bandhe Ek Dor Se, Doli Armaan Ki and DID L'il Masters 3. DID L'il Masters opened at 11.1 TVM, the highest opening TVT amongst all Non-fiction shows on all Hindi GECs in the last two years. Also, another show Sapne Suhane Ladakpan Ke continued its successful run and reached a landmark of 500 plus episodes.

Zee Cinema continues to lead the Hindi Movie genre and strengthened its movie library. During the year, some of the Bollywood's biggest blockbusters were premiered on Zee Cinema, which include Chennai Express, Race2, ABCD, Ramaiya Vastavaiya, Besharam, Zanjeer and Phata Poster Nikala Hero.

Regional entertainment channels of your Company continued their strong growth in respective markets. **Zee Marathi**, which premiered block buster movie "Duniyadari" - the biggest World TV premiere on Marathi television in last 5 years, had an impressive market share of 35% during the year and has been the consistent Number 1 channel since August 2013. **Zee Bangla**, which is the market leader in non-fiction genre with 80% market share driven by shows like Dadagiri Unlimited, Sa Re Ga Ma Pa 2012 and Tumi Je Amar, continues to be a strong player in the Bangla general entertainment space and became Number 1 Bangla channel in Digital CS 4+ markets. **Zee Telugu** is the Number 1 Telugu general entertainment channel in the week-day Primetime fiction band between 1900-2200hrs on the back of slot leaders like Pasupu Kumkuma, Varunidhi Parinayam and Muddu Bidda. **Zee Kannada** garnered a 14% market share in the Karnataka market with top performing shows like Bharathi, Radha Kalyana & Chi Sou Savitri. **Zee Tamil** is a strong No 3 player during weekday core prime-time with popular shows like Solvathellam Unmai, Luckka Kickka, Attagasam, CID and Top 10.

Zee Cafe has emerged as a leading player in the English Entertainment genre with a channel share of 18.4% and has acquired popular American shows which include The Big Bang Theory, House of Cards, The Good Wife, Pretty Little Liars and Gossip Girl amongst others.

With telecast rights of 5 (five) cricket boards which ensure coverage of cricket of all test playing countries, the Company's sports channels continue to enthrall viewers across the country. Some of the major acquisitions during the year include renewal of South Africa, Zimbabwe and West Indies cricket rights, US Open Tennis Championships, Brazilian Football League and WTA Premier Event Rights.

During the year, your Company continued its focus on expansion in International markets with several deals which were signed during the year enhanced the penetration of Zee Network channels in international territories. These include:

- Zee TV launched on several networks across Canada and is now available on every Cable, Telco, Satellite and IPTV platform in Canada
- India.com was launched in the USA and Canada
- In UK, a new locally produced show – Zee Companion – is launched to interact with the local viewers and increase the affinity for Zee TV

ZEE TV
continues to
be **Number 1**
South Asian
channel both in
terms of GRPs
and Reach in
the UAE.



Read more on “Business
Strategy” on **page 89**

- Zee Khana Khazana launched for the first time in Africa on the Zuku platform to cater to the East African countries
- Zee TV continues to be the Number 1 South Asian channel both in terms of GRPs and Reach in the UAE.
- Zee Aflam was among the Top 3 movie channels in Kingdom of Saudi Arabia in terms of reach, while the new channel, Zee Alwan, is growing its reach in the Middle East market.

SHARE CAPITAL

During the year under review, your Company had allotted 6,491,000 Equity Shares of ₹ 1 each upon exercise of Stock Options by the Option grantees under the Employee Stock Option Scheme, resulting in increase in the Paid-up Equity Capital of the Company to ₹ 960,448,720 comprising of 960,448,720 Equity Shares of ₹ 1 each.

Further, in accordance with the Scheme of Arrangement between the Company and its Equity Shareholders to facilitate issuance of Bonus Preference Shares on the occasion of completion of 20 years of broadcasting business, subsequent to the approval of the shareholders at a Court Convened Meeting held on 14 October, 2013 and approval of the Hon'ble Bombay High Court vide order passed on 20 December, 2013, the Authorised Share Capital of the Company was increased and re-classified to ₹ 2300 Crores comprising of 200 Crores Equity Shares of ₹ 1 each and 2100 Crores Preference Shares of ₹ 1 each. Pursuant to the said Scheme of Arrangement, your Company had on 6 March, 2014, issued and allotted 20,169,423,120 - 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each ('Bonus Preference Shares'), by way of Bonus to its Equity Shareholders in the ratio of 21 Bonus Preference Shares for every 1 Equity Share held as at the Record Date i.e. 4 March, 2014. The said Bonus Preference Shares were listed and admitted for trading in BSE Limited and National Stock Exchange of India Limited on and from 19 March, 2014. These Preference Shares have been assigned Stable Outlook rating of 'BWR AA' (pronounced BWR Double A) by Brickwork Ratings India Private Ltd which denotes that the instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations.

CORPORATE RESTRUCTURING

During the year under review, with a view to give impetus to the Media Event management activities, which provide likeable low cost contents and also acts as catalyst for reinforcing connect with viewers and advertisers both on the ground as well as on screen, your Board at the meeting held on 17 December, 2013 had approved a Scheme of Arrangement for demerger of Media Business Undertaking of Diligent Media Corporation Limited (DMCL) vesting with the Company ('Scheme'). At the Court convened meeting of Equity as well as Preference Shareholders of the Company scheduled to be held on 4 June, 2014, the said Scheme is proposed to be placed for approval. Subsequently, subject to the approval of public equity shareholders of the Company in pursuance of SEBI guidelines by way of postal ballot, and subject to approval of Hon'ble Bombay High Court and other applicable regulatory authorities, the Scheme will become effective.

In consideration of the said demerger of Media Business Undertaking and upon the Scheme becoming effective, your company will be issuing 22,273,886 Preference shares of ₹ 1 each to the equity shareholders of DMCL in the ratio of 1(One) Preference Share of ₹ 1 each of the Company for every 4 (four) equity shares of ₹ 10 each held in DMCL, on terms detailed in the Scheme.

SUBSIDIARIES & JOINT VENTURES

As at 31 March, 2014, your Company had 19 subsidiaries in India and Overseas. During the year under review your Company expanded its international operations by (i) forming a wholly owned subsidiary of Asia Today Limited, Mauritius (ATL) in Dubai in the name of ATL Media FZ LLC;

DIRECTORS' REPORT

Your Company
is committed
to maintain
best corporate
governance
practices,
the internal
governance
policies are well
documented



Read more on "Risk
Factors" on page 90

(ii) establishing a representative office of ATL in Jakarta, Indonesia; and (iii) initiating the process for creating a joint venture in Thailand to facilitate launch of a general entertainment television channel in Thai language. In addition, through its international subsidiaries, your Company has entered into joint ventures with Vodder Group AG, Sweden - to develop Video-on-demand service technology; and MirriAd, United Kingdom to develop and facilitate in-programme product placement technology in various television programmes.

Essel Vision Productions Limited, an Indian subsidiary of the Company mainly in the business of content production, formed a wholly owned subsidiary 'Eevee Multimedia Inc' to manage content production business in United States. Further, India Webportal Pvt Ltd., the digital media arm and an Indian subsidiary of the Company which owns www.india.com acquired equity stake in Idea Shop & Web Pvt Ltd., an entity which manages a web-portal www.bpbweekend.com.

Further, effective April 2014, in compliance with Telecom Regulatory Authority of India's Interconnect Regulations, viz. Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (Third Amendment) Regulation, 2014 notified on 10 February, 2014, which prohibits aggregators to bundle channels of multiple broadcasters in one bouquet, your Company and STAR had agreed to discontinue the 50:50 Joint Venture Media Pro between Star Den and Zee Turner and discontinued the joint-distribution of STAR & ZEE channels. Consequently distribution of the channels of your Company has now been taken over by one of the Indian subsidiaries Taj Television (India) Pvt. Ltd.

In view of the general exemption granted by the Ministry of Corporate Affairs in 2011, the annual accounts of the subsidiaries of the Company for the financial year ended 31 March, 2014 are not being attached with this Annual Report of the Company and certain financial highlights of the subsidiaries are disclosed in the Annual Report, as part of the Consolidated financial statements. The audited Annual Accounts and related information of the subsidiaries will be made available, upon request by any shareholder of the Company, for inspection at the registered office.

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

EMPLOYEES STOCK OPTION SCHEME

Your Company has not granted any stock options during the year. Details of options granted till 31 March, 2014 and other disclosures as required under Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('SEBI Guidelines') are set out in the Annexure to this Report. During the year under review, your company had issued and allotted to the Option Grantees 6,491,000 Equity Shares of ₹ 1 each upon exercise of the Stock Options by option grantees. As at the close of 31 March, 2014, there are no stock options outstanding.

The Statutory Auditors of the Company M/s. MGB & Co., Chartered Accountants have certified that the Company's Stock Option Scheme has been implemented in accordance with SEBI Guidelines and the resolution passed by the shareholders.

HUMAN RESOURCES

Being in the business of creativity and business of people, to ensure sustainable business growth and become future ready, over the years your Company has been focusing on strengthening its talent management and employee engagement processes and through the Financial Year 2014, organisation's engagement scores has improved to highest percentile in the entertainment sector. Your Company continues to build talent pipeline by hiring fresh talent from renowned campuses and nurturing them and identifying / training top performing resources. Your Company

has institutionalised the people philosophy framework SAMWAD to ensure that, as part of key objectives, people managers deliver on organisation's expectations of managing outcome and developing people by being focused on their strengths.

PUBLIC DEPOSITS

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 58A and Section 58AA of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975, was outstanding as on the date of the Balance Sheet.

CORPORATE GOVERNANCE

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Clause 49 of the Listing Agreement. Your Company is committed to maintain best corporate governance practices, the internal governance policies are well documented and the Company has put in place a formalised system of Corporate Governance setting out the structure, processes and practices of governance within the Company and its subsidiaries. Given the emerging pivotal role of Independent Directors in bringing about good governance, your Company continues its efforts in (i) selecting experienced professionals from various fields as Independent Directors; (ii) seeking optimum utilisation of their expertise, and (iii) involving them in all critical decision making processes.

A separate detailed report on Corporate Governance together with the Statutory Auditors' Certificate on compliance is attached to this Annual Report. Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

As per Clause 55 of the Listing Agreements entered into with the Stock Exchanges, and as mandated by the Securities and Exchange Board of India (SEBI), a Business Responsibility Report for the year ended 31 March, 2014 is attached and forms part of this Annual Report. The said Business Responsibility Report will also be available on the Company's website www.zeetelevision.com as part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

As part of the Corporate Social Responsibility (CSR) activities handled at a unified and centralised level in Essel Group, your Company has been following the strategy that enables realisation of twin goals of shareholder value enhancement and societal value creation based on a belief that a business cannot succeed in a society that fails and therefore it is imperative for business houses, to invest in the future by taking part in social building activities. In line with recent regulatory guidelines and in order to align the Company's operations with the objective of inclusive growth and to integrate CSR programmes with the business value chain, your Company is in the process of formulating a fresh CSR Policy. Requisite particulars of CSR activities handled by the Company during financial year 2013-14 forms part of Business Responsibility Report.

DIRECTORS

During the year under review, your Board inducted Prof Sunil Sharma and Prof (Mrs) Neharika Vohra as Additional Directors of the Company in the category of Independent Directors and Mr Subodh Kumar, IAS (Retd) as an Additional Director. Mr Subodh Kumar was subsequently appointed as a Whole-time Director designated as Executive Vice Chairman of the Company for a period of 3 years with effect from 1 February, 2014. In terms of Section 161 of the Companies Act 2013 (corresponding Section 260 of the Companies Act 1956) they shall hold office up to the date of the ensuing Annual General meeting. The Company has received notices in writing along with deposit

DIRECTORS' REPORT

pursuant to Section 160 of Companies Act, 2013, proposing appointment of Prof Sunil Sharma, Prof Neharika Vohra and Mr Subodh Kumar as Directors of the Company. Your Board has recommended appointment of Prof Sunil Sharma and Prof Neharika Vohra as Independent Directors not liable to retire by rotation for a period of 3 years from their respective date(s) of appointment. Your Board has also recommended appointment of Mr Subodh Kumar as Director and Executive Vice Chairman of the Company for a period of 3 years with effect from 1 February, 2014.

Dr Subhash Chandra, Non-Executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible he has offered himself for re-appointment. Your Board has recommended his re-appointment.

In accordance with the earlier decision of the Board restricting the term of Independent Directors in the Company, Dr M Y Khan one of the Independent Directors of the Company resigned as a Director of the Company as at the close of 31 March, 2014. Your Board places on record its deep sense of appreciation for the contribution made by Dr Khan during his tenure as the Independent Director of the Company.

As per the provisions of Companies Act, 2013, Independent Directors are required to be appointed for a term of maximum of 5 (five) consequent years and Independent Directors shall not be liable to retire by rotation. Accordingly, Lord Gulam Noon, Director, who was earlier appointed as an Independent Director liable to retire by rotation and retiring at the ensuing AGM as per the terms of his earlier appointment, is proposed to be appointed as an Independent Director not liable to retire by rotation for a period of 3 years until 31 March, 2017. Your Board recommends the said appointment.

Brief resume and details of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting are included in the Corporate Governance Report.

AUDITORS

The Statutory Auditors M/s MGB & Co., Chartered Accountants, Mumbai, having Firm Registration No 101169W, holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014. Your Board is of the opinion that continuation of M/s MGB & Co., Statutory Auditors during FY 2014-15 will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till next Annual General Meeting at remuneration as may be decided by the Board.

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

Your Company is into the business of Broadcasting of General Entertainment Television Channels. Since this business does not involve any manufacturing activity, most of the Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

However the information, as applicable, are given hereunder:

Conservation of Energy:

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

Your Directors
value the
professionalism
and commitment
of all employees
of the Company
and place on
record their
appreciation.



Read more on “Summary
of our Consolidated
Financials” on [page 96](#)

Technology Absorption:

In its endeavor to deliver the best to its viewers and business partners, your Company is constantly active in harnessing and tapping the latest and best technology in the industry.

Foreign Exchange Earnings and Outgo:

Particulars of foreign currency earnings and outgo during the year are given in Note 38 to 40 of the Notes to the Accounts forming part of the Annual Accounts.

PARTICULARS OF EMPLOYEES

Your Company had 1826 employees as at 31 March, 2014. In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in an annexure to this Report. However, in terms of Section 219(1)(b)(iv) of the said Act, the annexure is not forming part of this Report and any shareholder interested in obtaining copy of the same may write to the Company Secretary.

ACKNOWLEDGEMENTS

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company and its subsidiaries across the world at all levels that has contributed to your Company's success and remain in the forefront of media and entertainment business. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Foreign Investment Promotion Board, the Stock Exchanges and Depositories and other stakeholders including viewers, producers, vendors, financial institutions, banks, investors and service providers.

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

R Vaidyanathan
Director

Place : Mumbai
Date : 21 May, 2014

ANNEXURE TO THE DIRECTORS' REPORT

Statement as at 31 March, 2014 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

a)	Details of Options Granted and Exercise Price per Option	No options were granted during the Financial Year 2013-14
b)	Pricing Formula	The pricing formula as approved by the Shareholders of the Company, shall be the "market price" as per the SEBI Guidelines i.e. the latest available closing price prior to the date of grant of option at the Stock Exchange where there is highest trading volume
c)	Total number of Options vested	6,548,800
d)	Total number of Options exercised	6,491,000
e)	Total number of Equity Shares of ₹ 1/- each arising as a result of exercise of Options	6,491,000
f)	Total number of Options lapsed (during the year)	57,800
g)	Variation of terms of Options	Nil
h)	Money realised by exercise of Options	₹ 778,270,900
i)	Total number of Options in force	Nil
j)	Details of Options granted to	
	(i) Senior Managerial Personnel	No options granted during the year
	(ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of the Options granted during that year	None
	(iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None
k)	Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share'.	₹ 7.94 (Diluted EPS after exceptional item)
l)	Difference, if any, between employee compensation cost (calculated using the intrinsic value of stock option) and the employee compensation cost (calculated on the basis of fair value of options)	The issuance of the equity shares upon exercise of option shall not affect the Profit & Loss account of the Company, as the Pricing formula as approved by the Shareholders of the Company is the Market Price as per SEBI Guidelines i.e. latest available closing price prior to the date of grant of option at the Stock Exchange where there is highest trading volume.

m) Weighted-average exercise prices and weighted-average fair values of options, separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable
n) A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information	Not Applicable
(i) Risk-free interest rate	
(ii) Expected life	
(iii) Expected volatility	
(iv) Expected dividends	
(v) The price of the underlying share in market at the time of option grant	

A certificate received by the Company from the Statutory Auditors of the Company M/s MGB & Co., Chartered Accountants, Mumbai to the effect that the Stock Option Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders, will be placed before the Annual General Meeting and a copy of the same shall be available for inspection by the Members at the Registered Office of the Company on all working days (other than Saturdays) up to the date of the ensuing Annual General Meeting.

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

R Vaidyanathan
Director

Place : Mumbai
Date : 21 May, 2014

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING SUBSIDIARY COMPANIES

Name of the Subsidiary Company	The financial Year of the Subsidiary Company ended on	Holding Company	Extent of Holding Company's Interest	Face value of equity shares (per share)	Number of equity shares held by the Holding Company and/or its subsidiaries	Net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of the Holding Company and is dealt with in accounts of Holding Company	Net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of the Holding Company and is not dealt with in accounts of Holding Company		
(1)	(2)	(3)	(4)	(5)	(6)	(7) (Amt. In 'Million) For the financial year ended on 31 March, 2014	(8) (Amt. In 'Million) For the previous financial years of the subsidiary since it became a subsidiary	(9) (Amt. In 'Million) For the financial year ended on 31 March, 2014	(10) (Amt. In 'Million) For the previous financial years of the subsidiary since it became a subsidiary
Taj Television (India) Private Limited	31/03/2014	ZEEL	100%	₹ 100/-	10,000			₹ 71	₹ 72
Zee Turner Limited	31/03/2014	ZEEL	74%	₹ 10/-	74,000			₹ 54	₹ 93
Zee Sports Limited	31/03/2014	ZEEL	100%	₹ 10/-	50,000			₹ (2)	₹ (2)
Essel Vision Productions Limited (EVPL)	31/03/2014	ZEEL	100%	₹ 10/-	3,010,000			₹ 83	₹ (22)
India Webportal Private Limited	31/03/2014	ZEEL	51%	₹ 1/-	241,254,144			₹ (36)	₹ (69)
Asia Today Limited (ATL)	31/03/2014	ZEEL	100%	US\$ 1	583			US\$ 11	US\$ 16
Expand Fast Holdings (Singapore) Pte. Limited	31/03/2014	ATL	100%	US\$ 1	100,000			US\$ 0	US\$ 0
Zee Multimedia (Maurice) Limited	31/03/2014	ATL	100%	MUR 1	1,000			(MUR 4)	MUR 1
Zee TV South Africa (Proprietary) Limited	31/03/2014	ATL	100%	RAND 1	1			RAND (7)	RAND (8)
Zee Telefilms Middle East FZ-LLC	31/03/2014	ATL	100%	AED 1,000	2,500			AED 7	AED (1)
ATL Media FZ-LLC^	31/03/2014	ATL	100%	AED 1,000	50			AED (0)	-
Zee Technologies (Ghuangzhou) Limited	31/03/2014	ATL	100%	YUAN 1	11,300,000			(YUN 1)	YUN 0
Taj TV Limited	31/03/2014	ATL	100%	US\$ 1,000	16,950			US\$ 4	US\$ 1
Zee Multimedia Worldwide (Mauritius) Limited (ZMWL)	31/03/2014	ZEEL	100%	US\$ 1	56,796,292			US\$ 1	US\$ 1

Name of the Subsidiary Company	The financial Year of the Subsidiary Company ended on	Holding Company	Extent of Holding Company's Interest	Face value of equity shares (per share)	Number of equity shares held by the Holding Company and/or its subsidiaries	Net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of the Holding Company and is dealt with in accounts of Holding Company	Net aggregate amount of profits / (losses) of the subsidiary so far as it concerns the members of the Holding Company and is not dealt with in accounts of Holding Company
(1)	(2)	(3)	(4)	(5)	(6)	For the financial year ended on 31 March, 2014	For the previous financial years of the subsidiary since it became a subsidiary
						(Amt. In 'Million)	(Amt. In 'Million)
						(7)	(8)
						(9)	(10)
Asia TV Limited (Asia TV)	31/03/2014	ZMWL	100%	GBP 1	16,438,900	GBP 0	GBP 0
OOO Zee CIS LLC	31/03/2014	Asia TV & OOO Zee CIS Holding LLC	100%	RUB 1	12,000	RUB 6	RUB 1
Zee TV USA, Inc.	31/03/2014	ZMWL	100%	US\$.01	2	-	US\$ 1
EEVEE Multimedia, Inc^	31/03/2014	EVPL	100%	US\$ 1	250,000	US\$ (0)	-
OOO Zee CIS Holding LLC	31/03/2014	Asia TV	100%	-	-	-	-

Note:
[^] Incorporated during the year

For and on behalf of the Board

Place : Mumbai

Date : 21 May, 2014

R. Vaidyanathan

Director

Punit Goenka

Managing Director & CEO

REPORT ON CORPORATE GOVERNANCE

COMPANY'S GOVERNANCE PHILOSOPHY

The convergence of governance practices brings to the fore the critical role played by the Board to ensure governance framework enjoins far higher level of transparency and effective governance standards to enhance the competitiveness and to protect long term interests of all stakeholders. Corporate Governance, which assumes great deal of importance at Zee Entertainment Enterprises Limited (ZEE), is intended to ensure consistent value creation for all its stakeholders. ZEE believes that the governance practices must ensure adherence and enforcement of the sound principles of Corporate Governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations. The Board is committed to achieve and maintain highest standards of Corporate Governance on an ongoing basis. In its endeavor to improve all aspects of Corporate Governance, ZEE Board has approved and implemented a comprehensive Corporate Governance Manual, containing guidelines covering decision making, authority levels, the policies and processes, which provide an effective and flexible governance framework in the Company realising the need to ensure an effective mechanism of checks and balances with transparency and accountability as the hallmark.

BOARD OF DIRECTORS

Composition and Category of Directors

ZEE has a balanced Board with combination of Executive and Non-Executive Directors to ensure independent functioning and the current composition of the Board is in conformity with extant Clause 49 (I)(A) of the Listing Agreements. Non-Executive Directors include independent professionals with experience in business, finance, strategy, technology and media. Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Clause 49.

Composition of the Board as at the close of 31 March, 2014

Category of Directors	No of Directors	Percentage to total no of Directors
Executive Director(s)	2	25
Non-Executive Independent Directors	4	50
Other Non-Executive Directors	2	25
Total	8	100

Board Meetings & Procedures

During the financial year under review, 7 (seven) meetings of the Board were held on 22 May, 2013, 14 June, 2013, 25 July, 2013, 21 October, 2013, 17 December, 2013, 22 January, 2014 and 12 March, 2014. The intervening period between any two Board Meetings were well within the maximum time gap of 4 months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each financial year. The Board meets atleast once a quarter to review the quarterly performance and financial results of the Company.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings detailed above held during the Financial year 2013-14 and also their other Directorships/Chairmanship held

in Public Companies (excluding Foreign Companies and Section 25 Companies) and Membership/ Chairmanship of Audit Committee & Share Transfer Committee of other Public Companies as at 31 March, 2014 are as under:

Name of Director	Attendance at		No of Directorship		No of Committee	
	Board Meeting	31 st AGM	in other public		positions held in other	
	(Total 7	held on	companies as		public companies as	
	Meetings)	25.07.13	Member	Chairman	Member	Chairman
Non-Executive Independent Director						
Gulam Noon	5	Yes	-	-	-	-
M. Y. Khan*	7	Yes	-	-	-	-
R. Vaidyanathan	7	Yes	4	-	-	1
Sunil Sharma#	2	NA	-	-	-	-
Neharika Vohra@	1	NA	-	-	-	-
Promoter Non-Executive Director						
Subhash Chandra	6	Yes	1	4	-	-
Ashok Kurien	5	No	1	-	1	1
Executive Director						
Subodh Kumar#	2	NA	3	1	1	-
Punit Goenka	7	Yes	8	-	1	3

* Resigned as Director from the Board as at the close of 31 March, 2014.

Appointed as Additional Directors w.e.f. 22 January, 2014

@ Appointed as Additional Director w.e.f 12 March, 2014

The Board Meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the Registered and Corporate office of the Company at Mumbai. The Company Secretary in consultation with Chairman, and the Managing Director & Chief Executive Officer finalises the agenda of the Board meetings. All major agenda items, backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter at the meeting for consideration by the Board. Senior management personnel are invited from time to time to the Board meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

Brief profile of the Directors of the Company to be appointed/re-appointed at the Annual General Meeting

Dr Subhash Chandra, 63, Non-Executive Chairman of Zee Entertainment Enterprises Limited (ZEE) and promoter of the Essel Group of Companies is among the leading lights of the Indian industry. A self-made man, Mr. Chandra has consistently demonstrated his ability to identify new businesses and lead them on the path to success.

REPORT ON CORPORATE GOVERNANCE

Dr Chandra who is referred to as the Media Moghul of India, revolutionised the television industry by launching the country's first satellite Hindi channel Zee TV in 1992 and later the first private news channel, Zee News. The ZEE Network today has over 730 Million viewers in 169 countries offering a rich bouquet of channels in general entertainment, sports, lifestyle, movies, english and regional genres and alternative lifestyles having both, local and international presence. Aiming to reach a billion viewers by the year 2020, ZEE is all set to join the league of Emerging Market Multinationals. His bouquet of businesses includes television networks (ZEE & ZMCL), a newspaper chain (DNA), cable systems (Siticable), Direct-to-Home (Dish TV), Satellite Communications (Agrani and Procall), Theme parks (EsselWorld and Water Kingdom), Online gaming (Playwin), Education (Zee Learn), Flexible packaging (Essel Propack), Infrastructure development (Essel Infraprojects) and Family Entertainment centres (Fun Cinemas). Credited with tremendous business astuteness, Dr Chandra has charted a course of growth and success, unparalleled in business history. All of Dr Chandra's ventures are path-breaking in nature, be it the Essel Propack, which is the largest speciality packaging company in the world; Asia's largest amusement park Essel World; or the first satellite television in India (Zee TV).

Dr Chandra has been recipient of numerous industry awards and civic honors including (a) Entrepreneur of the Year (Ernst & Young) [1998]; (b) Businessman of the Year (Business Standard) [1999]; (c) Enterprising CEO of the Year (International Brand Summit) [1999]; (d) Global Indian Entertainment Personality of the Year by FICCI [2004]; (e) Lifetime Achievement Award at the CASBAA Convention [2009]; (f) Hall of Fame for continuing contribution to industry in Entrepreneurs category at the INBA [2010]; and (g) International Emmy Directorate Award [2011]. Mr. Chandra became the first Indian ever to receive a Directorate Award recognising excellence in television programming outside the United States. He has also been awarded the Honorary Doctorate of Business Administration by the University of East London.

Dr Chandra has made his mark as an influential philanthropist in India. He has set up TALEEM (Transnational Alternate Learning for Emancipation and Empowerment through Multimedia) to provide access to quality education through distance and open learning. He is also the Chairman of the Ekal Vidyalaya Foundation of India — a movement to eradicate illiteracy from rural and tribal India. The Foundation provides free education to nearly 1 Million tribal children across 36,783 villages through one-teacher schools. He is also the moving force behind the Global Vipassana Foundation — a trust set up to help people raise their spiritual quotient.

Apart from the Company Dr Chandra holds directorship in five (5) other Indian Public Limited Companies viz. Dish TV India Limited, Essel Infraprojects Limited, Essel Propack Limited, Siti Cable Network Limited and Zee Media Corporation Limited. Dr. Subhash Chandra also holds directorship in a Section 25 Company viz., Adhikaar Foundation.

Dr Chandra does not hold any securities of the Company in his name as at 31 March, 2014.

Mr Subodh Kumar, 62, Executive Vice Chairman of Zee Entertainment Enterprises Limited had one of the most illustrious careers in the Indian Administrative Service spanning 35 years, heading various key government agencies with stellar integrity and transparency. Mr Subodh Kumar, a 1977 batch IAS officer was Municipal Commissioner of Greater Mumbai Municipal Corporation as his last assignment and he has earlier served in the Departments of Telecommunication, Ministry of Industry, Ministry of Textile in the Government of India and also served as Commissioner of Sales Tax, Commissioner of State Excise as well as Principal Secretary - Finance Department in the Government of Maharashtra. Besides being Director on Public Sector Undertakings, he had also been the Managing Director of Maharashtra State Seeds Corporation. Mr. Kumar has had many noticeable contributions to the areas of his work and most notably making modifications to the Development Control Regulations thereby drastically reducing the manipulation in building industry. Mr Kumar holds M.Sc in Physics and several diplomas and management certificates from IIM-A, IIM-B, IIM-C, Harvard Business School, IDS Sussex, IMF amongst other Ivy League institutions.

Apart from the Company, Mr. Subodh Kumar currently holds directorship in four (4) other Indian Public Limited Companies viz. Zee Learn Limited, Siti Cable Network Limited, Essel Infraprojects Limited, Essel Utilities Distribution Company Limited. Mr. Subodh Kumar is also a director in Essel Finance Portfolio Managers Private Limited, Capstar Private Limited and is a designated partner in Essel Finance Advisors and Managers LLP.

As on 31 March, 2014, Mr. Subodh Kumar does not hold any securities in the Company.

Prof. Sunil Sharma, 46, Non-Executive Independent Director of Zee Entertainment Enterprises Limited is a faculty at IIM Ahmedabad and did his Doctorate in Business Policy (Strategic Management)

Prof. Sunil Sharma worked in Corporate Sector for 16 years before he shifted to academia and joined IIM Ahmedabad. His past corporate stints were with McKinsey & Company, ONGC and NTPC. As a consultant he has advised organisations – both Indian and MNCs – operating in Oil & Gas, Telecom, Health and Mining Sectors in the areas of change management, organisation structure, cost optimisation, financial transformation, sales force productivity enhancement, strategy and leadership development and as a corporate professional, he has led teams in operations, maintenance, purchase, performance management and planning functions.

His research interests are in the areas of capability building, strategic decision making, entrepreneurship, risk and uncertainty, innovation, organisation, learning, leadership and management consulting. He has presented papers in leading international conferences and his work on capability building and growth challenges has been published in international journals.

Apart from the Company Prof. Sharma does not hold directorship in any other Indian Public Limited Companies.

As on 31 March, 2014, Prof. Sharma does not hold any securities in the Company.

Prof (Mrs) Neharika Vohra, 47, Non-Executive Independent Director of Zee Entertainment Enterprises Limited is a Professor in Organisational Behaviour at IIM Ahmedabad, holds two post-graduate degrees and first ranker in Graduation and Post-graduation in Psychology in India. She also holds Ph.D in Social Psychology from University of Manitoba, Canada.

Prof (Mrs) Neharika Vohra has vast experience of over 22 years in MBA teaching, executive education, leadership development programs etc and has authored various books and research papers in top international journals such as Science, American Psychologist, and Journal of Personality and Social Psychology. She has been recipient of various awards and recognition in her professional field including 'Best Teacher Award' by University of Manitoba, 'Young Psychologist Award' by International Union of Psychologists, 'Learning Luminary Award' by OD Roundtable and 'Woman Achievers Award' by FICCI Ladies organisation.

Apart from the Company Prof (Mrs) Vohra does not hold directorship in any other Indian Public Limited Companies.

As on 31 March, 2014, Prof (Mrs) Vohra does not hold any securities in the Company.

Lord Gulam Noon MBE, 78, Non-Executive Independent Director of the Company, a British National, is an accomplished entrepreneur, who founded Bombay Halwa, engaged in the business of manufacturing Indian confectionary, Indian savories and aviation catering. Currently he is Chairman & Managing Director of Bombay Halwa and Chairman of Noon Group of Companies. In 1988, Lord Noon founded Noon Products Limited (now a member of Kerry Foods Limited), a Company engaged in the business of frozen and chilled ethnic food specialists, supplying to supermarket chains under their own labels. The Noon Brand range of frozen ready meals is also supplied to outlets in the UK and worldwide. Lord Noon has been presented various prestigious awards, like Pravasi Bharatiya Samman Award - Gold Medal - presented by Mr. A. P. J. Abdul Kalam, Honour of Knighthood & Honour of MBE (Member of the Order of the British Empire), conferred by Her Majesty the Queen, for his services

REPORT ON CORPORATE GOVERNANCE

to industry. Lord Noon holds five Honorary Degrees from various leading British universities and was named as Asian of The Year in 1994.

Apart from the Company, Lord Noon does not hold directorship in any other Indian Public Limited Companies.

As at 31 March, 2014, Lord Noon holds 40,000 Equity Shares and 8,40,000 Preference Shares in the Company.

Code of Conduct

The Company has instituted a Code of Conduct for Members of the Board and Senior Management of the Company and the compliance of the same is affirmed by the Board and Senior Management Personnel annually. The Code has also been posted on Company's corporate website viz. www.zeetelevision.com.

A declaration affirming compliance with the Code of Conduct by the Members of the Board and Senior Management Personnel is given below

DECLARATION

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board and Senior Management' of the Company for the financial year ended 31 March, 2014.

Punit Goenka

Managing Director & CEO

Mumbai, 21 May, 2014

BOARD COMMITTEES

The Board has constituted various Committees of Directors to take informed decisions in the best interest of the Company. These Committees monitor activities or provide approvals within the terms of reference.

a) Audit Committee

Terms of reference

The role and the powers of the Audit Committee are as per guidelines set out in Clause 49 of the Listing Agreement and Section 292A of Companies Act, 1956. The Committee meets periodically and inter alia reviews:

- Accounting and financial reporting process of the Company
- Audited and un-audited financial results
- Internal audit reports, risk management policies & report on internal control systems of the Company
- Discusses the larger issues that are of vital concern to the Company including adequacy of internal controls, reliability of financial statements/other management information, adequacy of provisions for liabilities and whether the audit tests are appropriate and scientifically carried out in accordance with Company's current business and size of operations.

The Audit Committee also reviews adequacy of disclosures and compliance with all relevant laws. In addition to these, in compliance with requirements of Clause 49 of the Listing Agreement, the Audit Committee reviews operations of Subsidiary Companies viz., its financial statements, significant related party transactions, statement of investments and minutes of meetings of its Board and Committees.

Audit Committee meetings are generally attended by the Managing Director & CEO, Chief Financial Officer and representative of Statutory Auditors of the Company. Internal Auditors attend Audit Committee Meetings wherein the Internal Audit reports are considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

Constitution

As at 31 March, 2014, the Audit Committee of the Board comprised of three (3) Directors and was chaired by Dr M Y Khan an Independent Director. Subsequent to resignation of Dr M Y Khan as at the close of 31 March, 2014, Prof R Vaidyanathan, an Independent Director, was appointed as Chairman of the Committee and Prof Sunil Sharma was inducted as an additional Member of the Committee with effect from 1 April 2014.

During the year under review, seven (7) meetings of the Audit Committee were held on 22 May, 2013, 14 June, 2013, 25 July, 2013, 21 October, 2013, 17 December, 2013, 22 January, 2014 and 12 March, 2014.

The details of composition of the Audit Committee, which complies with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement along with attendance of the Committee Members at the meetings held during the year under review, is as detailed herein:

Name of Directors	Category	Number of Meetings attended
M.Y.Khan*	Non Executive – Independent	7
Ashok Kurien	Promoter – Non Executive	5
R.Vaidyanathan	Non Executive – Independent	7
Sunil Sharma#	Non Executive – Independent	NA

* Resigned from the Board as at the close of 31 March, 2014.

Appointed with effect from 1 April 2014

b) Remuneration Committee

Terms of reference

The terms of reference of the Remuneration Committee, inter alia, consists of reviewing the overall compensation policy, service agreements, performance incentive and other employment conditions of Whole-Time Director(s). The recommendations of the Remuneration Committee are considered and approved by the Board of Directors, subject to the approval of the shareholders, where necessary. Additionally the Remuneration Committee has been vested with the powers for administration and implementation of ZEEL – Employees Stock Option Scheme – 2009. The Company Secretary is the Secretary to the Committee.

Constitution

As at 31 March, 2014, the Remuneration Committee comprised of three (3) Directors, with Dr M.Y Khan an Independent Director as Chairman of Remuneration Committee, who resigned as at the close of 31 March, 2014.

During the year under review, 2 (two) meetings of the Remuneration Committee were held on 22 January, 2014 and 25 March, 2014

REPORT ON CORPORATE GOVERNANCE

The details of composition of the Remuneration Committee along with attendance of the Committee Members at the meetings held during the year under review, is as detailed herein:

Name of Directors	Category	Number of Meetings attended
M Y Khan*	Non Executive – Independent	2
Subhash Chandra	Promoter – Non Executive	2
Ashok Kurien	Promoter – Non Executive	2

* Resigned from the Committee as at the close of 31 March, 2014.

Remuneration payable to Executive Directors

Your Board currently comprise of Mr. Punit Goenka, Managing Director & Chief Executive Officer of the Company, who was appointed on contractual basis in terms of resolution passed by the shareholders at the Annual General Meeting held on 29 October, 2010 for period of 5 years with effect from 1 January, 2010. In January 2014, your Board had, subject to approval of the members at the ensuing Annual General Meeting, approved appointment of Mr. Subodh Kumar, IAS (Retd) as Whole-time Director designated as Executive Vice Chairman of the Company for a period of 3 years with effect from 1 February, 2014.

The remuneration paid to Whole time Directors is subject to the limits laid down under Sections 198, 269 read with Schedule XIII of the Companies Act, 1956 and/or Sections 197 read with Schedule V of the Companies Act, 2013. Their remuneration is recommended by the Remuneration Committee based on factors such as the Company's performance and performance/track record of the Whole-time Directors. The elements of the remuneration package comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, personnel allowance, leave travel allowance, club membership / facilities, use of chauffeur driven Company car, telecommunication facilities at residence and other perquisites and allowances including Company's contribution to provident fund, gratuity and leave encashment facilities in accordance with rules of the Company.

The annual increments and performance bonus/incentive of the Whole time Directors are linked to their performance and are decided by the Remuneration Committee.

The details of the remuneration paid to Whole time Directors of the Company during the year ended 31 March, 2014 is as under:

Particulars	(₹ in Million)	
	Mr. Subodh Kumar (Executive Vice Chairman)	Mr Punit Goenka (Managing Director & CEO)
Salary & Allowances	4.30*	39.78
Perquisites	0	7.20
Provident Fund Contribution	0	3.72
Total	4.30*	50.70

* For the period 1 February, 2014 till 31 March, 2014

Remuneration payable to Non-Executive Directors

The Non-Executive Directors are paid sitting fee at the rate of ₹ 20,000 for attending each meeting(s) of the Board and Committees thereof, other than Share Transfer & Investors Grievances Committee.

Additionally, the Non-Executive Directors are entitled to remuneration up to an aggregate limit of 1% of net profits of the Company by way of Commission for each financial year, as approved by the Members at the Annual General Meeting held on 29 October, 2010. Within the aforesaid limit, the commission payable is determined by the Board based inter alia on the performance of, and

regulatory provisions, applicable to the Company. As per the current remuneration policy, the Company pays equal amount of commission to Non-executive Directors on a pro-rata basis.

Details of the remuneration paid/payable to the Non-Executive Directors of the Company for Financial year 2013-2014 are as under:

(₹ in Million)			
Name of Director	Sitting Fees Paid	Commission Payable	Total
Subhash Chandra	0.18	2.000	2.180
Ashok Kurien	0.26	2.000	2.260
Gulam Noon	0.10	2.000	2.100
M Y Khan	0.34	2.000	2.340
R. Vaidyanathan	0.28	2.000	2.280
Sunil Sharma#	0.04	0.378	0.418
Neharika Vohra#	0.02	0.110	0.130
Total	1.22	10.488	11.708

Pro-rata payment for the period from respective date of appointment until 31 March, 2014

During the year, some of the Independent Directors exercised their stock options which were earlier granted to them, upon which the Company has issued Equity Shares as per ESOP Scheme approved by the Members earlier. Details of Equity Shares issued to Independent Directors upon exercise of Stock Options are as detailed herein:

Name of Director	No of Stock Options Granted	No of Equity Shares issued
Gulam Noon	40,000	40,000
M Y Khan	40,000	40,000
R Vaidyanathan	40,000	40,000
Total	120,000	120,000

All Stock options issued to Independent Directors and outstanding as at 1 April, 2013 have been exercised and there are no outstanding stock options, as at 31 March, 2014

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in normal course of business.

c) Share Transfer and Investors Grievance Committee

Terms of reference

Terms of reference of the Share Transfer and Investor Grievance Committee are to supervise and ensure efficient transfer of shares and proper and timely attendance of investors' grievances. The Committee has delegated the power of approving requests for transfer, transmission, rematerialisation, and dematerialisation etc of shares of the Company to the executives of the Secretarial Department in the Company.

Constitution

The Share Transfer and Investor Grievance Committee currently comprises of (2) two Directors viz. Mr. Ashok Kurien, Non Executive Director as Chairman and Mr. Punit Goenka, Managing Director & CEO as the Member. During the year under review, Share Transfer and Investors Grievance Committee met four (4) times on 8 April, 2013, 10 July, 2013, 11 October, 2013 and 7 January, 2014. These meetings were attended by all Committee Members.

Mr. M. Lakshminarayanan, Chief Compliance Officer & Company Secretary is the Compliance Officer of the Company.

REPORT ON CORPORATE GOVERNANCE

Details of number of requests/complaints received and resolved during the year ended 31 March, 2014, are as under:

Nature of Correspondence	Received	Replied/ Resolved	Pending
Non-receipt of Dividend Warrant(s)	14	14	-
Non-receipt of Certificates	1	1	-
Letter received from SEBI/Stock Exchanges	9	9	-
Non-receipt of Annual Report	14	14	-
Total	38	38	-

OTHER BOARD COMMITTEES

In addition to the above, the Board has constituted following Committees to exercise powers delegated by the Board as per the scope mentioned herein:

(i) Nomination Committee

With a view to determine and recommend (a) appropriate criteria, expertise and skills for the Board membership of the Company; (b) the framework for evaluation of performance of the Board and the Directors; and (c) recommend appointment of Directors, the Board has constituted a Nomination Committee, comprising of Dr Subhash Chandra as Chairman and Mr Ashok Kurien and Dr M Y Khan as its Members. Dr Khan resigned as a member of this committee as at the close of 31 March, 2014 consequent to his resignation as Independent Director of the Company.

ii) ESOP Allotment Sub-Committee

With a view to process and facilitate allotment of Equity Shares from time to time, upon exercise of Stock Options granted under Company's ESOP Scheme, the Remuneration Committee had constituted an ESOP Allotment Sub-Committee comprising of Mr Ashok Kurien, Non-Executive Director and Mr Punit Goenka, Managing Director & CEO as its Member.

iii) Finance Sub-Committee

With a view to facilitate monitoring and expediting any debt fund raising process, approve financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered and exercising such other authorities as may be delegated by the Board from time to time, the Board has constituted a Finance Sub-Committee comprising of Dr M. Y. Khan as Chairman and Mr Ashok Kurien and Mr. Punit Goenka as its Members. Dr Khan resigned as a member of this committee as at the close of 31 March, 2014 consequent to his resignation as Independent Director of the Company.

iv) Corporate Management Committee

The Board has also constituted a Corporate Management Committee comprising of Senior Executives of the Company including the Managing Director and CEO of the Company, to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the limits delegated by the Board.

These Committees meet as and when required to deliberate and decide on various matters within their respective scope or powers delegated by the Board.

Subsequent to coming into effect of most of the provisions of Companies Act, 2013 from 1 April 2014 and Clause 49 of Listing Agreement from 1 October, 2014, the Board is in the process of reorganising various Board committees and revising the terms of reference of such committees as required.

GENERAL MEETINGS

The 32nd Annual General Meeting of the Company for the Financial Year 2013-14 will be held on Friday, 18 July, 2014 at 11.00 a.m. at 'Nehru Auditorium', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

The location, date and time of the Annual General Meetings held during last 3 years along with Special Resolution(s) passed at these meetings are:

Year	Date and Time	Special Resolutions passed	Venue
2012-13	25.07.2013 -11 a.m.	Increase in FII investment Limits in the Company under Portfolio Investment Scheme	Nehru Auditorium, Nehru Centre Dr. Annie Besant Road, Worli, Mumbai 400 018.
2011-12	20.07.2012 -11 a.m.	None	'Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
2010-11	10.08.2011 -11 a.m.	None	Nehru Auditorium, Nehru Centre Dr. Annie Besant Road, Worli, Mumbai 400 018.

All the above resolutions were passed with requisite majority.

No Special resolution was passed through Postal Ballot during the Financial Year 2013-14. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

Disclosures

There are no materially significant related party transactions between the Company and its promoters, directors or management personnel or their relatives, having any potential conflict with interests of the Company at large. Transactions with related parties are disclosed elsewhere in the Annual Report.

There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any statutory authority on any matter relating to capital markets, during the last three years.

Compliance with Non-Mandatory requirements

The Company has complied with all mandatory requirements of Clause 49 of Listing Agreement(s). The status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement are as detailed hereunder:

Remuneration Committee – The Company has setup a Remuneration Committee to recommend/ review overall compensation policy, service agreements and other employment conditions of Whole-time Directors and to administer Company's Employee Stock Option Scheme .

Whistle Blower Policy – The Board of Directors of the Company have approved the Whistle Blower Policy, pursuant to which employees can raise concern relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company and/or its stakeholders. As per the Whistle Blower Policy of Company, no employee has been denied access to the Audit Committee of the Board.

Audit Qualification – The financial statements of the Company are unqualified.

Chairman's Office – An office with requisite facilities is provided and maintained at the Company's expense for use by its Non-Executive Chairman. The Company also reimburses all travel and other expenses incurred in his furthering the Company's business interests.

REPORT ON CORPORATE GOVERNANCE

Means of Communication

The Company has promptly reported all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's corporate website, www.zeetelevision.com. The financial results quarterly, half yearly and annual results and other statutory information were generally communicated to the shareholders by way of an advertisement in a English newspaper viz. 'Daily News & Analysis (DNA)' and in a vernacular language newspaper viz. 'Punya Nagari (Marathi)' as per requirements of the Listing Agreement. The financial and other information are filed by the Company on NEAPS & Corporate Filing with NSE and BSE respectively.

Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's corporate website, www.zeetelevision.com.

Management Discussions and Analysis Report and Business Responsibility Report forming part of annual report are annexed separately.

AUDITORS' CERTIFICATE

To

The Members,
Zee Entertainment Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by **Zee Entertainment Enterprises Limited ('the Company')**, for the year ended 31 March, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Place : Mumbai
Date : 21 May, 2014

GENERAL SHAREHOLDER INFORMATION

The required information is provided in Shareholders' Information Section.

SHAREHOLDERS' INFORMATION

This section inter alia provides information pertaining to the Company, its shareholding pattern, means of dissemination of information, share price movements and such other information in terms of Point no. 9 of Annexure IC of Clause 49 of the Listing Agreement relating to Corporate Governance

1.	Date, Time and Venue of Shareholder's Meeting	Meeting : Annual General Meeting Day & Date: Friday, 18 July, 2014 Time : 11 a.m. Venue : Nehru Auditorium, Nehru Centre Dr. Annie Besant Road, Worli, Mumbai- 400 018
2.	Financial Year	2013-2014
3.	Date of Book Closure	12 July, 2014 to 18 July, 2014 (both days inclusive)
4.	Dividend Payment Date	On or after 23 July, 2014
5.	Registered office	Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai-400 018, India Tel: +91-22-2483 1234 Fax: +91-22-2490 0302/0213 Website : www.zeetelevision.com
6.	Corporate Identification Number	L92132MH1982PLC028767
7.	Listing on Stock Exchanges	BSE Limited (BSE) The National Stock Exchange of India Limited (NSE)
8.	Stock Code	BSE 505537(Equity) 717503 (Preference) NSE ZEEL EQ (Equity) ZEEL-P1(Preference) Reuters ZEE.BO (BSE) ZEE.NS (NSE) Bloomberg Z IN (BSE) NZ IN (NSE)
9.	ISIN No.	Equity - INE256A01028 Preference - INE256A04014
10.	Registrar & Share Transfer Agent	Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East) Mumbai-400 072, India Tel: +91-22-6772 0400, Fax: +91-22-2859 1568 E.Mail: sharepro@shareproservices.com
11.	Investor Relations Officer	Mr. Pushpal Sanghavi Zee Entertainment Enterprises Limited Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India Tel: +91-22-2483 1234, Fax: +91-22-2495 5974 E Mail: shareservice@zee.esselgroup.com

REPORT ON CORPORATE GOVERNANCE

12. Dividend

As per the terms of issue of 6 Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each, the Company had on 15 April, 2014, paid Dividend @ 6 on the Preference Shares pro-rata for the period from 6 March, 2014 to 31 March, 2014 to Preference Shareholders at the close of 31 March, 2014.

The Board of Directors have recommended payment of Equity Dividend @ ₹ 2 per share on paid up value of ₹ 1 per share i.e. 200 on the paid up equity capital of the Company and such Equity Dividend shall be payable upon approval by the Members of the Company on the outstanding capital as at the Book Closure.

Equity Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those equity shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before 11 July, 2014 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on 11 July, 2014.

Dividend for the financial year ended 31 March, 2007, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund on completion of seven years. Members who have not encashed their dividend warrant(s) issued by the Company or ETC Networks Limited (since merged with the Company) for the financial year ended 31 March, 2007, or any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

Information in respect of unclaimed dividend of the Company and ETC Networks Ltd. for the subsequent financial years and date(s) when due for transfer to Investor Education and Protection Fund is given below:

Zee Entertainment Enterprises Limited:

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEP fund
31.03.2007	17.08.2007	22.09.2014	21.10.2014
31.03.2008	23.07.2008	28.08.2015	27.09.2015
31.03.2009	18.08.2009	23.09.2016	22.10.2016
31.03.2010(Interim)	20.04.2010	21.05.2017	20.06.2017
31.03.2010 (Final)	29.10.2010	30.11.2017	29.12.2017
31.03.2011	10.08.2011	09.09.2018	08.10.2018
31.03.2012	20.07.2012	21.08.2019	20.09.2019
31.03.2013	25.07.2013	30.08.2020	28.09.2020

ETC Networks Limited:

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEP fund
31.03.2007	25.06.2007	31.07.2014	30.08.2014
31.03.2008	24.07.2008	29.08.2015	28.09.2015
31.03.2009	17.08.2009	22.09.2016	21.10.2013

13. Change of Address

Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share in dematerialised form are requested to submit their PAN, notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical

form can submit their PAN, notify the change of address/dividend mandate, if any, to the Company/Registrar & Share Transfer Agent.

14. Share Transfer System

Equity / Preference Shares sent for physical transfer or for dematerialisation are generally registered and returned within a period of 7 days from the date of receipt of completed and validly executed documents.

15. Dematerialisation of Shares & Liquidity

To facilitate trading of Equity or Preference shares of the Company in dematerialised form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on 31 March, 2014, **99.82** of the equity shares of the Company is held by **92,052** equity shareholders in the dematerialised form and the balance **0.18** is held by **858** equity shareholders in physical form and **99.82** of the preference shares of the Company is held by **91,148** preference shareholders in the dematerialised form and the balance **0.18** held by **917** preference shareholders in physical form. Entire equity and preference shareholding of the promoters in the Company is held in dematerialised form.

16. Sub-division of Shares

Pursuant to the approval of the members at the Meeting held on 25 October, 1999, the Company had sub-divided the nominal face value of its equity shares from ₹ 10 per share to ₹ 1 per share, with effect from 6 December, 1999. From this day onwards trading in equity shares of ₹ 1 each commenced and consequently the equity shares of ₹ 10 each ceased to trade on the exchanges.

For the shareholders who were holding Equity shares in physical form, the Company had sent intimation to seek exchange of the old certificates of face value of ₹ 10 each with new certificate of face value of ₹ 1 each. For the shareholders holding shares in demat form, the depositories automatically gave the effect of splitting of face value of shares by way of a Corporate action dated 23 December, 1999.

Shareholders who could not exchange their old Equity certificates earlier for the new certificates and who are desirous of exchanging the same, should write to the Company or its Registrar and Share Transfer agent requesting for sub-divided share certificate and attaching old share certificate in original.

17. Unclaimed Shares

Pursuant to Clause 5A of the Listing Agreements, details in respect of the physical shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at 1 April 2013	360	194462
Fresh undelivered cases during the financial year 2013-14	-	-
Number of shareholders who approached the Company for transfer of shares from suspense account till 31 March, 2014	2	855
Number of shareholders to whom shares were transferred from the Suspense account till 31 March, 2014	2	855
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 March, 2014	358	193607

The voting rights on the equity shares outstanding in the suspense account as on 31 March, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

REPORT ON CORPORATE GOVERNANCE

18. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ Information requests except for the cases where the Company is restrained due to some pending legal proceedings or court/ statutory orders.

It is the endeavor of the Company to reply all letters / communications received from the shareholders within a period of 5 working days.

All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given in this Shareholders Diary. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relations Officer of the Company.

19. Outstanding Convertible Securities

There are no outstanding Securities including Stock options issued by the Company and convertible into equity shares of the Company as at 31 March, 2014.

20. Share Capital Build-up

a) Equity Shares

Particulars	No. of shares issued	Date of issue
Initial shareholding at the time of change of name of the Company from Empire Holdings Ltd to Zee Telefilms Ltd	744,000	08.09.1992
Right Issue	8,928,000	15.06.1993
Public Issue	9,000,000	10.09.1993
Allotment under ESOP	160,000	09.06.1999
Allotment under ESOP	190,000	10.07.1999
Allotment under ESOP	396,880	30.09.1999
Issued for acquisition of stake in overseas Company by way of Share Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to ₹ 1 each	388,377,600	23.12.1999
Issued for acquisition of stake in Indian and overseas Company, partly, by way of Share Swap	16,127,412	24.01.2000
Allotment on Preferential basis	4,100,000	31.03.2000
Allotment on Preferential basis	3,900,000	24.04.2000
Allotment on conversion of FCCB	111,237	29.03.2006
Allotment on conversion of FCCB	111,237	10.04.2006
Allotment on conversion of FCCB	222,475	17.04.2006
Allotment on conversion of FCCB	1,288,131	15.05.2006
Allotment on conversion of FCCB	309,240	05.06.2006
Allotment on conversion of FCCB	273,645	01.08.2006
Allotment on conversion of FCCB	355,959	30.08.2006
Allotment on conversion of FCCB	7,731,027	12.09.2006
Allotment on conversion of FCCB	2,658,581	26.09.2006
Allotment on conversion of FCCB	2,431,656	09.10.2006
Allotment on conversion of FCCB	1,793,154	17.10.2006
Allotment on conversion of FCCB	709,697	08.11.2006

Particulars	No. of shares issued	Date of issue
Allotment on conversion of FCCB	2,542,897	25.11.2006
Allotment on conversion of FCCB	391,557	07.12.2006
Allotment on conversion of FCCB	131,260	05.02.2007
Allotment on conversion of FCCB	386,018	15.05.2008
Allotment on conversion of FCCB	54,328	14.06.2008
Issued to ZNL shareholders pursuant to Scheme	50,476,622	20.04.2010
Issued to ETC shareholders pursuant to the Scheme	4,413,488	23.09.2010
Issued to 9X shareholders pursuant to the Scheme	140,844	08.11.2010
Bonus Issue in ratio of 1:1	489,038,065	15.11.2010
Allotment under ESOP 2009	20,000	01.06.2011
Allotment under ESOP 2009	46,800	13.06.2011
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2011-12	19,372,853	Various dates
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2012-13	4,812,357	Various dates
Allotment under ESOP 2009	2,770,250	08.04.2013
Allotment under ESOP 2009	980,200	17.04.2013
Allotment under ESOP 2009	1,394,400	02.05.2013
Allotment under ESOP 2009	303,850	20.05.2013
Allotment under ESOP 2009	99,700	18.06.2013
Allotment under ESOP 2009	73,400	11.07.2013
Allotment under ESOP 2009	255,000	23.07.2013
Allotment under ESOP 2009	70,200	27.08.2013
Allotment under ESOP 2009	86,080	16.09.2013
Allotment under ESOP 2009	211,850	11.10.2013
Allotment under ESOP 2009	10,400	31.10.2013
Allotment under ESOP 2009	29,470	19.11.2013
Allotment under ESOP 2009	14,600	09.12.2013
Allotment under ESOP 2009	16,000	06.01.2014
Allotment under ESOP 2009	21,000	28.01.2014
Allotment under ESOP 2009	124,900	20.02.2014
Allotment under ESOP 2009	29,700	28.02.2014
Issued and Paid-up Capital as at 31 March, 2014	960,448,720	

b) Preference Shares

Particulars	No. of shares issued	Date of issue
Issued to equity shareholders of ZEEL pursuant to the Scheme as 'Bonus Preference Shares'	20,169,423,120	06.03.2014

REPORT ON CORPORATE GOVERNANCE

21. Stock Market Data Relating to Equity Shares and Preference Shares Listed in India

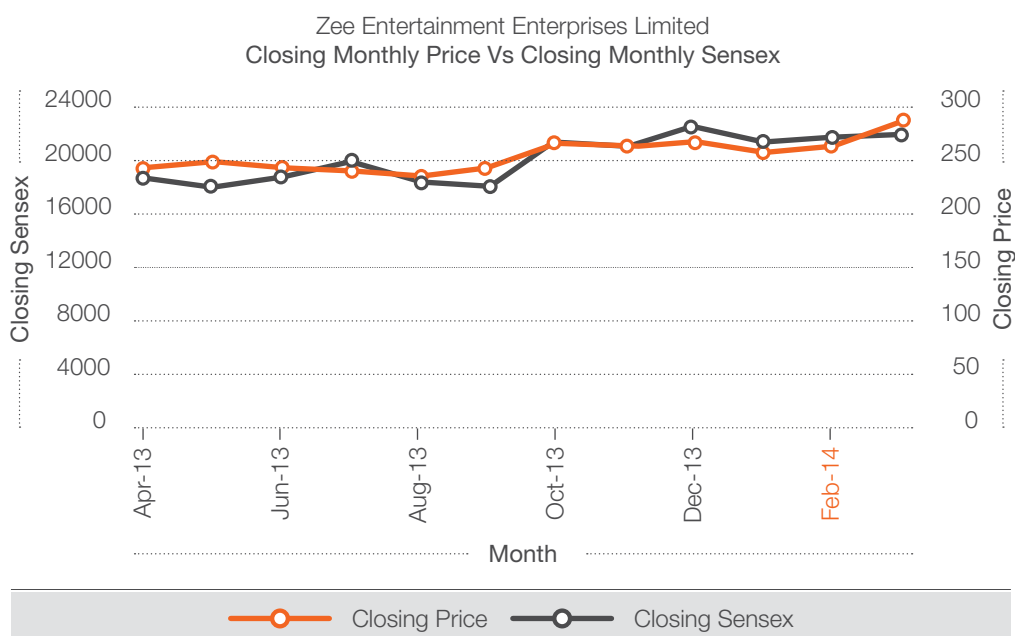
Monthly high and low quotations and volume of Equity and Preference shares traded on Bombay Stock Exchange and National Stock Exchanges for financial year 2013-2014 are:

Equity Shares	BSE			NSE		
	High(₹)	Low(₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2013	235.25	194.30	3350678	235.00	198.30	52714859
May 2013	255.20	225.15	4492865	255.20	225.05	69180095
June 2013	240.50	210.15	2830370	240.40	211.60	38770677
July 2013	267.35	231.00	7042875	267.50	233.75	54249982
August 2013	262.70	208.10	3545874	262.90	208.00	55807507
September 2013	243.70	214.40	4457213	243.80	213.90	51330280
October 2013	272.90	225.25	4436473	273.50	225.05	52401642
November 2013	284.30	248.75	2389652	284.85	249.40	41476621
December 2013	291.95	259.20	2001561	292.00	260.20	36234669
January, 2014	300.55	254.70	2186284	300.40	254.15	44332974
February 2014	279.00	256.60	7560605	279.40	255.55	67709256
March 2014	295.45	258.60	11749868	295.60	257.90	51678245

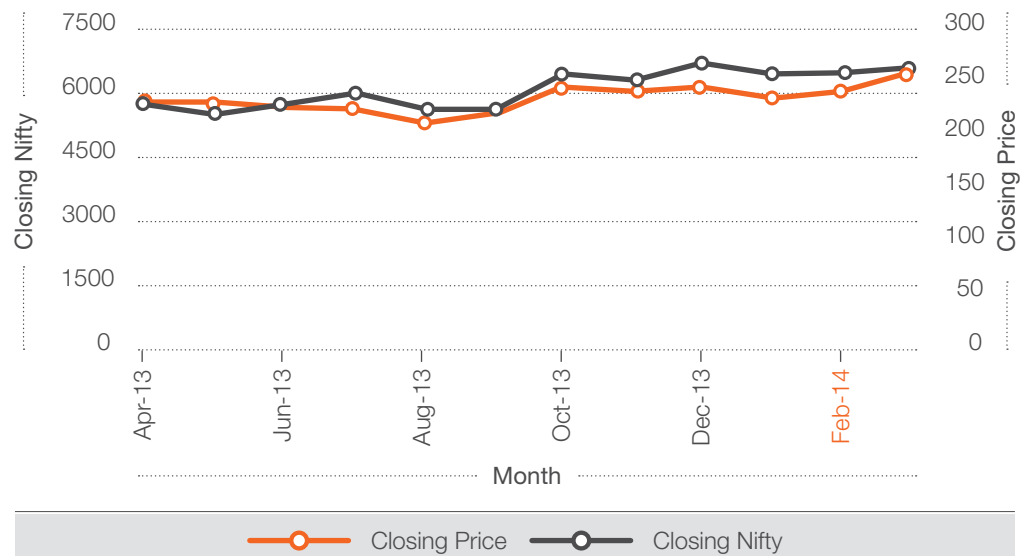
Preference Shares – the Preference shares listed on stock exchanges on 19 March, 2014

Month	BSE			NSE		
	High(₹)	Low(₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
March 2014	0.81	0.65	1,198,075,438	0.80	0.65	147,740,114

22. Relative Performance of Equity Shares Vs. BSE Sensex & Nifty Index



Zee Entertainment Enterprises Limited
Closing Monthly Price Vs Closing Nifty Index



23. Distribution of Shareholding as on 31 March, 2014

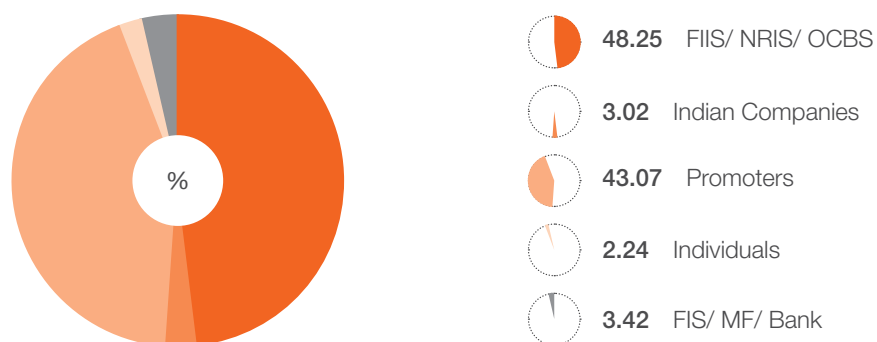
No. of Equity Share	Equity				Preference			
	Share Holders		No. of Shares		Share Holders		No. of Shares	
	Number	of Holders	Number	of Capital	Number	of Holders	Number	of Shares
Up to 5000	91,858	98.87	16,214,055	1.69	78,834	85.63	102,336,274	0.51
5001 – 10000	316	0.34	2,277,014	0.24	5,698	6.19	42,231,133	0.21
10001-20000	179	0.19	2,564,153	0.27	2,791	3.03	38,075,051	0.19
20001-30000	54	0.06	1,269,343	0.13	1,408	1.53	32,983,441	0.16
30001-40000	40	0.04	1,425,025	0.15	402	0.44	13,821,057	0.07
40001-50000	31	0.03	1,427,480	0.15	1,188	1.29	53,599,556	0.26
50001-100000	71	0.08	5,307,353	0.55	625	0.68	46,004,219	0.23
100001 and Above	361	0.39	929,964,297	96.82	1,119	1.21	19,840,372,389	98.37
Total	92,910	100	960,448,720	100	92,065	100	20,169,423,120	100

24. Categories of Shareholders as on 31 March, 2014

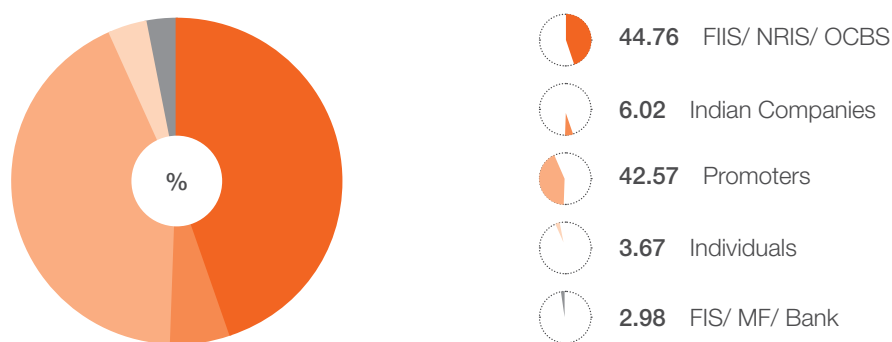
Category	Equity		Preference	
	of shareholding	No. of shares held	of shareholding	No. of shares held
Promoters	43.07	413,670,212	42.57	8,587,074,452
Individuals	2.24	21,547,250	3.67	740,126,829
Domestic Companies	3.02	29,040,022	6.02	1,215,758,242
FIs, Mutual funds and Banks	3.42	32,861,799	2.98	599,301,680
FIs, OCBs & NRI	48.25	463,329,437	44.76	9,027,161,917
Total	100.00	960,448,720	100.00	20,169,423,120

REPORT ON CORPORATE GOVERNANCE

Zee Entertainment Enterprises Limited
Equity Share Pattern as on 31 March, 2014



Zee Entertainment Enterprises Limited
Preference Share Pattern as on 31 March, 2014



25. Particulars of Shareholding

Promoter Shareholding as on 31 March, 2014

Sr	Name of Shareholder	Equity		Preference	
		No of Shares held	of shareholding	No of Shares held	of shareholding
1	Essel Media Ventures Ltd, Mauritius	102,888,286	10.71	2,160,654,006	10.71
2	Essel International Ltd, Mauritius	23,000,000	2.39	3,830,00,000	1.90
3	Sprit Textiles Pvt. Ltd.	300	0.00	6,300	0.00
4	Essel Infraprojects Ltd	100	0.00	2,100	0.00
5	Veena Investment Pvt. Ltd	100	0.00	2,100	0.00

Sr	Name of Shareholder	Equity		Preference	
		No of Shares held	of shareholding	No of Shares held	of shareholding
6	Essel Holdings Limited, Mauritius	46,378,518	4.83	973,948,878	4.83
7	Cyquator Media Services Pvt. Ltd	241,402,908	25.13	949,461,068	4.71
8	Essel Landmark Private Limited	-	-	4,120,000,000	20.43
Total		413,670,212	43.07	8,587,074,452	42.57

Top ten (10) Public Shareholding as on 31 March, 2014

Sr	Name of Shareholder	Equity		Preference	
		No of Shares held	of shareholding	No of Shares held	of shareholding
1	Oppenheimer Developing Markets Fund	82,290,959	8.57	1,895,913,054	9.40
2	Goldman Sachs (Singapore) PTE	18,715,668	1.95	-	-
3	Government of Singapore	16,762,907	1.75	341,724,915	1.69
4	Oppenheimer Global Fund	14,003,568	1.46	294,074,928	1.46
5	Vanguard International Growth Fund	13,096,669	1.36	238,220,682	1.18
6	New World Fund INC	12,420,000	1.29	260,820,000	1.29
7	Ontario Teachers' Pension Plan Board – NP3A-All	11,800,000	1.23	247,800,000	1.23
8	Smallcap World Fund INC	9,270,000	0.97	-	-
9	Vanguard Emerging Markets Stock Index Fund A Series of Vanguard International Equity Index X Fund	8,312,255	0.87	-	-
10	Oppenheimer International Growth Fund	8,197,109	0.85		
11	SBI Life Insurance Co Ltd	-	-	226,395,101	1.12
12	Goldman Sachs (Singapore) PTE	-	-	217,491,973	1.08
13	Government Pension Fund Global	-	-	202,264,209	1.00
Total		194,869,135	20.30	4,218,185,206	20.91

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Zee Entertainment Enterprises Limited (ZEE) (BSE Code: 505537, NSE Code: ZEEL.EQ) is one of India's largest vertically integrated media and entertainment company. The Company was formed in 1982. ZEE as the first company to launch a satellite channel in India and from being a single channel for a single geography today operates multiple channels across multiple geographies in different languages and genres. The Company's programming reaches out to over 730 Million viewers across 169 countries.

ZEE channel portfolio, across various genres in the Indian market, includes:

- i. **Hindi Entertainment:** Zee TV, Zee Smile, 9X, Zee Anmol, Zindagi
- ii. **Hindi Movies:** Zee Cinema, Zee Premier, Zee Action, Zee Classic, & pictures
- iii. **English Entertainment, Movies and Life style:** Zee Studio, Zee Café
- iv. **Regional Language Entertainment:** Zee Marathi, Zee Bangla, Zee Bangla Cinema, Zee Talkies, Zee Telegu, Zee Kannada, Zee Tamil
- v. **Sports:** TEN Cricket, TEN Action, TEN Sports, TEN Golf
- vi. **Religious and Alternate Lifestyle:** Zee Jagran, Zee Salaam
- vii. **Music:** Zing, ETC
- viii. **Niche and Special Interest:** Zee Khana Khazana and Zee Q
- ix. **HD:** Zee TV HD, Zee Cinema HD, Zee Studio HD, TEN HD

Apart from the channels listed above which are available in India, the Company also broadcasts 34 dedicated channels in the international markets.

MEDIA AND ENTERTAINMENT INDUSTRY

The Indian Media and Entertainment Industry witnessed a moderate growth in 2013. The industry grew from ₹ 821 Billion in 2012 to ₹ 918 Billion in 2013, registering a growth rate of 11.8%. Television sector grew from ₹ 370 Billion in 2013 to ₹ 417 Billion in 2013, registering a growth of 12.7%. (Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2014).

Fiscal 2014 was a landmark year for the television industry in many ways. It marked the implementation of 12 minute advertising cap by majority of the broadcasters. Also, it saw the change in television measurement metric from GRPs to TVTs and the formation of a joint industry body for nationwide audience research, Broadcast Audience Research Council.

Total advertising spend across media was ₹ 319 Billion in 2013 as per Pitch Madison Advertising Outlook 2014, contributing to 40% of Media & Entertainment industry revenues. In the light of continued muted economic growth, advertising revenues saw a growth of 11% in 2013.

Television sector
grew from
₹ 370 Billion in
2013 to ₹ 417
Billion in 2013,
registering
a growth of
12.7%

ZEE IS AN INTEGRATED MEDIA AND ENTERTAINMENT COMPANY

engaged primarily in broadcasting and content development, production and its delivery via satellite.



Read more on **"Brand ZEE"** on page 10

FY2014 also saw the implementation of second phase of digitisation in 38 cities of the country. Though the implementation has seen some delay, it is a positive development for the industry and will boost subscription revenues. Another positive development on the subscription front was the latest TRAI tariff order, which permitted the inflation linked hike of 27.5% in Reference Interconnect Offer rates (in two stages) and is likely to further provide a positive fillip to the subscription revenues.

BUSINESS PROFILE

ZEE is an integrated media and entertainment company engaged primarily in broadcasting and content development, production and its delivery via satellite. The Company has 33 channels that serve the widest array of content in India and is the leading broadcaster across the country. ZEE is also the pioneer in the international markets with 34 dedicated channels serving Indian content across 169 countries.

Leadership across different Genres:

In the Hindi GEC genre, Zee TV is the flagship product from ZEE. The Hindi GEC space continued to see sustained competition between the top six channels with extremely dynamic channel rankings.

Zee TV continued to have a leading share in the Hindi General Entertainment genre (GEC) with an average weekly channel share of 17% amongst all GECs. Key shows like Sapne Suhane Ladakpan Ke successfully completed 500+ episodes.

During the year, the channel launched various new successful shows in different genres. Jodha Akbar, a period drama launched during the year received tremendous success and is the No.2 show in Hindi GEC space. India's Best Dramebaaz was a completely new format launched for the first time on Indian TV by Zee TV.

DID Season 4 was a weekend slot leader garnering good audience response and DID L'il Masters opened at 11.1 TVM, the highest opening TVT amongst all Non-fiction shows on all Hindi GECs in the last two years.

This year we enhanced our GEC offerings with the launch of Zee Anmol, an FTA Hindi GEC which is the first channel in the Indian television space to be simultaneously launched on mobile and television platforms. Positioned as 'Dil Choo Jaaye', Zee Anmol is a channel that believes in touching people's hearts through real, genuine emotions that will be depicted through some of the best shows that Indian Television has ever seen.

In the Hindi Movie Genre, ZEE has 6 channels viz. Zee Cinema, Zee Premier, Zee Action, Zee Classic, Zee Cinema HD and &pictures. ZEE has the largest film library in the country and its movie channels are a strong favourite with the viewers as well as advertisers. During the year popular movies like Chennai Express, Race2, ABCD, Ramaiya Vastavaiya, Besharam, Zanjeer, Phata Poster Nikala Hero were premiered on Zee Cinema. Premier of Hindi feature film Chennai

MANAGEMENT DISCUSSION AND ANALYSIS

Express on Zee TV was the highest rated premiere in the history of Indian TV with reach of 52.0 Million in HSM CS 4+.

In line with our strategy of undertaking value-accretive investments, we launched & pictures, an interactive Hindi movie channel aimed at targeting the younger mindset. The channel endeavors to build upon the existing film and digital resources to create a continuing conversation with an audience that is interested in staying connected and engaged with the world around them.

The Company's sports offerings include 5 channels viz. TEN Cricket, TEN Action, TEN Sports, TEN Golf and TEN HD. With telecast rights to 5 cricket boards, which ensure coverage of cricket of all test playing countries, along with rights to exciting properties such as UEFA cup football, WWE wrestling, US Open Tennis etc., TEN is a clear leader in the non cricket genre with a 64% viewership share in FY2013. The sports business has contributed close to 15% of the Company's top line this year.

Zee Café and Zee Studio are the company's English language offerings. Zee Café has the rights to the latest series programming of America's leading TV shows while Zee Studio has tied up with leading studios from across the globe to provide the best of Hollywood movies. The channels continue to strengthen the network subscription bouquet. During the year, the channels showcased popular international shows and live mega events like Miss World 2013, Critics Choice Movie Awards 2013 etc. Zing, the music and lifestyle offering of the Company, showcases popular Bollywood oriented properties. The content on Zing revolves around the world of music, lifestyle, movies and celebrities.

Zee Marathi, Zee Talkies, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Kannada and Zee Tamil are regional language offerings and enjoy significant market share in their respective markets.

- Zee Marathi had an impressive market share of 35% during the year and has been the No. 1 channel since August 2013. True to its brand value, Zee Marathi brought to the audiences fresh and appealing shows through Juloon Yeti Reshim Gathi, Tu Tithe Mi, Radha Hi Bavari, Honar Sun Mi Ya Gharchi, Foo Bai Foo and Sa ₹ Ga Ma Pa. The channel premiered block buster movie "Duniyadari", the biggest World TV premiere on Marathi television in last 5 years.
- Zee Bangla continues to be a strong player in the Bangla GEC space. It exited the year as No. 1 Bangla channel in Digital CS 4+ market. Zee Bangla is the market leader in non-fiction genre with 80% market share, driven by shows like Dadagiri Unlimited, Sa ₹ Ga Ma Pa 2012 and Tumi Je Amar.
- Zee Kannada garnered a 14% market share in the Karnataka market with top performing shows like Bharathi, Radha Kalyana & Chi Sou Savitri.
- Zee Telugu is the No.1 GEC channel in the weekday Primetime fiction band between 1900-2200hrs on the back of slot leaders like Pasupu Kumkuma, Varunidhi Parinayam and Muddu Bidda.
- Zee Tamizh is a strong No.3 player during weekday core PT (2000 – 2400 Hrs), with popular shows like Solvathellam Unmai, Luckka Kickka, Attagasam, CID and Top 10.

Further strengthening the performance of our niche/ special interest genre, our edutainment channels ZeeQ, won the KIDZOOKA AWARDS 2013 for The Best TV Channel – Edutainment. The most high rated show, Teenovation won the INDIAN TELLY AWARDS 2013 and was the finalist at the PRIX JEUNESSE INTERNATIONAL 2014.

The Company reaches more than 730 Million viewers globally and in 169 countries worldwide.

Zee Khana Khazana our leading food & lifestyle channel is currently available across all major DTH and digital cable platforms. The channels continued its strong legacy of offering exciting content with 14 new shows like Bacha Party, Urban Cook, Kifayati Kitchen, Jain Jalsa and Snack Attack.

Global Presence

The Company reaches more than 730 Million viewers globally and in 169 countries worldwide. Internationally, subscription is a key driver of revenues for any broadcaster and international subscription revenues contributed significantly to ZEE's total revenues in this financial year.

Zee Network dominates the International South Asian (SA) Business globally. Zee TV continues to lead in US, Middle East & Africa's in terms of viewership within the SA channels. During the year, the Company undertook various initiatives to further strengthen its dominance in the geographies where it operates.

Key highlights during the year include:

- Two new channels Zee Bollywood and Zee Lamhe, were launched in USA.
 - Zee TV was launched on several networks across Canada and is now available on every Cable, Telco, Satellite and IPTV platform in Canada.
 - India.com was launched in the USA and Canada.
- In Europe, ZEE launched an FTA GEC channel Zee Lamhe, which showcases the best of South-Asian entertainment and is also getting rated by BARB in UK.
 - In UK, a new locally produced live show – Zee Companion – is launched to interact with the local viewers and increase the affinity for Zee TV. This is being produced in a new studio opened in London.
- Zee Khana Khazana launched for the first time in Africa on the Zuku platform to cater to the East African countries.
- Zee TV continues to be the Number 1 South Asian channel both in terms of GRPs and Reach in the UAE.
 - Zee Aflam was among the Top 3 movie channels in KSA in terms of reach, while the new channel, Zee Alwan, is growing its reach in the market.
- In Indonesia, ZEE launched a 24/7 Bollywood Movies channel, Z Bioskop, which is fully dubbed or subtitled in Bahasa language.

BUSINESS STRATEGY

The key elements of ZEE's strategy during the year were (i) to take appropriate steps to safeguard its leadership position in a fiercely competitive environment (ii) to concentrate on additional revenues from digital pay platforms (iii) Build presence on new / alternate media platforms (iv) Rationalise on costs across different heads (v) Fortify its expansion in the international markets (vi) maintain consistently high standards of corporate governance.

(i) Appropriate steps to safeguard its leadership position in a fiercely competitive environment:

The launch of new shows across network channels along with the tie up of cricket rights and current series rights of programs has helped ensure that in a highly fragmented environment, the network maintained and grew its dominance. The Company aims to further enhance the market share through a planned content lineup and launch of new channels.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) Concentrate on additional revenues from digital pay platforms:

India is a fast digitising market and the consumer shift towards digital services is exhibited through the rampant expansion of digital homes. Digital homes now account for almost half of the total Pay TV homes in the Country.

(iii) Build presence on new / alternate media platforms:

In line with the strategy of growth through focused disciplined investments, ZEE launched India's first and only OTT (over-the-top) platform, Ditto TV, with an aim to offer Live TV Channels and On Demand Video Content to consumers on multiple platforms including mobile phones, tablets, laptops, desktops and connected TVs. To further fortify our position on the digital technology front we invested in Bollyvod, a global online streaming service for our premium content during the year.

(iv) Rationalise on costs across different heads:

The belief at the Company has always been that higher spends will not necessarily result in sustained incremental viewership. Even in the wake of competition, the network maintained its cost structures, though with increased competition our costs also moved up. Better negotiations with suppliers and stricter control on distribution spends will help in further keeping costs under check.

(v) Fortify its expansion in the international markets:

During the year, the Company undertook various initiatives to further strengthen its dominance in international markets by entering into deals with new platform operators as well as launching new channels in some of the geographies. In line with this expansion strategy, the Company launched Zee Film Hindi, Zee Lamhe and Zee Bioskop in various geographies.

(vi) Corporate Governance:

ZEE firmly believes that good governance is critical to sustaining corporate development, increasing productivity and competitiveness and creating shareholder wealth. The governance process should ensure that the available resources are utilised in a manner that meets the aspirations of all its stakeholders. Your Company's essential charter is shaped by the objectives of transparency, professionalism and accountability. The Company continuously endeavours to improve on these aspects on an ongoing basis. While the increasing emphasis on transparency and accountability, standards have been set by various governing bodies on disclosure as well as judiciousness in conduct. ZEE has always tried to go a step further in this direction.

RISK FACTORS

Competition from other players:

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business.

Ever changing trends in Media sector:

It may not be possible to consistently predict changing audience tastes. People's tastes vary quite rapidly along with the trends and environment they live in. This makes it virtually impossible to predict whether a particular show or serial would do well or not. With the kind of investments made in ventures, repeated failures would have an adverse impact on the bottom line of the Company.

Cost of programming mix might affect its bottom line:

The urge to compete and provide the best content to viewers, ZEE would have to incur high expenditure to provide an impetus on its programming front from time to time. The increase in costs might not necessarily perk up its revenues in the same proportion.

ZEE has been a pioneer in the international markets and has the highest market share amongst all South East Asian broadcasters across Europe and USA.

Investments in new channels:

The Company may from time to time launch new channels. Content for these channels is obtained from its existing library as well as from programmes acquired in the normal course of its business. The success of any new channel depends on various factors, including the quality of programming, price, extent of marketing, competition etc. There can be no assurance that the Company will be as successful in launching new channels as it has been the case of its existing channels.

Macroeconomic environment:

Macroeconomic environment can be a potential source of risk. Moderating growth, along with high inflation, can adversely impact advertising revenues of the Company, which forms the largest component of the Company's revenues.

Slowdown in DTH/Digital rollout:

The uptake of pay digital services by subscribers has been a very encouraging sign for all broadcasters. Internationally most broadcasters derive a greater share of their revenues from the subscription revenues whereas in India the under-declaration in the analogue cable system has led to broadcasters being more dependent on advertising revenues, which tend to be cyclical in nature and more affected by the macro economic factors. The industry expects pay digital services to grow at a rapid pace in the next two years and ZEE is likely to benefit heavily from this rapid growth. A slowdown in growth of digital services may lead to incremental profit margins being impacted.

Increased competitive environment in the Hindi General Entertainment Space:

The Hindi GEC genre is amongst the key genres for all advertisers and hence is most lucrative to all the TV broadcasters. Any new competition in the space can have an impact on the Company's revenues.

Sluggish consumer uptake in the international markets:

ZEE has been a pioneer in the international markets and has the highest market share amongst all South East Asian broadcasters across Europe and USA. Indian content in these markets serves the preference of a niche audience and ZEE has strong relations with distribution platforms in these markets giving management the confidence that the Company will retain market share in key geographies. In the given slowdown, consumers may find it difficult to upgrade their packages and the value growth from these markets may get affected.

Increase in cost of acquisition for some of the key sports properties:

While a significant amount of rights have been signed on by the Company for leading sports properties, any future contracts may be at higher costs, which may put pressure on margins of the Company.

The Company may be exposed to foreign exchange rate fluctuations:

The Company receives a significant portion of its revenues and incurs a significant portion of its expenses in foreign currencies, particularly US dollars and UK pounds. Accordingly, the Company is exposed to fluctuations in the exchange rates between those currencies and the Rupee, the Company's reporting currency, which may have a substantial impact on its revenues and expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

STAND-ALONE FINANCIALS

A. RESULTS OF OPERATIONS

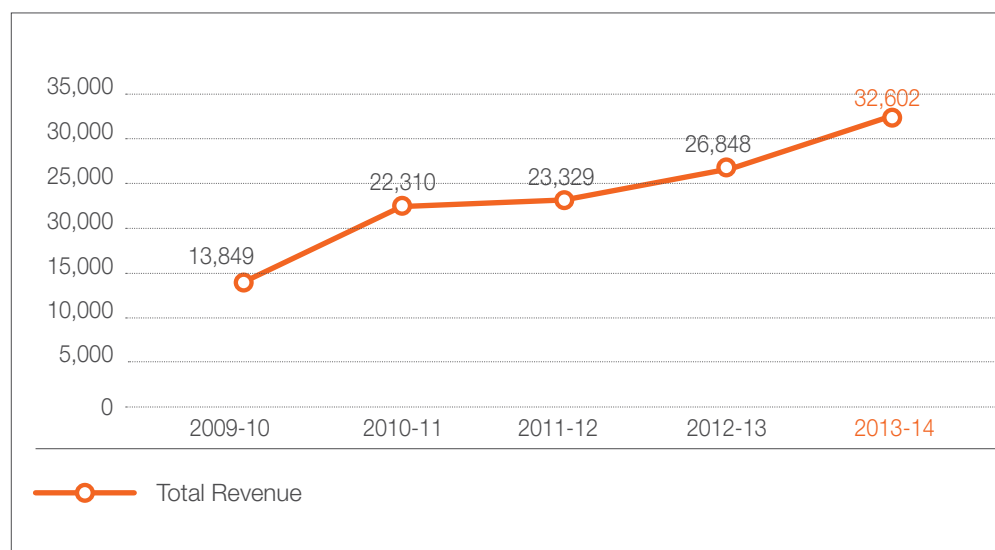
Non-Consolidated Financial Information for the Year Ended 31 March, 2014 compared to the Year Ended 31 March, 2013.

Total Revenue

Total revenue increased by ₹ 5,754 Million or 21% from ₹ 26,848 Million in FY 2013 to ₹ 32,602 Million in FY 2014 driven by increase in Broadcasting Revenue.

Following chart depicts the movement of revenue over last 5 years.

TOTAL REVENUE - ₹ IN MILLIONS



Revenue from Operations

Operating revenue increased by ₹ 5,098 Million or 20% from ₹ 25,659 Million in FY 2013 to ₹ 30,757 Million in FY 2014. Among major sources of income, the advertisement revenue has increased by 23% to ₹ 20,037 Million in FY 2014 as against ₹ 16,266 Million in FY 2013 and Subscription revenue has recorded a growth of 11% by ₹ 850 Million from ₹ 7,855 Million in FY 2013 to ₹ 8,705 Million in FY 2014 due to continuous growth of DTH and Cable Subscribers.

Interest & Other Income

Interest & Other income increased by ₹ 656 Million i.e. 55% from ₹ 1,189 Million in FY 2013 to ₹ 1,845 Million in FY 2014. The increase is attributable mainly to increase in interest income by ₹ 395 Million, gain from foreign exchange by ₹ 239 Million which is partially offset by decrease in dividend income by ₹ 16 Million.

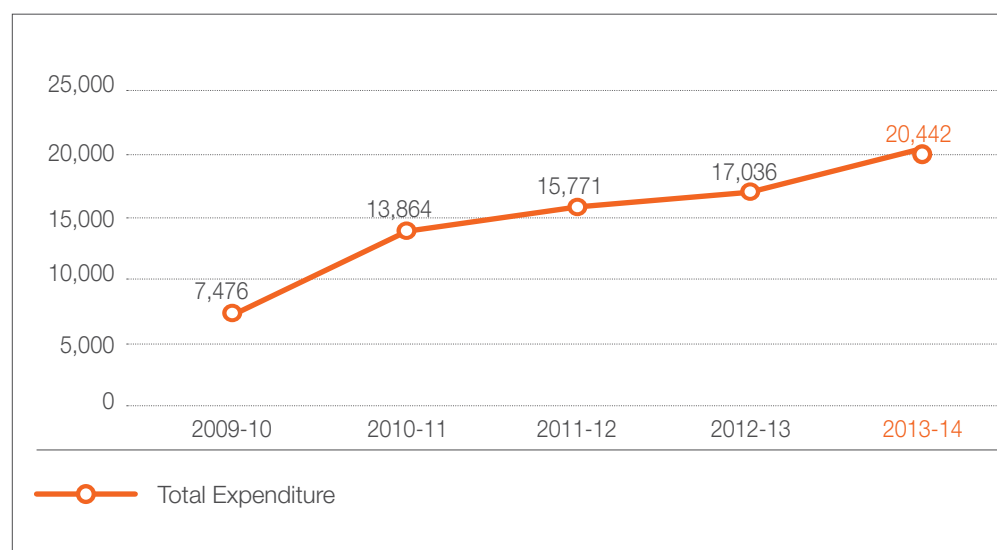
Total Expenditure

Total Operational expenditure increased by ₹ 3,406 Million or 20% from ₹ 17,036 Million in FY 2013 to ₹ 20,442 Million in FY 2014. It represents 63% of total revenue in FY 2014 similar to FY 2013.

Operating revenue increased by ₹ 5,098 Million or 20% from ₹ 25,659 Million in FY 2013 to ₹ 30,757 Million in FY 2014.

Following chart depicts the movement of total operating expenditure over last 5 years:

TOTAL EXPENDITURE - ₹ IN MILLIONS



Operational Cost / Cost of Goods

Operational cost increased by ₹ 2,398 Million or 22%, from ₹ 10,703 Million in FY 2013 to ₹ 13,101 Million in FY 2014. Increase in Operating cost is due to higher programming cost on account of big sporting events during the year. Further, the Company impaired program and film rights of ₹ 447 Million during the year, as against ₹ 199 Million in previous year.

Personnel Cost

Personnel cost has increased by ₹ 334 Million i.e. 18% from ₹ 1,904 Million in FY 2013 to ₹ 2,238 Million in FY 2014.

Other expenses

Other expenses has increased by ₹ 674 Million or 15% from ₹ 4,429 Million to ₹ 5,103 Million. The increase in other expenses is mainly on account of higher spend on advertising and marketing cost partially offset by decrease in distribution cost and provision for diminution in value of investments.

Operating Profit

Operating profit increased by ₹ 1,692 Million, or 20%, from ₹ 8,623 Million in FY 2013 to ₹ 10,315 Million in FY 2014. The operating margin is at 34% for FY 2014. Increase in Operating profit is mainly due to increase in broadcasting revenue partially offset by increase in operational costs by ₹ 2,398 Million and increase in personnel and other expenses.

Financial Cost

Financial cost has increased by ₹ 59 Million to ₹ 72 Million in FY 2014 from ₹ 13 Million in FY 2013.

Depreciation and Amortisation

Depreciation increased by ₹ 58 Million or 21%, from ₹ 280 Million to ₹ 338 Million. Depreciation for FY 2014 and FY 2013 includes an amount of ₹ 115 Million and ₹ 63 Million respectively, towards 100% depreciation on assets costing less than ₹ 5,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit Before Tax

Profit before tax increased by ₹ 2,231 Million or 23% from ₹ 9,519 Million in FY 2013 to ₹ 11,750 Million in FY 2014. The increase is attributable to increase in revenue resulting in improved profits from operations.

Provision for Taxation

Provision for taxation for the year was ₹ 4,027 Million, representing effective tax rate of 34%.

Profit After Tax for the Period

Profit after tax for the year increased by ₹ 1,316 Million to ₹ 7,723 Million from ₹ 6,407 Million.

B. FINANCIAL POSITION

Non-Consolidated Financial Position as on 31 March, 2014 as compared to 31 March, 2013.

Sources of Funds

Share Capital, Reserves & Surplus

During the year, the Company has allotted 6 Million equity shares in pursuance of exercise of stock options as per ZEEL ESOP Scheme 2009. Consequently, the Paid-up Equity Share Capital of the Company as at 31 March, 2014 stands increased to ₹ 960 Million as against ₹ 954 Million in FY 2013.

During the year, the Company has issued 20,170 Million preference shares of ₹ 1 each as bonus shares. Consequently, the paid-up preference share capital stand at ₹ 20,170 Million.

Loan Funds

Total loan funds as on 31 March, 2014 stood at ₹ 16 Million up from ₹ 15 Million. These loan funds are related to vehicle loan taken by the Company.

Long term liabilities and provisions

Long term provisions pertaining to retirement benefits have gone up from ₹ 206 Million as on 31 March, 2013 to ₹ 275 Million as on 31 March, 2014.

Current Liabilities and Provisions

Current Liabilities and Provisions mainly representing Trade Payables, Statutory Dues, Unearned revenue, provisions and other payables etc. The same has increased by ₹ 861 Million to ₹ 7,197 Million as on 31 March, 2014 from ₹ 6,336 Million as on 31 March, 2013. The increase is mainly attributable to increase in provision for taxation by ₹ 713 Million, other payables by ₹ 361 Million and advances received from customers by ₹ 182 Million which is partially offset by reduction in trade payables by ₹ 509 Million.

Application of Funds

Fixed Assets

During the year, the Company's Gross Fixed Assets block increased by ₹ 740 Million mainly on account of purchase of plant and machinery and other equipments. The capital expenditure is mainly funded out of internal accruals.

Programmes and Film rights held by the Company increased by ₹ 1,617 Million from ₹ 9,585 Million as on 31 March, 2013 to ₹ 11,202 Million as on 31 March, 2014.

During the year, Gross block has reduced by ₹ 246 Million due to impairment and disposal of various obsolete assets which include assets retired ₹ 155 Million from Gross block (net book value of nil).

Capital Work in Progress increased by ₹ 928 Million to ₹ 997 Million as on 31 March, 2014.

Non-Current Investments

Non-current Investments have increased from ₹ 5,995 Million as on 31 March, 2013 to ₹ 8,080 Million as on 31 March, 2014. This increase is towards additional investment in Subsidiary company "Essel Vision Productions Limited" by ₹ 20 Million and increase in Treasury Investments by way of bonds and debentures.

Long term loans and advances

The increase of ₹ 2,421 Million in the long term loans and advances from ₹ 4,036 Million as on 31 March, 2013 to ₹ 6,457 Million as on 31 March, 2014. The increase is mainly on account of loans of ₹ 2,531 Million to subsidiary for obtaining business benefits and operational efficiency partially offset by reduction in capital advances.

Current Assets

Current Assets mainly represent current investment, Inventories, Trade Receivables, Cash & Bank Balances, Short term loans and advances and Other Current Assets. The increase in current assets by ₹ 1,238 Million from ₹ 27,597 Million to ₹ 28,835 Million is mainly attributable to increase in inventories by ₹ 1,617 Million and Short term loans and advances by ₹ 2,086 Million offset by reduction in current investment by ₹ 2,697 Million and cash & cash equivalent by ₹ 748 Million.

Current Investment

Current Investment has reduced by ₹ 2,697 Million to ₹ 2,000 Million as on 31 March, 2014 from ₹ 4,697 Million as on 31 March, 2013.

Inventories

Programs and Film rights held by the Company increased by ₹ 1,617 Million from ₹ 9,585 Million as on 31 March, 2013 to ₹ 11,202 Million as on 31 March, 2014.

Trade Receivables

Trade receivables net off provision for bad and doubtful debts stood at ₹ 7,980 Million in FY 2014 as against ₹ 7,171 Million in FY 2013. The age of Net Debtors is 95 days of sales in FY 2014 as against 102 days of sales in FY 2013.

Cash and Bank Balances

The cash and bank balances lying with the Company, as on 31 March, 2014 was ₹ 1,646 Million as against ₹ 2,394 Million on 31 March, 2013.

Loans and Advances (Current)

There was an increase of ₹ 2,086 Million in current portion of loans and advances from ₹ 2,825 Million on 31 March, 2013 to ₹ 4,911 Million on 31 March, 2014.

Other current assets

Other current assets have increased by ₹ 171 Million from ₹ 925 Million on 31 March, 2013 to ₹ 1,096 Million on 31 March, 2014 mainly on account of increase in other receivables from subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS

CONSOLIDATED FINANCIALS

A. RESULTS OF OPERATIONS

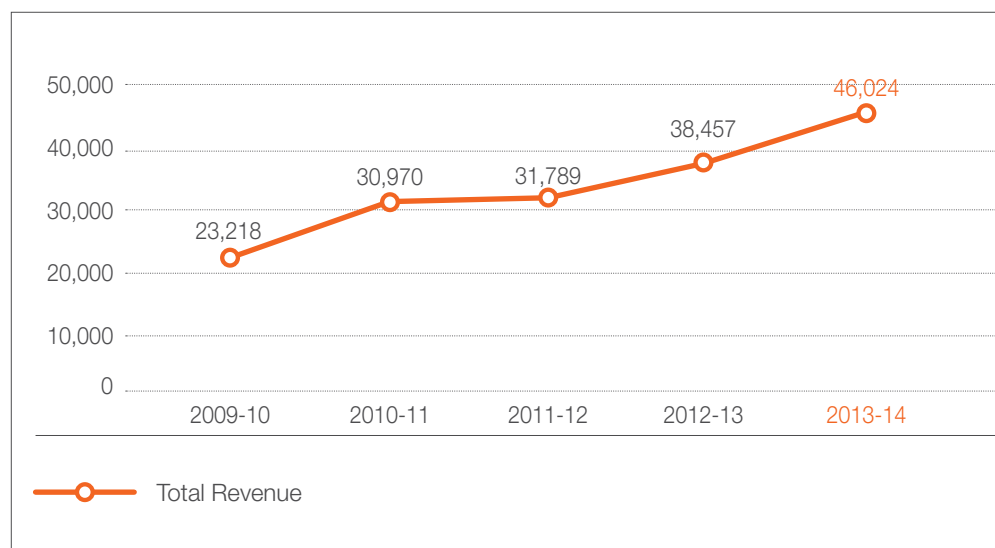
We have provided a comparison between Audited figures for FY 2014 and for FY 2013. Financial results include 50% proportionate share of income, expenses, assets and liabilities on a line by line basis for Company's interest in Joint Venture (JV) "Media Pro Enterprise India Private Limited" (MPEIPL).

Revenue

Total revenue increased by ₹ 7,567 Million, or 20% from ₹ 38,457 Million in FY 2013 to ₹ 46,024 Million in FY 2014 on account of higher broadcasting income. It also includes Company's share of revenue from JV MPEIPL which has increased by ₹ 250 Million or 40% from ₹ 627 Million in FY 2013 to ₹ 877 Million in FY 2014.

Following chart depicts the movement of Total Revenue over last 5 years:

TOTAL REVENUE - ₹ IN MILLIONS



Revenue from Operations

Operating revenue increased by ₹ 7,221 Million or 20% from ₹ 36,996 Million in FY 2013 to ₹ 44,217 Million in FY 2014.

Overall growth was witnessed in advertisement revenues of ₹ 4,162 Million i.e. 21% to ₹ 23,801 Million in FY 2014 as against ₹ 19,639 Million in FY 2013. Subscription Revenue has recorded a growth of 11% from ₹ 16,235 Million to ₹ 18,022 Million (Including Company's share of JV-MPEIPL ₹ 867 Million (₹ 585 Million in FY 2013)) due to continuous growth of DTH and cable subscribers. Consistent growth percentage has been achieved from sports as well as non sports business.

Sales – television content includes Syndication sale of Sports rights, Programs and Film rights which has increased by ₹ 910 Million to ₹ 1,730 Million in FY 2014 from ₹ 820 Million in FY 2013.

Other Income

Other income increased by ₹ 346 Million or 24% from ₹ 1,461 Million in FY 2013 to ₹ 1,807 Million in FY 2014 (Includes Company's share of JV-MPEIPL ₹ 10 Million (₹ 42 Million in FY 2013)). Increase in other income is mainly on account of interest income by ₹ 223 Million and foreign exchange gain of ₹ 144 Million.

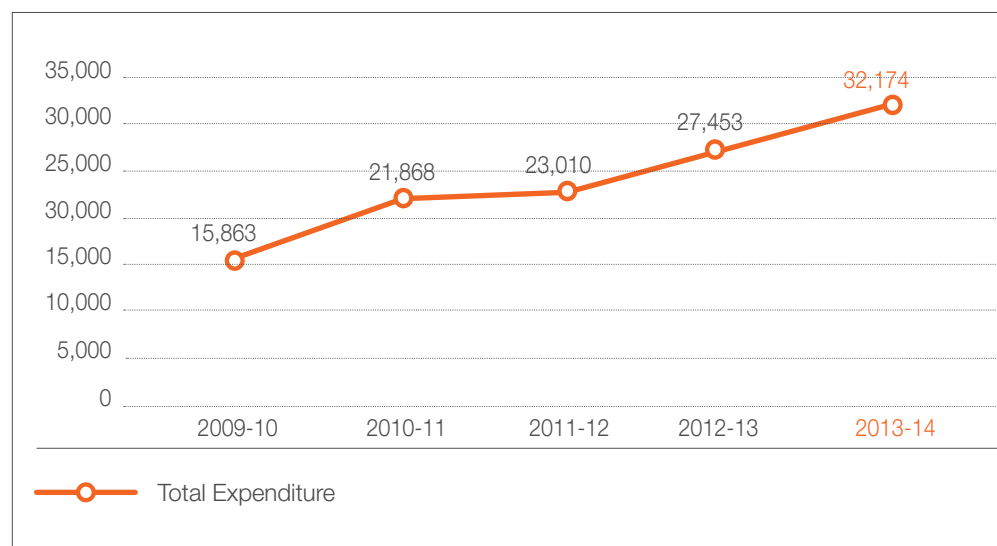
Operating profit increased by ₹ 2,500 Million, or 26%, from ₹ 9,543 Million in FY 2013 to ₹ 12,043 Million in FY 2014

Expenditure

Total Operational expenditure increased by ₹ 4,721 Million or 17% from ₹ 27,453 Million to ₹ 32,174 Million. This increase in cost is attributable to higher content costs as well as the increase in Administrative & Marketing Spends.

Following chart depicts the movement of operating expenditure over last 5 years:

TOTAL EXPENDITURE - ₹ IN MILLIONS



Operational Cost / Cost of Goods

Operational cost has increased by ₹ 3,287 Million to ₹ 20,688 Million in FY 2014 as against ₹ 17,401 Million in FY 2013. The overall increase in operational cost is mainly attributable to increase in cost on acquisition and amortisation of programming and sports content.

Employee Benefit Expenses

Employee cost increase by ₹ 414 Million, or 12%, from ₹ 3,491 Million in FY 2013 to ₹ 3,905 Million in FY 2014.

Other expenses

Administrative and Other expenses increased by ₹ 1,020 Million or 16% from ₹ 6,561 Million in FY 2013 to ₹ 7,581 Million in FY 2014. The increase is mainly on account of higher spend on advertising and marketing cost incurred by the Company.

Operating Profit

Operating profit increased by ₹ 2,500 Million, or 26%, from ₹ 9,543 Million in FY 2013 to ₹ 12,043 Million in FY 2014. The operating margin is at 27% for FY 2014. The increase in operating profit is mainly attributable to increase in broadcasting revenue during the year which is partially offset by increase in operating costs i.e. higher investment in content and marketing spends to build the business.

Financial Expenses

Financial expenses increased by ₹ 72 Million or 83% from ₹ 86 Million to ₹ 158 Million.

Depreciation and Amortisation

Depreciation increased by ₹ 102 Million, or 26%, from ₹ 399 Million in FY 2013 to ₹ 501 Million in FY 2014. Increase is mainly on account of depreciation on additions during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Profit Before Tax

Profit before tax increased by ₹ 2,672 Million or 25% from ₹ 10,519 Million in FY 2013 to ₹ 13,191 Million in FY 2014.

Provision for Taxation

Provision for taxation increased by ₹ 954 Million to ₹ 4,291 Million in FY 2014 from ₹ 3,337 Million in FY 2013. Effective Tax Rate for FY 2014 is 33% as against 31% in FY 2013 based on current year tax expense.

Share of Results of Associates

Share of results in Aplab Limited and Idea Web Shop and Media Private Limited as Associate Company is profit of ₹ 2 Million in FY 2014 as against loss of ₹ 10 Million in FY 2013.

Minority Interest

Receivable from Minority interest on account of current year net share of loss was ₹ 19 Million in FY 2014. This includes share of minorities of Zee Turner Limited (26%) and India Webportal Private Limited (49%).

Net Profit After Tax for the year

Profit after tax for the year increased by 24% to ₹ 8,921 Million from ₹ 7,196 Million. The Net Profit margin has remained static at 19% in FY 2014 as compared to FY 2013.

B. FINANCIAL POSITION

Consolidated Financial Position as on 31 March, 2014 as compared to 31 March, 2013.

Sources of Funds

Share Capital, Reserves & Surplus

During the year, the Company has allotted 6 Million equity shares in pursuance of exercise of stock options as per ZEEL ESOP Scheme 2009. Consequently, the Paid-up Equity Share Capital of the Company as at 31 March, 2014 stands increased to ₹ 960 Million as against ₹ 954 Million in FY 2013.

During the year, the Company has issued 20,170 Million preference shares of ₹ 1 each as bonus shares. Consequently, the paid-up preference share capital stand at ₹ 20,170 Million.

Loan Funds

Total loan funds stood at ₹ 17 Million as on 31 March, 2014 and 2013. These loan funds are related to vehicle loan taken by the Company.

Long term Provisions

Long term provisions consisting of retirement benefits have increased by ₹ 30 Million from ₹ 305 Million to ₹ 335 Million as on 31 March, 2014.

Non-Current liabilities

Non-current liabilities represents the advance received for syndication of sports rights.

Current Liabilities and Provisions

Current Liabilities and Provisions have increased by ₹ 1,104 Million during the year mainly due to increase in provision for proposed dividend by ₹ 103 Million and provision for tax by ₹ 714 Million. Partially offset by reduction in Trade Payables by ₹ 122 Million.

The age of Net Debtors is 85 days of sales in FY 2014 as against 98 days of sales in FY 2013.

Current liabilities and Provisions as on 31 March, 2014 is at ₹ 12,203 Million vis-a-vis ₹ 11,099 Million on 31 March, 2013. (FY 2014 includes ₹ 2,064 Million (FY 2013 - ₹ 2,209 Million) towards Company's share in JV-MPEIPL).

Application of Funds

Fixed Assets

During the year, the Company's Gross Fixed Assets block increased by ₹ 823 Million. This increase is mainly on account of purchase of plant and machinery and other assets including foreign exchange translation of foreign subsidiary assets. There is a partial reduction in assets due to impairment / disposal of various obsolete assets aggregating to ₹ 263 Million which include assets retired ₹ 155 Million from Gross block (net book value of nil). (Gross block included Company's share in JV-MPEIPL ₹ 1 Million). The capital expenditure was mainly funded from internal accruals.

Capital Work in progress increased by ₹ 928 Million to ₹ 997 Million as on 31 March, 2014.

Non Current Investments

The increase of ₹ 2,290 Million in non current investments to ₹ 2,941 Million as at 31 March, 2014 from ₹ 651 Million is on account of investments in associate, investment in bonds and debentures.

Long term loans, advances and other non-current assets.

The long term loans, advances and other non current assets consisting of capital advances, advance taxes, claim receivables and other assets have increased by ₹ 412 Million to ₹ 3,232 Million in FY 2014 as against ₹ 2,820 Million in FY 2013. (FY 2014 includes ₹ 811 Million (FY 2013 ₹ 591 Million) towards Company's share in JV- MPEIPL). The increase is mainly attributable to trade advances paid for acquisition of sports rights and increase in the MPEIPL's non current assets.

Current Assets

There has been an overall increase in current assets whereby the assets stand increased by ₹ 5,107 Million from ₹ 37,009 Million in FY 2013 to ₹ 42,116 Million in FY 2014. (FY 2014 includes ₹ 2,558 Million (FY 2013- ₹ 3,025 Million) towards Company's share in JV-MPEIPL).

Current Assets

Inventories

Programs, Film rights held by the Company increased from ₹ 8,745 Million on 31 March, 2013 to ₹ 11,736 Million on 31 March, 2014. The increase is mainly due to acquisition of film rights and programmes.

Trade Receivables

Trade receivables net off provision for bad and doubtful debts stood at ₹ 10,281 Million in FY 2014 as against ₹ 9,890 Million in FY 2013 reflecting an increase of ₹ 391 Million. (FY 2014 includes ₹ 883 Million (FY 2013 ₹ 1,471 Million) towards Company's share in JV - MPEIPL). The age of Net Debtors is 85 days of sales in FY 2014 as against 98 days of sales in FY 2013.

Cash and Bank Balances

The cash and bank balances lying with the Company, as on 31 March, 2014 was ₹ 5,644 Million (including Company's share in JV-MPEIPL ₹ 1,180 Million) as against ₹ 5,316 Million on 31 March, 2013 (including Company's share in JV-MPEIPL ₹ 1,258 Million).

Short term loans, advances and other current assets

There is an increase in loans and advances by ₹ 3,313 Million from ₹ 5,793 Million as on 31 March, 2013 to ₹ 9,106 Million on 31 March, 2014 (FY 2014 includes ₹ 495 Million (FY 2013 ₹ 296 Million) towards Company's share in JV-MPEIPL). Other advances increased by ₹ 600 Million mainly due to trade advances given (including for sports rights).

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN)** : L92132MH1982PLC028767
2. **Name of the Company** : Zee Entertainment Enterprises Limited
3. **Registered Address** : Continental Building, 135,
Dr. Annie Besant Road, Worli, Mumbai 400018
4. **Website** : www.zeetelevision.com
5. **Email id** : shareservice@zee.esselgroup.com
6. **Financial Year reported** : 1 April, 2013 – 31 March, 2014
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
The Company is mainly engaged in the business of Broadcasting of Non-News & Current Affairs Television Channels falling into 'Television Programming & Broadcasting Services – NIC code 6020.
8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
The Company mainly provides Broadcasting Services and is engaged in the business of Broadcasting of various National and Regional General Entertainment Television Channels.

As part of the said broadcasting business, apart from Advertisement revenue and Subscription revenue, the Company earns revenue from out of Syndication of Media Contents and Commission earned on services provided and/or advertisement space sold for channels broadcasted by Company's subsidiaries overseas.
9. **Total number of locations where business activity is undertaken by the Company**
 - i) **Number of International locations:** Company's international business operations are carried out by various direct and in-direct subsidiaries overseas through their offices in 11 International locations (including representative office and/or distribution arrangement) and the major ones are Singapore, Mauritius, United Kingdom, UAE, China, South Africa etc.
 - ii) **Number of National Locations:** Indian operations of the Company are carried out through over 13 offices located in major commercial hubs of the Country including Mumbai, New Delhi, Chennai, Kolkata, Noida, Hyderabad, Bangalore, Pune, etc.
10. **Markets served by the Company**
Company's television channels reach out to over 730 Million viewers across 169 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE OPERATIONS)

1. **Paid up Capital** : ₹ 21,130 Million
2. **Total Revenue** : ₹ 32,602 Million
3. **Total Profit after taxes** : ₹ 7,723 Million

THE COMPANY HAS SPENT ~0.57%

of its current profits towards CSR activities by way of Donations/ sponsorship to various NGO's and other charitable organisations.



Read more on **our inclusive growth practices** on [page 107](#)

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

During the year under, the Company has spent approx 0.57% of its current profits towards CSR activities by way of Donations/sponsorship to various NGO's and other charitable organisations.

5. List of activities in which expenditure in 4 above has been incurred

The major areas in which the above expenditure has been incurred includes education, empowerment, healthcare, livelihood support, rural development, environment protection initiatives for the society.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

As at 31 March, 2014, the Company has 19 subsidiaries, including 14 direct and indirect subsidiaries overseas.

2. Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)

No

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity /entities (Less than 30 %, 30-60%, More than 60%)

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

All Corporate Policies including the Business Responsibility and/or CSR Policies of the Company are engrained in day-to-day business operations of the Company and are implemented by Management at all levels. The responsibility for implementation of BR/CSR Policies of the Company is ultimately shouldered by Mr. Punit Goenka (DIN - 00031263) Managing Director & CEO of the Company.

b) Details of the BR head:

Sr No	Particulars	Details
1	DIN Number	00031263
2	Name	Mr Punit Geonka
3	Designation	Managing Director & Chief Executive Officer
4	Telephone Number	022 - 24831234
5	E mail Id	Punit.goenka@zee.esselgroup.com

[illegible]

2a. If answer to Sr No 1 against any principle, is "No", please explain why:

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six months									
5	It is planned to be done within next one year									
6	Any other reason									

Within the overall guidance of the Board, the Corporate Policies are framed and/or modified from time to time. Policies in connection with Business Operations & Human Resources have been implemented and followed over a period of time as per industry norms and/or best practices and were not approved by the Board specifically. However these Policies as and when approved are released for implementation by the CEO(s) and/or Executive Directors of the Company at the relevant point in time.

3. Governance related to BR:

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year –**

The assessment of BR performance is done on an ongoing basis by the Managing Director and Senior Management of the Company.

- **Does the Company publish a BR or sustainability Report? What is hyperlink for viewing this report? How frequently it is published?**

The Company has not published any BR or sustainability report till financial year 2011-12. However from the year 2012-13 the BR report is being published on a yearly basis and report is/shall be available available at www.zeetelevision.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

- Does the policy relating to ethics, bribery and corruption only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company considers Corporate Governance as an integral part of management. The Company has a Code of Conduct that is approved by the Board of Directors and this code is applicable to all Board Members and Senior Management. The code is available on the Company's website: www.zeetelevision.com. Additionally, as part of HR policy the Company has framed/circulated a policy restraining giving and receiving gifts and other benefits in the course of business relationship, which policy is applicable to the employees at all levels, including subsidiaries.

Though the Company's policies currently do not apply to external stakeholders including supplier's, contractors, NGO's etc, the Company follows Zero tolerance on such agencies acts of bribery, corruption etc during their dealings with the Company.

BUSINESS RESPONSIBILITY REPORT

2. **How many stakeholders' complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

As mentioned in the Corporate Governance Report, 38 complaints were received from investors during the FY 2013-14, all of which have been resolved. Additionally on an ongoing basis the complaints / grievances / views from viewers and other stakeholders are dealt with by respective functions.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.**

The Company's broadcasting services and distribution of contents thereof are in compliance with applicable regulations/advisories issued by Ministry of Information and Broadcasting, TRAI and the self regulatory guidelines / advisories issued by Indian Broadcasting Federation (IBF) and its arm Broadcasting Content Complaints Council from time to time.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw materials etc) per product (optional):**

- i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company's business operations as service provider requires minimal energy consumption.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation). If yes, what percentage of your inputs was sourced sustainably?**

The Company maintains a healthy relationship with its content providers, vendors and other suppliers and the business policies of the Company include them in its growth. The process of vendor registration lays emphasis on conformity of safe working conditions, prevention of child labour, business ethics and general housekeeping by the vendor. Further various events / programs broadcast on Company's television channels' are designed to offer opportunities to talents from all strata of society.

4. **Has Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors**

Most of the business operations of the Company are carried out from commercial hubs of the country and the content provider and other goods and service providers required for the day-to-day operations are sourced from local vendors and small producers, which has contributed to their growth. Additionally the Company encourages local talent in production of contents for its television channels.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste.(Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

As the Company is a service provider, it does not discharge any effluent or waste.

Principle 3: Business should promote the well being of all employees

1. **Please indicate the total number of employees:** 1826
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** Nil

3. **Please indicate the number of permanent women employees:** 355
4. **Please indicate the number of permanent employee with disabilities:** 1
5. **Do you have employee association that is recognised by management?** No employee association exists
6. **What percentage of your permanent employees are members of this recognised employee association?** NA
7. **Please Indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.** Nil
8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

The Company organises various training sessions in-house on a regular basis and also sponsors its employees to attend training sessions organised by external professional bodies to facilitate upgradation of skill, of employees handling relevant functions.

Principle 4: Businesses should respect interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external shareholders ?

The Company has mapped in its internal and external stakeholders, the major/key categories include (i) Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, Foreign Investment Promotion Board, Stock Exchanges and Depositories & Self regulatory bodies viz. Broadcast Content Compliant Council & Advertising Standards Council of India; (ii) Producers; (iii) Vendors; (iv) financial institutions; (v) banks; (vi) domestic & international investors and (vii) service providers.

However the process of mapping of stakeholders is an ongoing effort of updation on regular basis.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof

ZEE enhanced literacy levels across Rajasthan and Uttarakhand by setting up libraries through partnership with Room2Read, elevating lives of over 2,400 children. ZEE funded the setting up of 20 libraries across Rajasthan and Uttarakhand. These libraries cater to over 2,490 students, providing them access to various study materials. The libraries created additional resources for children around those regions. ZEE delivered around 12,000 books, especially selected by parents, teachers and government officials of those regions.

During the course of its broadcasting operations the Company has been known to give opportunity to a wide range of talent be it producer, writer, singer, dancer, actor or otherwise. Through its various television programmes like Dance India Dance (in various formats) running from over a long period of time, the Company has done its best to identify, recognise and bring talents from all strata of society to the audience at national level. Many of these stakeholders have earned fame for themselves through such recognition.

Additionally the Company supports various NGOs including Ekal Vidyalaya Foundation of India which offers free education to over 1 Million rural children as part of its drive to help eradicate illiteracy. The curriculum of these schools is tailored to teach the children basic literacy and

BUSINESS RESPONSIBILITY REPORT

life skills to inculcate self-confidence to pursue higher education or rural occupations. Ekal extends health care education and empowerment to the marginalised sections of society. The Company has also committed medium term financial support by way of donation to Marrow Donor Registry (India) - MDRI, a society which facilitates Marrow and Blood Stem Cell transplants for patients with life-threatening blood diseases and has data base of voluntary, unrelated Marrow Donors.

Principle 5: Business should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/ suppliers/ contractors/ NGOs/Others?

Zee believes that an organisation rests on a foundation of business ethics and valuing of human rights. Zee adheres to all statutes which embodies the principles of human rights such as prevention of child labour, woman empowerment etc. Zee promotes awareness of the importance of human rights within its value chain and discourage instances of any abuse.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

There were no complaints reported on violation of Human rights during the financial year 2013-14

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to principle 6 cover only the Company or extend to the Group/ Joint ventures/suppliers/contractors/Ngos/Others?

Nurturing and safeguarding the environment for long term sustainability is of prime importance. The Company has undertaken several green initiatives at all its office locations during the year.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

No

3. Does the Company identify and assess potential environmental risks? Y/N

No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

5. Has Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc? Y/N. If yes, please give hyperlink to web page etc.

No, the Company being in the business of Broadcasting does not involve in any manufacturing activity.

6. Are the Emissions/Waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable, since the Company being in the business of Broadcasting, does not involve any manufacturing activity

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

- A. Indian Broadcasting Foundation
- B. Confederation of Indian Industry(CII)
- C. Federation of Indian chambers of Commerce and Industry (FICCI)
- D. Advertising Agencies Association of India
- E. Indian Film & TV Producer Council
- F. Indian Motion Pictures Association
- G. Broadcast Audience Research Council
- H. Indian Council of Arbitration

2. Have you advocated/lobbied through above associations for advancement or improvement of public good? Yes/No; If yes, specify the broad areas

Yes. The Company through these associations has supported / advocated implementation of Digital Addressable System (DAS) prescribed by Ministry of Information & Broadcasting, which would result in better quality and viewing experience for the viewers.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

Yes, the Company has specific programs/initiatives/projects in pursuance of its CSR policy. The Company has at a unified and centralised group level put in place a Corporate Social Responsibility activities, process, monitoring and evaluation activities.

In FY2014, ZEE announced the launch of its Corporate Social Responsibility initiative under "ZEE Care". Through this initiative, ZEE has endeavored to make a difference in the lives of underprivileged children through education. It was a milestone for ZEE to partner with 'Room to Read', a global organisation. 'Room to Read' envisions a society in which all children should pursue quality education to acquire knowledge and contribute to their respective communities and the world. Under "ZEE Care" initiative following are the CSR projects:

- ZEE enhanced literacy levels across Rajasthan and Uttarakhand by setting up libraries through this partnership, elevating lives of over 2,400 children. ZEE funded the setting up of 20 libraries across Rajasthan and Uttarakhand. These libraries catered to over 2,490 students, providing them access to various study materials. The libraries created additional resources for children around those regions. ZEE delivered around 12,000 books, especially selected by parents, teachers and government officials of those regions.
- Support to Ekal Vidyalaya Foundation, an NGO that's works to bring about basic literacy and health awareness amongst the tribal and rural population of India.

BUSINESS RESPONSIBILITY REPORT

- Support Global Vipassana Foundation which helps propagate Vipassana, the non-sectarian rational process of self-purification with the aim of bringing about peace both within the individual and the society in general, and global Foundation for Civilisational Harmony, a body which aims to create a peaceful and harmonious society
- Medium term financial support by way of donation to Marrow Donor Registry (India) - MDRI, a society which facilitates Marrow and Blood Stem Cell transplants for patients with life-threatening blood diseases and has data base of voluntary, unrelated Marrow Donors.

CSR Focus Areas:

ZEE has identified Education and Women Empowerment as the focus area under corporate social responsibility initiatives.

Literacy:

By collaborating with local communities and partner organisation ZEE focuses to address literacy and Gender Equality in Education. This is a more sustainable program model, which could be extended to over 20 schools in 2014, which would approximately benefit 5000 children studying in rural government primary schools.

Girls Education:

ZEE has partnered with Room to Read, to support Girls Education in the district of Jodhpur. Through this program, ZEE will provide educational support to 100 Girls in higher secondary school along with Life skill trainings. We found only education support will not help a girl to succeed in her education, a girl needs key decision making skills to succeed in her life. This program teaches 30 key life skills competence to Girls in secondary school through a women mentor in community.

Women Empowerment:

The Women's Empowerment Program aims to organise women, build their capabilities, increase their confidence, and initiate income-generating projects for creating supplementary livelihood in the community.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organisation?

The Company's CSR programmes are implemented through an internal team as well as in partnership with Non-governmental organisations (NGOs)

3. Have you done any impact assessment of your initiative?

No

4. What is Company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken?

Excluding expenses incurred by the Company as part of CSR initiatives in the Business operations, which include the money spent by way of Donation and/or other financial support, an amount of ₹ 47.48 Million to various NGO's engaged in development projects as under:

Sr No	Details	Expenditure (₹ in Million)
1	Health Care	2.6
2	Environment & Religion	0.9
3	Education	43.98

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases as on the end of financial year?

There are no material consumer cases / customer complaints outstanding as at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Not applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and or anti-competitive behavior during the last five years and pending as of end of financial year?

None

4. Did your Company carry out any consumer survey/consumer satisfaction trends?

TAM ratings in Television Media industry provide report of popularity and viewership of Television channels/Program periodically and the marketing department on a regular basis carries out surveys (either web-based or otherwise) for identifying consumers viewing behavior and emerging trends on consumer preferences. The Company also carries out studies from time to time on process requirement areas through consulting firms.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Punit Goenka, Managing Director & CEO and Mihir Modi, Chief Finance and Strategy Officer of Zee Entertainment Enterprises Limited ('the Company'), certify that:

- (a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31 March, 2014 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 March, 2014 are fraudulent, illegal or violative to the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken to rectify these deficiencies.
- (d) During the year:
 - i) there has not been any significant change in internal control over financial reporting;
 - ii) there have not been any significant changes in accounting policies; and
 - iii) there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Mihir Modi
Chief Finance and Strategy Officer

Punit Goenka
Managing Director & CEO

Place : Mumbai
Date : 21 May, 2014

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Zee Entertainment Enterprises Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Zee Entertainment Enterprises Limited ("the Company") which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The

procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the Order.

- As required by Section 227(3) of the Act, we report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- On the basis of written representation received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai,
21 May, 2014

INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) All the fixed assets, except Integrated Receiver Decoders (IRD) boxes lying with third parties, have been physically verified by the management during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Discrepancies noticed on such verification, which are not material, have been properly dealt with in the books of account.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. a) The inventory has been physically verified (copyrights of television content verified with reference to title documents/agreements) by the management at reasonable intervals during the year.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company has maintained proper records of inventory. As explained to us, no discrepancies were noticed on physical verification as compared to the book records.
3. a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system in respect of the aforesaid areas.
5. According to the information and explanations given to us, there are no contracts or arrangements the particulars of which are required to be entered into the register maintained in pursuance to Section 301 of the Act.
6. The Company has not accepted any deposits from the public during the year.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. According to the records of the Company examined by us and information and explanations given to us:
 - a) Undisputed Statutory dues including provident fund, investor education and protection fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of the aforesaid dues outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable.

INDEPENDENT AUDITOR'S REPORT

- b) According to the records of the Company, the dues of service tax, income tax and wealth tax which are not deposited on account of any dispute are as under:

Name of the Statute	Nature of the Dues	Amount (₹/million)	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Service Tax	1	F.Y. 2004-2005	Commissioner of Service Tax
		312	F.Y. 2006-2007	Commissioner of Service Tax
		148	F.Y. 2007-2008	Commissioner of Service Tax
		2	F.Y. 2006-2007	Commissioner of Central Excise (Appeals)
		0	F.Y. 2006-2007,	Customs Excise and Service Tax
		(₹ 176,706)^	F.Y. 2007- 2008	Appellate Tribunal
The Income Tax Act, 1961	Tax Deducted at Source	69	F.Y. 2010-2011	Commissioner of Income Tax (Appeals)
		1	F.Y. 2011-2012	Commissioner of Income Tax (Appeals)
		10	F.Y. 2012-2013	Commissioner of Income Tax (Appeals)
	Income Tax	0	F.Y. 1995-1996	Commissioner of Income Tax (Appeals)
		(₹ 426,630)^		
		18	F.Y. 2004-2005	High Court
		124	F.Y. 2005-2006	Income Tax Appellate Tribunal
		6	F.Y. 2006-2007	Income Tax Appellate Tribunal
		242	F.Y. 2008-2009	Income Tax Appellate Tribunal
		3*	F.Y. 2008-2009	Commissioner of Income Tax (Appeals)
		453	F.Y. 2009-2010	Dispute Resolution Panel
		45*	F.Y. 2009-2010	Commissioner of Income Tax (Appeals)
The Wealth Tax Act, 1957	Wealth Tax	0	F.Y. 2004-2005	Income Tax Appellate Tribunal
		(₹ 427,020)^		
		0	F.Y. 2005-2006	Income Tax Appellate Tribunal
		(₹ 385,733)^		

^ represents absolute amount

* pertains to erstwhile ETC Networks Limited, merged with the Company.

10. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to banks and financial institutions during the year.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanation given to us, the terms and conditions of guarantees

given by the Company for loans taken by subsidiaries and others from banks are prima-facie not prejudicial to the interests of the Company.

16. The Company has raised term loans during the year which have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that short term funds have not been used for long term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
19. The Company has not issued any secured debentures during the year.

20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai,
21 May, 2014

BALANCE SHEET

as at 31 March, 2014

(₹ millions)

	Note	2014	2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	21,130	954
Reserves and surplus	4	18,551	32,574
		39,681	33,528
Non-Current Liabilities			
Long-term borrowings	5	16	15
Long-term provisions	6	275	206
		291	221
Current Liabilities			
Trade payables	7	1,755	2,264
Other current liabilities	7	2,186	1,643
Short-term provisions	6	3,256	2,429
		7,197	6,336
Total		47,169	40,085
ASSETS			
Non-Current Assets			
Fixed assets	8		
Tangible assets		2,558	2,199
Intangible assets		70	61
Capital work-in-progress		997	69
		3,625	2,329
Non-current investments	9	8,080	5,995
Deferred tax assets (net)	10	172	128
Long-term loans and advances	11	6,457	4,036
Other non-current assets (P.Y. ₹ 54,365)	12	-	0
		18,334	12,488
Current Assets			
Current investments	13	2,000	4,697
Inventories	14	11,202	9,585
Trade receivables	15	7,980	7,171
Cash and bank balances	16	1,646	2,394
Short-term loans and advances	11	4,911	2,825
Other current assets	12	1,096	925
		28,835	27,597
Total		47,169	40,085
Notes forming part of the financial statements	1-45		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**

Chartered Accountants

Punit Goenka

Managing Director & CEO

R. Vaidyanathan

Director

Mihir Modi

Chief Finance and Strategy Officer

Hitendra Bhandari

Partner

M Lakshminarayanan

Company Secretary

Place: Mumbai

Date: 21 May, 2014

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2014

(₹ millions)

	Note	2014	2013
REVENUE			
Revenue from operations	17	30,757	25,659
Other income	18	1,845	1,189
Total		32,602	26,848
EXPENSES			
Operational cost	19	13,101	10,703
Employee benefits expense	20	2,238	1,904
Finance costs	21	72	13
Depreciation and amortisation expense	22	338	280
Other expenses	23	5,103	4,429
Total		20,852	17,329
Profit before tax		11,750	9,519
Less : Tax expense			
Current tax - current year		4,074	3,044
- earlier years		(3)	60
Deferred tax		(44)	8
Profit after tax		7,723	6,407
Earnings per equity share (face value ₹ 1 each)	43		
Basic		7.94	6.71
Diluted		7.94	6.69
Notes forming part of the financial statements	1-45		

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Hitendra Bhandari

Partner

Place: Mumbai

Date: 21 May, 2014

For and on behalf of the Board

Punit Goenka

Managing Director & CEO

M Lakshminarayanan

Company Secretary

R. Vaidyanathan

Director

Mihir Modi

Chief Finance and Strategy Officer

CASH FLOW STATEMENT

for the year ended 31 March, 2014

(₹ millions)

	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,750	9,519
Adjustments for :		
Depreciation and amortisation expense	338	280
Provision for doubtful debts and advances	116	42
Liabilities / excess provision written back	(50)	(53)
Unrealised loss on exchange adjustments (net)	43	40
Loss on sale / discard / impairment of fixed assets (net)	23	22
Interest expense	71	12
Provision / (Reversal) for diminution in value of investments	(10)	20
Profit on sale of current investments (net)	(8)	(1)
Dividend income	(117)	(133)
Interest income	(1,186)	(791)
Operating Profit before working capital changes	10,970	8,957
Adjustments for :		
Increase in trade and other receivables	(1,465)	(9)
(Increase) / decrease in inventories	(1,617)	345
Increase / (decrease) in trade and other payables	161	530
Cash Generated from Operations	8,049	9,823
Direct taxes paid (net)	(3,619)	(3,125)
Net Cash Flow from Operating Activities (A)	4,430	6,698
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets / capital work in progress	(1,395)	(672)
Sale of fixed assets	11	43
Purchase of non-current investments	(2,744)	(92)
Sale of non-current investments	667	-
Purchase of current investments	(28,241)	(29,905)
Sale of current investments	30,946	29,888
Loan to subsidiary company	(2,531)	(2,852)
Loans to others	(3,490)	(250)
Loans repaid by others	1,790	200
Dividend received	117	133
Interest received	1,176	702
Net Cash Flow used in Investing Activities (B)	(3,694)	(2,805)

CASH FLOW STATEMENT

for the year ended 31 March, 2014

(₹ millions)

	2014	2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid (including dividend tax)	(2,244)	(1,663)
Interest paid	(22)	(12)
Proceeds from issue of share capital	778	-
Payment on buyback of shares	-	(593)
Proceeds from long-term borrowings	14	20
Repayments of long-term borrowings	(12)	(13)
Net Cash Flow used in Financing Activities (C)	(1,486)	(2,261)
Net Cash flow during the year (A+B+C)	(750)	1,632
Cash and cash equivalents at the beginning of the year	2,384	752
Net cash and cash equivalents	1,634	2,384
Add: Balances earmarked	12	10
Cash and bank balances at the end of the year	1,646	2,394
Note:		
Previous year's figures have been regrouped, recast wherever necessary.		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**

Chartered Accountants

Punit Goenka

Managing Director & CEO

R. Vaidyanathan

Director

Mihir Modi

Chief Finance and Strategy Officer

Hitendra Bhandari

Partner

M Lakshminarayanan

Company Secretary

Place: Mumbai

Date: 21 May, 2014

NOTES

forming part of the Financial Statements

1. CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ("ZEEL" or "the Company") is incorporated in the State of Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The Company is mainly in the following businesses:

- a) Broadcasting of Satellite Television Channels;
- b) Space Selling agent for other satellite television channels;
- c) Sale of Television Content i.e. programs / film rights / feeds;
- d) Production and distribution of films.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared on going concern basis in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) and comply in all material respect with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provision of the Companies Act, 1956 read with general circular 8/2014 dated 4 April, 2014, issued by the Ministry of Corporate Affairs. The financial statements have been prepared on accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those of previous year.

b) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, on the date of the financial statements and the reported amount of revenue and expenses for the period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

c) Tangible fixed assets

- (i) Tangible fixed assets are stated at cost, less accumulated depreciation and impairment

loss, if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Integrated Receiver Decoders (IRD) boxes are capitalised, when available for deployment.

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

d) Intangible assets

Intangible assets acquired are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

e) Borrowing costs

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

f) Impairment of tangible and intangible assets

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

g) Depreciation / Amortisation on tangible / intangible assets

- (i) Depreciation on tangible fixed assets is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 except Aircraft on which depreciation is provided based on estimated useful life of 15 years.

The rate of depreciation so derived is more than the rate prescribed under Schedule XIV.

- (ii) Premium on Leasehold Land and Leasehold Improvements are amortised over the period of Lease.
- (iii) Intangible assets are amortised on a straight line basis over the economic useful life estimated by the management.

h) Investments

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments.
- (ii) Current investments are stated at lower of cost and fair market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.

(iii) Investment property

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

i) Transactions in foreign currencies

- (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

NOTES

forming part of the Financial Statements

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 carried at cost.

j) Revenue recognition

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

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

(ii) Sales - Television content (including Programs, Film Rights) is recognised, when the significant risks and rewards have been transferred to the customers in accordance with the agreed terms.

(iii) Services

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

2. Theatrical revenue from films is recognised on receipt of related sale reports.

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

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

(vi) Dividend income is recognised when the Company's right to receive dividend is established.

k) Inventories

(i) Television Content for Broadcasting :

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

1. Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.
2. Programs (other than (1) above) are amortised over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.
3. Film rights are amortised on a straight-line basis over the licensed period or 60 months from the commencement of rights, whichever is shorter.

(ii) Films produced and / or acquired for distribution:

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

1. Theatrical rights: 70% of allocated cost is amortised over three months of theatrical release of films and balance 30% in subsequent three quarters.
2. Satellite rights, music rights, home video rights etc: Allocated cost of each right is expensed

on sale and amortised on exploitation as per (i) (3) above.

3. Negative rights : 90% of the cost is allocated and amortised as per (1) and (2) above and 10% of the cost is allocated to Intellectual Property Rights (IPR) and amortised over subsequent five years.

(iii) Raw Stock : Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.

l) Retirement and other employee benefits

(i) Short-term employee benefits are expensed at the undiscounted amount in the Statement of Profit and Loss in the year the employee renders the service.

(ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss at the present value of the amount payable determined using actuarial valuation techniques in the year the employee renders the service. Actuarial gains and losses are charged to the Statement of Profit and Loss.

m) Accounting for taxes on income

(i) Current Tax is determined as the amount of tax payable in respect of taxable income as per the provisions of the Income Tax Act, 1961.

(ii) Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax asset, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates and laws.

n) Leases

(i) Finance Lease

Assets acquired under Finance Lease are capitalised and the

NOTES

forming part of the Financial Statements

corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(ii) Operating Lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / revenue under operating leases are recognised as

expense / income on accrual basis in accordance with the respective lease agreements.

o) Earnings per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the period. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period, except when the results would be anti-dilutive.

p) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

	(₹ millions)	
	2014	2013
3. SHARE CAPITAL		
Authorised		
2,000,000,000 (1,399,200,000) Equity Shares of ₹ 1 each	2,000	1,399
21,000,000,000 (Nil) Preference Shares of ₹ 1 each	21,000	-
	23,000	1,399
Issued, Subscribed and Paid up		
960,448,720 (953,957,720) Equity Shares of ₹ 1 each fully paid up	960	954
20,169,423,120 (Nil) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each fully paid up	20,170	-
Total	21,130	954

a) Reconciliation of number of Equity shares and Share capital

	2014		2013	
	Number of equity shares	₹ millions	Number of equity shares	₹ millions
At the beginning of the year	953,957,720	954	958,770,077	959
Add: Allotted on exercise of Employee Stock Options (Refer (h) below)	6,491,000	6	-	-
Less: Cancelled on Buyback	-	-	4,812,357	5
Outstanding at the end of the year	960,448,720	960	953,957,720	954

b) Reconciliation of number of Preference shares and Share capital

	2014		2013	
	Number of preference shares	₹ millions	Number of preference shares	₹ millions
At the beginning of the year	-	-	-	-
Add: Allotted on issue of bonus Preference Shares (Refer (d) below)	20,169,423,120	20,170	-	-
Outstanding at the end of the year	20,169,423,120	20,170	-	-

c) Terms / rights attached to equity shares

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

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forming part of the Financial Statements

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

d) Terms / rights attached to Redeemable Preference Shares

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

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

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary,

then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of at least two years preceding the date of the meeting.

e) Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding 31 March, 2014

	2014	2013
Equity Shares allotted as fully paid bonus shares	489,038,065	489,038,065
Preference Shares allotted by way of Bonus	20,169,423,120	-
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	55,030,954	55,030,954
Equity Shares bought back and cancelled	24,185,210	24,185,210

f) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares in the Company

Name of the Shareholders	2014		2013	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Cyquator Media Services Private Limited	241,402,908	25.13	241,402,908	25.31
Essel Media Ventures Limited	102,888,286	10.71	102,888,286	10.79
Oppenheimer Developing Markets Fund	82,290,959	8.57	86,953,280	9.12

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.

g) Details of Preference Shareholders holding more than 5 % of the aggregate Preference shares in the Company

Name of the Shareholders	2014		2013	
	Number of preference shares	% Shareholding	Number of preference shares	% Shareholding
Essel Landmark Private Limited	4,120,000,000	20.43	-	-
Essel Media Ventures Limited	2,160,654,006	10.71	-	-
Oppenheimer Developing Markets Fund	1,895,913,054	9.40	-	-

h) 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 ₹ 1 each, to the employees of the Company as well as that of its subsidiaries and also to Non-executive Directors including Independent Directors of the Company at the market price determined as per the Securities and Exchange Board of India (Employee Stock Options Scheme) Guidelines, 1999 (SEBI (ESOS) Guidelines). The said scheme is administered by the Remuneration Committee of the Board.

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forming part of the Financial Statements

During the year ended 31 March, 2014, the Company did not grant any stock options. The options earlier granted under the Scheme vested during the year and these would be exercisable at any time within a period of four years from each vesting and the equity shares arising on exercise of options shall not be subject to any lock in.

The options were granted to the employees / directors at an exercise price, being the latest market price as per the SEBI (ESOS) Guidelines. In view of, there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account for the value of options as per the SEBI guidelines.

Summary of Stock Options outstanding is as follows :

	2014	2013
Options outstanding at the beginning of the year	6,548,800	6,825,200
Options exercised during the year	6,491,000	-
Options lapsed during the year	57,800	276,400
Options outstanding at the end of the year	-	6,548,800

(₹ millions)

	2014	2013
4. RESERVES AND SURPLUS		
Capital redemption reserve		
As per last Balance Sheet	24	19
Add : On Buyback of Equity Shares	-	5
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	24	-
	-	24
Securities premium		
As per last Balance Sheet	8,246	8,834
Add: On issue of Shares under Employee Stock Option Plan	772	-
Less: Utilised on Buyback of Equity shares	-	588
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	9,018	-
	-	8,246
General reserve		
As per last Balance Sheet	8,306	6,811
Less: Transferred to Capital Redemption Reserve on Buyback of Equity Shares	-	5
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	8,306	-
Add: Appropriated during the year	2,000	1,500
	2,000	8,306
Surplus in Statement of profit and loss		
As per last Balance Sheet	15,998	13,328
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	2,822	-
Less: Dividend (Including tax) on Equity Shares - Earlier year (₹ 405,037)	0	-
Add: Dividend (including tax) on Equity Shares bought back and cancelled	-	8
Add: Profit for the year	7,723	6,407
Less: Appropriations		
Dividend on 6% Cumulative Redeemable Preference Shares	86	-
Tax on dividend on Preference Shares	15	-
Proposed dividend on Equity Shares	1,921	1,919
Tax on dividend on Equity Shares	326	326
Transferred to general reserve	2,000	1,500
	16,551	15,998
Total	18,551	32,574

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forming part of the Financial Statements

	(₹ millions)			
	Non-Current		Current	
	2014	2013	2014	2013
5. LONG-TERM BORROWINGS				
Vehicle loans * - secured	16	15	11	9
	16	15	11	9
Less: Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	-	-	11	9
Total	16	15	-	-

* Secured against hypothecation of vehicles. The aforesaid borrowings carries interest rates ranging from 9.81% p.a. - 13.18% p.a. and are repayable upto December 2017.

	(₹ millions)			
	Long-Term		Short-Term	
	2014	2013	2014	2013
6. PROVISIONS				
Provision for employee benefits				
- Gratuity	130	99	8	3
- Leave benefits	145	107	12	6
Others				
- Dividend on 6% Cumulative Redeemable Preference Shares and Tax thereon	-	-	101	-
- Proposed dividend on Equity Shares and Tax thereon	-	-	2,247	2,245
- Provision for taxation (net of advances)	-	-	888	175
Total	275	206	3,256	2,429

	(₹ millions)	
	2014	2013
7. OTHER LIABILITIES		
Trade payables		
Trade payables	1,339	1,755
Due to principals - subsidiary (pending remittances)	416	509
	1,755	2,264
Other Current Liabilities		
Current maturities of long-term borrowings	11	9
Unearned revenue	226	151
Advances received from customers	192	10
Deposits received from distributors	48	41
Unclaimed dividends	11	10
Creditors for capital expenditure	31	55
Employee benefits payable	470	336
Statutory dues payable	236	287
Other payables	961	744
	2,186	1,643
Total	3,941	3,907

Dividend ₹/Million 1 (1) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2014.

NOTES

forming part of the Financial Statements

8. FIXED ASSETS	Gross Block			Depreciation / Amortisation / Impairment			Net Block	
	As at 1 April, 2013	Additions	Deductions 31 March, 2014	Upto 31 March, 2013	For the year	Impairment 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
Tangible Assets								
Leasehold land	66	-	-	8	1	-	57	58
Leasehold improvements	81	3	-	80	0	-	4	1
Buildings	407	-	-	56	7	-	344	351
Computers	142	40	4	82	18	3	81	60
Plant and machinery	1,720	577	186	546	218	167	1,514	1,174
Equipments	104	30	4	25	6	1	100	79
Furniture and fixtures	63	2	1	24	5	1	36	39
Aircraft	368	-	-	21	23	-	324	347
Vehicles	113	28	21	23	11	12	98	90
Total	3,064	680	216	865	289	184	2,558	2,199
Previous Year	2,388	788	112	690	222	46	2,199	
Intangible Assets								
Software	238	60	30	177	49	28	70	61
Trademark	0	-	-	0	0	-	0	0
Total	238	60	30	177	49	28	70	61
Previous Year	195	44	1	121	58	2	61	
Capital Work-in-Progress							997	69

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

Notes:

- 1 Buildings include ₹/millions 0 (0) (₹114,100 (₹ 114,100)) the value of share in a co-operative society.
- 2 Part of Building has been given on Operating lease.
- 3 Depreciation for the year is net of excess depreciation of ₹/millions Nil (8) provided in the earlier year.

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	(₹ millions)	
	2014	2013
9. NON-CURRENT INVESTMENTS		
(i) Trade Investments (valued at cost, unless stated otherwise)		
In Subsidiaries - Wholly Owned - 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 Asia Today Limited	2,515	2,515
50,000 (50,000) Equity shares of ₹ 10/- each of Zee Sports Limited	1	1
10,000 (10,000) Equity shares of ₹ 100/- each of Taj Television (India) Private Limited	37	37
3,010,000 (1,010,000) Equity shares of ₹ 10/- each of Essel Vision Productions Limited	30	10
In Subsidiaries - Others- Unquoted		
74,000 (74,000) Equity shares of ₹ 10/- each of Zee Turner Limited (Extent of holding 74%)	1	1
123,039,613 (119,884,243) Equity shares of ₹ 1/- each of India Webportal Private Limited (Extent of holding 51%)	254	206
In Others - Unquoted		
30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited (₹ 300,000 (₹ 300,000))	0	0
	5,422	5,354
(ii) Other Investments		
In Associate - Quoted		
1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47
Others - Quoted		
1,822,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	2	2
50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited	50	50
100,000 (Nil) 8.01% Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Rural Electrification Corporation Limited	100	-
Others - Unquoted		
419.6 (Nil) units of ₹ 1,000,000/- each of Morpheus Media Fund	420	-
2,376 (Nil) 18% Secured Redeemable Non-Convertible Debentures of ₹ 100,000 each of Parsvnath Developers Limited	237	-
12,500 (Nil) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000 each of SGGD Projects Development Private Limited	1,250	-
Investment Property		
Land at Hyderabad	573	573
	2,679	672
Less : Provision for diminution in value of investments	21	31
Total	8,080	5,995
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 282 (83)]	199	99
Aggregate amount of unquoted Investments	7,329	5,354
Value of investment property	573	573
Diminution in value of investments	21	31

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	(₹ millions)	
	2014	2013
10. DEFERRED TAX ASSETS (NET)		
The components of deferred tax balances as at 31 March, 2014 are as under:		
Deferred Tax Assets		
Arising on account of timing differences in Employee retirement benefits	100	72
Provision for doubtful debts and advances	271	236
	371	308
Deferred Tax Liabilities		
Depreciation	199	180
	199	180
Deferred Tax Assets (Net)	172	128

	(₹ millions)			
	Long-Term		Short-Term	
	2014	2013	2014	2013
11. LOANS AND ADVANCES				
Capital advances	89	386	-	-
Less: Provision for doubtful advances	6	6	-	-
	83	380	-	-
Deposits (unsecured, considered good)	253	280	102	40
Advances and deposits to related parties	-	-	33	68
Loans and advances to subsidiaries				
- Considered good	5,383	2,852	-	42
Other Loans and Advances (Unsecured)				
Loans	-	-	3,450	1,750
Other advances				
- Considered good	-	-	685	564
- Considered doubtful	-	-	386	370
	-	-	1,071	934
Less: Provision for doubtful advances	-	-	386	370
	-	-	685	564
Prepaid expenses	9	6	140	127
Balance with Government Authorities -				
- Advance income tax (net of provisions)	729	518	-	-
- Advance indirect taxes	-	-	501	234
Total	6,457	4,036	4,911	2,825

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	(₹ millions)			
	Non-Current		Current	
	2014	2013	2014	2013
12. OTHER ASSETS				
Unbilled Revenue	-	-	3	-
Balances with Banks - In Deposit accounts (Refer Note 16) (P.Y. ₹ 54,365)	-	0	-	-
Interest accrued on -				
Current investments	-	-	-	57
Bank deposits	-	-	2	10
Long-term investments	-	-	46	-
Loans - subsidiary	-	-	49	39
- others	-	-	37	18
Other receivables - subsidiary	-	-	945	823
Less: Provision for doubtful debts	-	-	33	31
	-	-	912	792
- others	-	-	47	10
Total	-	0	1,096	925

	(₹ millions)	
	2014	2013
13. CURRENT INVESTMENTS		
Certificate of Deposit (Non-Transferable) - Unquoted		
12% (11.75%) of SICOM Limited	1,000	1,000
12% (12%) of SICOM Limited	1,000	1,000
	2,000	2,000
Commercial Paper - Quoted		
Nil (1,800) Edelweiss Securities Limited	-	858
Nil (600) Religare Finvest Limited	-	289
Nil (800) Reliance Capital Limited	-	384
Nil (1,200) Morgan Stanley India Capital Private Limited	-	570
Nil (500) L&T Fincorp Limited	-	246
Mutual Funds - Quoted		
Nil (3,495,332) units of ₹ 100/- each of Birla Sun Life Cash Plus - Daily Dividend	-	350
	-	350
Total	2,000	4,697
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions Nil (2,697)]	-	2,697
Aggregate amount of unquoted Investments	2,000	2,000

	(₹ millions)	
	2014	2013
14. INVENTORIES		
Raw stock - tapes	6	8
Television content *	11,173	9,521
Under production- Programs	23	56
Total	11,202	9,585

* Includes rights ₹/millions 1,944 (2,227), which will commence at a future date.

* valued at lower of cost / unamortised cost or realisable value.

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	(₹ millions)	
	2014	2013
15. TRADE RECEIVABLES (UNSECURED)		
Over six months		
- Considered good	316	414
- Considered doubtful	329	317
Others		
- Considered good	7,664	6,757
- Considered doubtful	87	-
	8,396	7,488
Less: Provision for doubtful debts	416	317
Total	7,980	7,171

	(₹ millions)			
	Non-Current		Current	
	2014	2013	2014	2013
16. CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with Banks -				
In Current accounts	-	-	599	378
In Deposit accounts	-	-	1,000	2,000
Cheques, demand drafts in hand	-	-	25	5
Cash in hand	-	-	10	1
	-	-	1,634	2,384
Other Bank balances				
Balances with Banks -				
In Deposit accounts [Nil (₹ 54,365)] [₹ 462,000 (Nil)]	-	0	0	-
In Unclaimed dividend accounts	-	-	12	10
	-	0	12	10
Amount disclosed under the head "Other Assets" (Note 12) (P.Y. ₹ 54,365)	-	0	-	-
Total	-	-	1,646	2,394

	(₹ millions)	
	2014	2013
17. REVENUE FROM OPERATIONS		
Services - Broadcasting revenue		
Advertisement	20,037	16,266
Subscription	8,705	7,855
- Commission - space selling	109	118
- Transmission revenue	175	156
Sales - Television content	1,686	1,211
Other operating revenue	45	53
Total	30,757	25,659

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	(₹ millions)	
	2014	2013
18. OTHER INCOME		
Interest income		
- from Current investments	370	444
- from Bank deposits	43	17
- from Long-term investments	214	5
- from Subsidiary	198	39
- from Others	361	286
Dividend income		
- from Current investments	116	132
- from Long-Term investments	1	1
Rent income	85	77
Gain on exchange difference (net)	344	105
Liabilities / excess provision written back	50	53
Profit on sale of Current investments (net)	8	1
Miscellaneous income	55	29
Total	1,845	1,189

	(₹ millions)	
	2014	2013
19. OPERATIONAL COST		
a) Television Content		
Opening - Inventory **	9,521	9,899
- Under production - programs	56	19
Add: Commissioned / acquisition *	11,756	7,468
Add: Production Expenses - Location hire and set charges	301	225
- Equipment hire charges	348	300
- Professional / artist fees	1,147	1,148
- License fees	113	113
- Other production expenses	613	716
Less: Closing - Inventory **	11,173	9,521
- Under production - programs	23	56
	12,659	10,311
b) Telecast Cost	442	392
Total (a) + (b)	13,101	10,703

* Includes rights acquired ₹/millions 365 (1,058), which will commence at a future date.

** Includes cost / unamortised cost.

Television content of ₹/millions 447 (199) are impaired during the year.

	(₹ millions)	
	2014	2013
20. EMPLOYEE BENEFITS EXPENSE		
Salaries and allowances	2,061	1,760
Contribution to provident and other funds	103	76
Staff welfare expenses	74	68
Total	2,238	1,904

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	(₹ millions)	
	2014	2013
21. FINANCE COSTS		
Interest - on vehicle loans	3	2
- others	68	10
Other financial charges	1	1
Total	72	13

	(₹ millions)	
	2014	2013
22. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on tangible assets	289	222
Amortisation on intangible assets	49	58
Total	338	280

	(₹ millions)	
	2014	2013
23. OTHER EXPENSES		
Rent	224	197
Repairs and maintenance - building	25	9
- plant and machinery	74	79
- others	23	21
Insurance	5	4
Rates and taxes	67	32
Electricity and water charges	105	87
Communication charges	74	63
Printing and stationery	15	12
Travelling and conveyance expenses	237	190
Legal and professional charges	244	183
Payment to auditors	13	15
Donation	47	13
Miscellaneous expenses	85	63
Advertisement and publicity expenses	1,918	1,359
Commission expenses	161	149
Marketing, distribution and promotion expenses	1,564	1,730
Conference expenses	66	43
Provision for doubtful debts and advances	143	138
Bad debts and advances written off	27	-
Less: Provision for doubtful debts and advances	27	-
Provision / (Reversal) for diminution in value of investments	(10)	20
Loss on sale / discard / impairment of fixed assets (net)	23	22
Total	5,103	4,429

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24. LEASES

A. Operating Leases:

- (a) The Company has taken office, residential premises and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally from 11 months to 108 months.

	(₹ millions)	
	2014	2013
Lease rental charges for the year	678	627
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year	320	257
Later than one year but not later than five years	174	422
Later than five years	-	-

- (b) In respect of assets given under operating lease :

- (i) The Company has given part of its buildings under cancellable operating lease agreement. The initial term of the lease is for 36 months.
- (ii) The rental revenue for the year is ₹/millions 85 (77).

	(₹ millions)	
	2014	2013
25. CONTINGENT LIABILITIES		
a) Corporate Guarantees		
- For subsidiaries, loans outstanding ₹/millions 1,401 (1,648)	12,366	7,986
- For other related parties, loans outstanding ₹/millions 1,095 (797)	1,226	928
b) Disputed Indirect Taxes	463	463
c) Disputed Direct Taxes *	2,355	2,637
d) Claims against the Company not acknowledged as debts #	624	773
e) Legal cases against the Company @	Not ascertainable	Not ascertainable

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

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

@ 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.

26. CAPITAL AND OTHER COMMITMENTS

- (a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/millions 155 (46).
- (b) Other commitments as regards Television Content and others are ₹/millions 3,016 (2,954).
- (c) Uncalled Liability on investments committed ₹/millions 380 (Nil).
- (d) The Company has committed to provide continued financial support to various subsidiaries - Amount not ascertainable.

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

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28. MANAGERIAL REMUNERATION

- (a) Remuneration paid or provided in accordance with Section 198 of the Companies Act, 1956 to Managing Director and Executive Vice Chairman, included in Employee benefits expense is as under:

	Managing Director		Executive Vice Chairman#	
	2014	2013	2014	2013
Salary and Allowances	40	45	4	-
Provident fund contribution	4	4	-	-
Perquisites (₹ 6,600)	7	7	0	-

wef : 1 February, 2014

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

- (b) Commission payable to Non-Executive Directors of ₹/millions 10 (10) based on Profits for the year ended 31 March, 2014 is included in Legal and Professional charges under note 23 "Other expenses".

	(₹ millions)	
	2014	2013
29. PAYMENT TO AUDITORS		
Audit fees	7	6
Tax audit fees	1	1
Certification and tax representation	4	5
Other matters	-	3
Reimbursement of expenses (₹ 183,725 (₹179,470))	0	0
Total	13	15

30. The Company has been deploying its surplus funds by way of inter corporate deposits, debt instruments etc., which in the opinion of the management are considered good.

31. Operational cost and other expenses are net off recoveries ₹/millions 645 (447).

32. FOREIGN EXCHANGE

Foreign currency exposures that are not hedged by derivative instruments as at 31 March, 2014 are as under :

	(₹ millions)	
	2014	2013
Payables	72	168
Receivables	1,307	1,490
Loans	5,383	2,852

33. MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises as at 31 March, 2014, on the basis of information provided by the parties and available on record. Further, there is no interest paid / payable to micro and small enterprises during the year.

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34. EMPLOYEE BENEFITS

As per Accounting Standard 15 "Employee Benefits", the disclosures are as under:

(a) 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. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

Disclosure of Gratuity in terms of AS 15 in as under:

	(₹ millions)	
	2014	2013
I. Expenses recognised during the year		
1. Current Service Cost	15	13
2. Interest Cost	10	8
3. Actuarial Losses / (Gains)	19	13
4. Past Service cost	1	1
Total Expenses	45	35
II. Net Asset / (Liability) recognised in the Balance Sheet as at 31 March, 2014		
1. Present value of defined benefit obligation	138	102
2. Net Asset / (Liability)	(138)	(102)
III. Reconciliation of Net Asset / (Liability) recognised in the Balance Sheet as at 31 March, 2014		
1. Net Asset / (Liability) at the beginning of year	(102)	(81)
2. Expense as per I above	(45)	(35)
3. Employer contribution	9	11
4. Net Asset / (Liability) at the end of the year	(138)	(102)
IV. Actuarial Assumptions		
1. Discount rate	9.30%	8.20%
2. Expected rate of salary increase	9.50%	7.50%
3. Mortality	IAL (2006-08)	IAL (2006-08)

Notes:

- Amounts recognised as an expense and included in the Note 20 "Employee benefits expense" are gratuity ₹/millions 45 (35) and leave encashment ₹/millions 62 (45).
- 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.

(b) Defined contribution plan:

"Contribution to provident and other funds" is recognised as an expense in Note 20 "Employee benefits expense" of the Statement of Profit and Loss.

Expand Fast Holdings (Singapore) Pte. Limited; OOO Zee CIS LLC; OOO Zee CIS Holding LLC; Taj Television (India) Private Limited; Taj TV Limited; Zee Multimedia (Maurice) Limited; Zee Multimedia Worldwide (Mauritius) Limited; Zee Sports Limited; Zee Technologies (Guangzhou) Limited; Zee Telefilms Middle East FZ-LLC; Zee TV South Africa (Proprietary) Limited; Zee TV USA Inc.

(ii) Associate

Aplab Limited (extent of holding 26.42%); Idea Web Shop and Media Private Limited (held through India Webportal Private Limited) (extent of holding 26%)

(iii) Joint Venture (held through Zee Turner Limited)

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

(iv) Other Related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year.

35. RELATED PARTY TRANSACTIONS

(i) List of Parties where control exists

Subsidiary Companies

(a) Wholly owned (Direct and indirect subsidiaries)

Asia Today Limited; Asia TV Limited; ATL Media FZ-LLC; Eevee Multimedia Inc.; Essel Vision Productions Limited;

(b) Others - Direct

Zee Turner Limited (extent of holding 74%); India Webportal Private Limited (extent of holding 51%)

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Agrani Wireless Services Limited; Cyquator Media Services Private Limited; Diligent Media Corporation Limited; Dish TV India Limited; Essel Propack Limited; E-City Bioscope Entertainment Private Limited; Essel Corporate Resources Private Limited; Essel International Limited; Essel Shyam Communication Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Real Media FZ-LLC; Siti Cable Network Limited; Smart Wireless Private Limited; Zee Akash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited.

Directors / Key Management Personnel

Mr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director & CEO), Mr. Subodh Kumar (Executive Vice Chairman).

(v) Transactions with Related Parties

	(₹ millions)	
	2014	2013
A) Fixed Assets		
Assets purchased during the year		
Other Related Parties	10	5
Assets sold during the year		
Other Related Parties	-	4
B) Non-Current Investments		
Subsidiaries		
Balance as at 1 April	5,353	5,261
Purchased / Subscribed during the year	69	92
Balance as at 31 March	5,422	5,353
Associates		
Balance as at 1 April	47	47
Balance as at 31 March	47	47
Other Related Parties		
Balance as at 1 April	2	2
Balance as at 31 March	2	2
C) Trade Receivables as at 31 March		
Subsidiaries	1,665	1,524
Joint Venture	1,847	2,146
Other Related Parties	49	5
D) Loans, Advances and Deposits given as at 31 March		
Subsidiaries	5,383	2,894
Other Related Parties	33	68
E) Other Receivables		
Subsidiaries	945	823
F) Advances and Deposits received as at 31 March		
Subsidiaries	4	1
G) Interest accrued		
Subsidiaries	49	39
H) Trade Payables / Other Payables as at 31 March		
Subsidiaries	109	85
Other Related Parties	162	106
Associate (₹ 18,480)	0	-
Due to Principals - Pending Remittances		
Subsidiaries	416	509
I) Revenue from Operations		
Advertisement Income		
Other Related Parties	28	19
Subscription Income		
Subsidiaries	894	959
Joint Venture	7,687	6,645
Other Related Parties	90	180
Commission received		

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	(₹ millions)	
	2014	2013
Subsidiaries	109	118
Transmission Income		
Subsidiaries	152	130
Other Related Parties	23	26
Sales - Television Content		
Subsidiaries	1,614	1,164
J) Other Income		
Interest Income		
Subsidiaries	198	39
Dividend Income		
Other Related Parties	1	1
Rent / Miscellaneous Income		
Subsidiaries	44	29
Joint Venture	5	5
Other Related Parties	75	65
Balances written back		
Subsidiaries (P.Y. ₹ 61,005)	-	0
Other Related Parties (P.Y. ₹ 53,713)	-	0
Reimbursements / Recoveries		
Subsidiaries	497	336
Joint Venture	4	3
Other Related Parties	144	108
K) Loans, Advances and Deposits given		
Subsidiaries	2,261	3,723
Other Related Parties	19	138
L) Loans, Advances and Deposits repayment received		
Subsidiaries	197	1,393
Other Related Parties	54	146
M) Purchase of Television Content		
Subsidiaries	3,801	402
Other Related Parties	133	102
N) Purchase of Services		
Subsidiaries	4	1
Joint Venture	-	1
Associate (P.Y. ₹ 182,500)	-	0
Other Related Parties	751	678
O) Commission Expenses		
Subsidiaries	93	54
Other Related Parties (₹ 63,113 (₹ 75,795))	0	0
P) Provision for doubtful debts and advances		
Subsidiaries	1	-
Q) Advances and Deposits received		
Subsidiaries	29	18
R) Advances and Deposits refunded		
Subsidiaries	32	17
S) Guarantees		
Corporate Guarantees given		
Subsidiaries	12,366	7,986
Other Related Parties	1,226	928

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Disclosure in Respect of Material Related Parties which account for 10% or more of transactions during the year:

- a. Fixed Assets purchased during the year, Dish TV India Limited ₹/millions 8 (5); Siti Cable Network Limited ₹/millions 1 (Nil). Fixed Assets sold during the year, Zee Media Corporation Limited ₹/millions Nil (4).
- b. Non-Current Investments - Subsidiaries, additions during the year include India Webportal Private Limited ₹/millions 49 (92); Essel vision Productions Limited ₹/ millions 20 (Nil).
- c. Loans, Advances and Deposits given to Asia Today Limited ₹/millions 2,261 (2,852); Essel Vision Productions Limited ₹/millions Nil (647); Cyquator Media Services Private Limited ₹/millions 19 (29); Zee Media Corporation Limited ₹/millions Nil (109).
- d. Loans, Advances and Deposits repayment received from Asia Today Limited ₹/millions 121 (181); Essel Vision Productions Limited ₹/millions 42 (605); Zee Turner Limited ₹/millions 34 (553); Cyquator Media Services Private Limited ₹/millions 21 (26); Essel Corporate Resources Private Limited ₹/millions 22 (22); Zee Media Corporation Limited ₹/ millions 10 (98).
- e. Loans, Advances and Deposits balances outstanding at year end include Asia Today Limited ₹/millions 5,383 (2,852); Cyquator Media Services Private Limited ₹/millions 28 (30); Essel Corporate Resources Private Limited ₹/millions Nil (22); Zee Media Corporation Limited ₹/millions Nil (10).
- f. Other receivable balances include Asia Today Limited ₹/millions 435 (401); Zee Turner Limited ₹/millions 428 (378).
- g. Purchase of Television Content includes - Essel Vision Productions Limited ₹/millions 1,381 (402); Taj TV Limited ₹/millions 2,420 (Nil); Zee Learn Limited ₹/millions 133 (102).
- h. Purchase of Services includes Production expenses - Zee Learn Limited ₹/millions 51 (53); Zee Media Corporation Limited ₹/millions 3 (Nil). Telecast cost - Dish TV India Limited ₹/millions 105 (102); Essel Shyam Communication Private Limited ₹/millions 10 (10). Rent expenses - Essel Corporate Resources Private Limited ₹/millions 151 (134). Communication charges - Pan India Network Infravest Private Limited ₹/millions 3 (2). Electricity and water charges - Siti Cable Network Limited ₹/millions 3 (1). Legal and Professional charges - Media Pro Enterprise India Private Limited ₹/millions Nil (1); Essel Corporate Resources Private Limited ₹/millions 139 (101); Cyquator Media Services Private Limited ₹/millions 0 (1); Siti Cable Network Limited ₹/millions 4 (Nil). Advertisement and Publicity expenses - Essel Vision Productions Limited ₹/millions Nil (0); India Webportal Private Limited ₹/millions 3 (0); Cyquator Media Services Private Limited ₹/millions 16 (21); Diligent Media Corporation Limited ₹/millions 2 (Nil); Dish TV India Limited ₹/millions 67 (36); Siti Cable Network Limited ₹/millions 35 (10). Marketing, Distribution and Promotion expenses - Essel Vision Productions Limited ₹/millions Nil (1); Siti Cable Network Limited ₹/millions 128 (198).
- i. Commission expenses - Taj Television (India) Private Limited ₹/millions 95 (58) Commission paid reversal - Zee Turner Limited ₹/millions 2 (4).
- j. Provision for doubtful debts and advances - Zee Sports Limited ₹/millions 1 (Nil).
- k. Trade Payables / Other Payables balances - Asia Today Limited ₹/millions 91 (82); Essel Vision Productions Limited ₹/millions 18 (Nil); Aplab Limited ₹/millions 0 (Nil); Dish TV India Limited ₹/millions 81 (13); Real Media FZ-LLC ₹/millions 15 (12); Zee Learn Limited ₹/millions 51 (77). Due to Principals - Pending Remittances to Asia Today Limited ₹/millions 416 (509).
- l. Revenue from Operations include Advertisement Income - Diligent Media Corporation Limited ₹/millions 1 (2); Dish TV India Limited ₹/millions 17 (15); Zee Media Corporation Limited ₹/millions 7 (Nil). Subscription income - Taj Television (India) Private Limited ₹/millions 890 (959); Media Pro Enterprise India Private Limited ₹/millions 7,687 (6,645); Dish TV India Limited ₹/millions 90 (180). Commission - Space Seling - Asia Today Limited ₹/millions 109 (118). Transmission Income - Asia Today Limited ₹/Million 152 (130); Zee Media Corporation Limited ₹/millions 23 (26). Sales- Television Content to Asia Today Limited ₹/millions 1,412 (1,074).
- m. Other income includes Interest Income - Asia Today Limited ₹/millions 198 (39). Dividend Income - Essel Propack Limited ₹/millions 1 (1). Rent / Miscellaneous Income includes - Taj Television (India) Private Limited ₹/millions 5 (5); Taj TV Limited ₹/millions 37 (23); Media Pro Enterprise India Private Limited ₹/millions 5 (5); Dish TV India Limited ₹/millions 28 (28); Siti Cable Network Limited ₹/millions 8 (8); Zee Media Corporation Limited ₹/millions 34 (25).
- n. Reimbursement / Recoveries - Asia Today Limited ₹/millions 405 (324); Zee Turner Limited ₹/millions 85 (7); Media Pro Enterprise India Private Limited ₹/millions 4 (3); Dish TV India Limited ₹/millions 64 (48); Siti Cable Network Limited ₹/millions 14 (14); Zee Media Corporation Limited ₹/millions 59 (39).
- o. Trade Receivables balances, Asia Today Limited ₹/millions 1,217 (1,014); Taj Television (India) Private Limited ₹/millions 436 (508); Media Pro Enterprise India Private Limited ₹/millions 1,847 (2,146); Zee Media Corporation Limited ₹/millions 48 (Nil).
- p. Interest accrued on Loans includes Asia Today Limited ₹/millions 49 (39).
- q. Advances and Deposits received balance include Asia TV Limited ₹/millions 4 (Nil); Zee Multimedia (Maurice) Limited ₹/millions Nil (1).
- r. Advances and deposits received during the year from Asia TV Limited ₹/millions 21 (Nil); Zee Multimedia (Maurice) Limited ₹/millions 8 (18).
- s. Advances and deposits refunded during the year includes Asia TV Limited ₹/millions 25 (Nil); Zee Multimedia (Maurice) Limited ₹/millions 7 (17).
- t. Corporate guarantees on behalf of Taj TV Limited ₹/millions 12,366 (7,986); Dish TV India Limited ₹/millions 417 (437); Essel International Limited ₹/millions Nil (95); Siti Cable Network Limited ₹/millions 791 (374).

Note:

Details of Remuneration to directors are disclosed in Note 28.

Non-Current Investments as at 31 March, 2014 are disclosed in Note 9.

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

NOTES

forming part of the Financial Statements

36. DISCLOSURES AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT

(a) Loans and Advances given to Subsidiaries (Loanees)

			(₹ millions)	
	Balance as at 31 March,		Maximum amount outstanding during the year	
	2014	2013	2014	2013
Zee Sports Limited	32	32	32	32
Essel Vision Productions Limited	-	42	42	310
Asia Today Limited	5,383	2,852	5,383	2,852

(b) None of the loanees have made investments in the shares of the Company.

37. (a) Consumption of Raw Stock (included in operational cost)

	(₹ millions)	
	2014	2013
Raw Tapes	14	27
Total	14	27

(b) Details of Consumption of Imported and Indigenous stocks

			(₹ millions)	
	2014		2013	
	%	Amount	%	Amount
Imported	4	1	2	1
Indigenous	96	13	98	26
Total	100	14	100	27

	(₹ millions)	
	2014	2013
38. EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	1,606	1,165
Broadcasting Revenue	227	198
Transmission Revenue	152	130
Commission- Space Selling	109	118
Interest Income	198	39
Others	45	28

	(₹ millions)	
	2014	2013
39. REMITTANCES IN FOREIGN CURRENCY		
Net Dividend remitted	345	259
Number of Shareholders (Numbers)	114	114
Number of Equity Shares held (Numbers)	172,720,985	172,721,365

(₹ millions)

NOTES

forming part of the Financial Statements

	2014	2013
40. (a) Expenditure in Foreign Currency		
Travelling and conveyance expenses	8	6
Telecast cost	190	263
Production expenses	14	13
Repairs and maintenance expenses	38	40
Marketing, distribution and promotion expenses	17	10
Conference expenses	8	1
Legal and professional charges	3	9
Others	1	7
(b) CIF Value of Imports		
Capital Equipment	391	451
Raw Stock	1	1
Software - Intangible asset	7	5

41. The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March, 2013. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

42. In the meeting held on 17 December, 2013, the Board of Directors have approved a Scheme of Arrangement for acquisition of Media Business Undertaking of Diligent Media Corporation Limited (DMCL) by way of a demerger from DMCL and vesting with the Company, w.e.f. 31 March, 2014. Pending receipts of various regulatory / statutory approvals including approval of High Court and Members of the Company, effect has not been given in these financial statements.

	2014	2013
43. EARNINGS PER SHARE (EPS)		
a. Profit after Tax (₹/millions)	7,723	6,407
Less: Dividend on Preference Shares (including tax)	101	-
Profit available for appropriation to Equity Shareholders (₹/millions)	7,622	6,407
b. Weighted Average number of equity shares for Basic EPS (in numbers)	959,689,900	954,744,508
Add: Weighted Average outstanding employee stock options (in numbers)	-	2,831,714
c. Weighted Average number of equity shares for Diluted EPS (in numbers)	959,689,900	957,576,222
Nominal value of equity shares (₹)	1	1
d. Basic EPS (₹)	7.94	6.71
e. Diluted EPS (₹)	7.94	6.69

44. SEGMENT INFORMATION

The Company has presented Segment information on the basis of the consolidated financial statements as permitted by Accounting Standard – 17.

45. PRIOR YEAR COMPARATIVES

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year.

LAST FIVE YEARS FINANCIAL HIGHLIGHTS

Year Ending 31 March	Consolidated					Standalone				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
(₹ millions)										
Revenue Account										
Income from Operations	44,217	36,996	30,405	30,088	21,998	30,757	25,659	22,040	21,700	12,787
Total Expenses	32,174	27,453	23,010	21,868	15,863	20,442	17,036	15,771	13,864	7,476
Operating Profit	12,043	9,543	7,395	8,220	6,135	10,315	8,623	6,269	7,836	5,311
% to Income from Operations	27	26	24	27	28	34	34	28	36	42
Other Income	1,807	1,461	1,384	882	1,220	1,845	1,189	1,289	610	1,062
PBIDT	13,850	11,004	8,779	9,102	7,355	12,160	9,812	7,558	8,446	6,373
Financial Expenses	158	86	50	88	332	72	13	5	34	175
Depreciation / Amortisation	501	399	323	289	285	338	280	215	167	114
Profit Before Tax & Exceptional Items	13,191	10,519	8,406	8,725	6,737	11,750	9,519	7,338	8,245	6,083
Exceptional Items	-	-	-	197	-	-	-	-	197	-
Taxation	4,291	3,337	2,500	2,671	573	4,027	3,112	2,441	2,678	495
Profit After Tax & before exceptional items	8,900	7,182	5,906	6,251	6,164	7,723	6,407	4,897	5,567	5,588
Profit After Tax & before minority interest / share of profits/(losses) in associates	8,900	7,182	5,906	6,448	6,164	7,723	6,407	4,897	5,764	5,588
Add: Share of Results of Associates	2	(10)	2	-	(16)					
Less: Minority Interest	(19)	(24)	17	(118)	(195)					
Profit After Tax for the year	8,921	7,196	5,891	6,369	6,343	7,723	6,407	4,897	5,764	5,588
% to Total Income	19	19	19	21	27	24	24	21	26	40
Dividend	1,921	1,919	1,438	1,956	1,947	1,921	1,919	1,438	1,956	1,947
Dividend Rate (%)	200	200	150	200	400	200	200	150	200	400
Capital Account										
Share Capital - Equity	960	954	959	978	489	960	954	959	978	489
Share Application Money	-	-	46	-	-	-	-	-	-	-
Share Capital - Preference	20,170	-	-	-	-	20,170	-	-	-	-
Reserves & Surplus	26,247	38,161	33,349	30,004	37,811	18,551	32,574	28,992	28,058	27,764
Deferred Tax Balances	(298)	(288)	(337)	(192)	(133)	(172)	(128)	(136)	(129)	(49)
Minority Interest	61	33	(32)	(118)	(22)					
Loan Funds	17	17	12	9	1,195	16	15	10	6	1,189
Capital Employed	47,157	38,877	33,997	30,680	39,340	39,525	33,415	29,824	28,913	29,393
Eff. Capital Employed	47,455	39,165	34,334	30,872	39,473	39,697	33,543	29,961	29,042	29,442
Eff. Networth	47,377	39,115	34,308	30,982	38,300	39,681	33,528	29,951	29,036	28,253
Fixed Assets	11,730	9,975	9,400	8,106	19,587	3,625	2,329	1,973	1,556	2,695
Investments (Including Current Investments)	8,290	7,916	7,999	6,964	3,203	10,080	10,692	10,602	9,855	15,319
Net Assets	27,137	20,986	16,598	15,610	16,550	25,820	20,394	17,249	17,502	11,379
Miscellaneous Expenditure (to the extent not w/o)	-	-	-	-	0	-	-	-	-	0
Capital Deployed	47,157	38,877	33,997	30,680	39,340	39,525	33,415	29,824	28,913	29,393
Closing market price per share of ₹ 1	271	210	129	124	269	271	210	129	124	269
Market capitalisation	260,618	200,760	123,202	120,890	131,356	260,618	200,760	123,202	120,890	131,356

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

PERFORMANCE RATIOS - AN ANALYSIS

Year Ending 31 March		Consolidated					Standalone				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Financial Performance											
Advertisement Income/Income from Operations	(%)	53.8	53.1	52.1	56.5	48.5	65.1	63.4	61.7	66.3	63.4
Subscription Income/Income from Operations	(%)	40.8	43.9	43.6	37.4	44.9	28.3	30.6	28.3	23.4	26.6
Operating Profit/Income from Operations	(%)	27.2	25.8	24.3	27.3	27.9	33.5	33.6	28.5	36.1	41.5
Other Income/Total Income	(%)	3.9	3.8	4.4	2.9	5.3	5.7	4.4	5.5	2.7	7.7
Programming Cost/Income from Operations	(%)	38.6	37.7	37.4	37.9	31.1	41.2	40.2	43.8	38.7	32.1
Personnel Cost/Income from Operations	(%)	8.8	9.4	9.6	9.1	8.9	7.3	7.4	7.1	7.2	6.4
Selling and Admin Expenses/Income from Operations	(%)	17.1	17.7	19.0	15.8	20.2	16.6	17.3	18.4	16.0	18.8
Total Operating Cost/Income from Operations	(%)	72.8	74.2	75.7	72.7	72.1	66.5	66.4	71.5	63.9	58.5
Financial Expenses/Income from Operations	(%)	0.4	0.2	0.2	0.3	1.5	0.2	0.1	0.0	0.2	1.4
Tax/Income from Operations	(%)	9.7	9.0	8.2	8.9	2.6	13.1	12.1	11.1	12.3	3.9
PAT for the year/Total Income	(%)	19.3	18.7	18.5	20.6	26.6	23.7	23.9	21.0	25.8	40.4
Tax/PBT	(%)	32.5	31.7	29.7	30.6	8.5	34.3	32.7	33.3	31.7	8.1
Dividend Payout/PAT for the year	(%)	21.5	26.7	24.4	30.7	31.6	24.9	30.0	29.4	33.9	34.8
Dividend Payout/Effective Networth	(%)	4.1	4.9	4.2	6.3	5.1	4.8	5.7	4.8	6.7	6.9
Balance Sheet											
Debt-Equity ratio (Total loans/Eff. Networth)	(%)	0.0	0.0	0.0	0.0	3.1	0.0	0.0	0.0	0.0	4.2
Current ratio (Current assets/Current liabilities)	(x)	3.5	3.3	3.6	3.7	3.1	4.0	4.4	5.1	4.2	2.8
Capital Output Ratio (Inc from Ops/Eff. Capital employed)	(x)	0.9	1.0	0.9	1.0	0.6	0.8	0.8	0.7	0.7	0.4
Fixed assets Turnover (Inc from Ops/Fixed assets)	(x)	10.8	13.0	12.1	14.7	10.5	8.5	11.0	11.2	13.9	4.7
Cash & cash equivalents/ Total Eff. capital employed	(%)	11.9	13.6	9.6	12.6	15.3	4.1	7.1	2.5	5.3	10.2
RONW (PAT for the year/Eff. Networth)	(%)	18.8	18.4	17.2	20.6	16.1	19.5	19.1	16.4	19.9	19.8
ROCE (PBIT/Eff. Capital employed)	(%)	28.1	27.1	24.6	28.7	18.0	29.8	28.4	24.5	28.5	21.3
Per Share Data #											
Revenue per share	(₹)	47.9	40.3	33.2	31.7	47.5	34.0	28.1	24.3	22.8	28.3
Dividend per share	(₹)	2.00	2.00	1.50	2.00	3.98	2.00	2.00	1.50	2.00	3.98
Indebtedness per share	(₹)	0.0	0.0	0.0	0.0	2.4	0.0	0.0	0.0	0.0	2.4
Book value per share	(₹)	49.4	41.0	35.8	31.7	78.3	41.3	35.1	31.2	29.7	57.8
Earnings per share (after prior period adjustments)	(₹)	9.3	7.5	6.1	6.5	14.2					
PE Ratio -Price/EPS Ratio (Share Price as of 31 March,)	(x)	29.2	27.9	20.9	19.0	18.9					

Note:

Fixed Assets for the consolidated entity excludes Goodwill on consolidation of ₹ 7,625 (7,127) million

Figures for FY 2013 have been regrouped wherever necessary.

Annualised.

INDEPENDENT AUDITOR'S REPORT

To,

The Board of Directors of
Zee Entertainment Enterprises Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of Zee Entertainment Enterprises Limited ("the Company"), its subsidiaries, associates and a jointly controlled entity (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of other auditors on the financial statements of the subsidiaries, associates and a jointly controlled entity referred to below in the Other Matter paragraph, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2014;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

EMPHASIS OF MATTER

7. We draw attention to Note 12 to the consolidated financial statements, regarding recognition of receivable of ₹ 359 millions claimed from a competing broadcaster, which is under litigation. The management on the basis of the review of the current status of this case and on the basis of opinion received from the lawyers in this legal matter, are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully recovered.

Our opinion is not qualified in respect of this matter.

OTHER MATTER

8. We did not audit the financial statements of certain subsidiaries and a jointly controlled entity of the Group whose financial statements reflect revenue of ₹ 15,216 millions, total assets of ₹ 25,782 millions and the net cash inflows amounting to ₹ 944 millions for the year then ended, and the Group's share of profit of associates of ₹ 2 millions. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entity is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **MGB & Co.**
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai,
21 May, 2014

CONSOLIDATED BALANCE SHEET

as at 31 March, 2014

(₹ millions)

	Note	2014	2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share capital	3	21,130	954
Reserves and surplus	4	26,247	38,161
		47,377	39,115
Minority interest		61	33
Non-Current Liabilities			
Long-term borrowings	5	17	17
Long-term provisions	6	335	305
Other non-current liabilities	7	324	174
		676	496
Current Liabilities			
Trade payables	7	5,050	5,172
Other current liabilities	7	3,842	3,445
Short-term provisions	6	3,311	2,482
		12,203	11,099
Total		60,317	50,743
ASSETS			
Non-Current Assets			
Fixed assets	8		
Tangible assets		3,025	2,717
Intangible assets		7,708	7,189
Capital work-in-progress		997	69
		11,730	9,975
Non-current investments	9	2,941	651
Deferred tax assets (net)	10	298	288
Long-term loans and advances	11	2,871	2,491
Other non-current assets	12	361	329
		18,201	13,734
Current Assets			
Current investments	13	5,349	7,265
Inventories	14	11,736	8,745
Trade receivables	15	10,281	9,890
Cash and bank balances	16	5,644	5,316
Short-term loans and advances	11	8,224	5,458
Other current assets	12	882	335
		42,116	37,009
Total		60,317	50,743
Notes forming part of the consolidated financial statements	1-35		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**

Chartered Accountants

Punit Goenka

Managing Director & CEO

R. Vaidyanathan

Director

Mihir Modi

Chief Finance and Strategy Officer

Hitendra Bhandari

Partner

M Lakshminarayanan

Company Secretary

Place: Mumbai

Date: 21 May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2014

(₹ millions)

	Note	2014	2013
REVENUE			
Revenue from operations	17	44,217	36,996
Other income	18	1,807	1,461
Total		46,024	38,457
EXPENSES			
Operational cost	19	20,688	17,401
Employee benefits expense	20	3,905	3,491
Finance costs	21	158	86
Depreciation and amortisation expense	22	501	399
Other expenses	23	7,581	6,561
Total		32,833	27,938
Profit before tax		13,191	10,519
Less : Tax expense			
Current tax - current year		4,297	3,264
- earlier years		(4)	54
Deferred tax		(2)	52
MAT credit entitlement		-	(33)
Profit after tax before Share of result of Associate and Minority Interest		8,900	7,182
Add: Share of results of associate		2	(10)
Less: Minority interest		(19)	(24)
Profit for the year		8,921	7,196
Earnings per equity share (face value ₹ 1 each)	33		
Basic		9.19	7.54
Diluted		9.19	7.51
Notes forming part of the consolidated financial statements	1-35		

As per our attached report of even date

For and on behalf of the Board

For **MGB & Co.**

Chartered Accountants

Punit Goenka

Managing Director & CEO

R. Vaidyanathan

Director

Mihir Modi

Chief Finance and Strategy Officer

Hitendra Bhandari

Partner

M Lakshminarayanan

Company Secretary

Place: Mumbai

Date: 21 May, 2014

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March, 2014

(₹ millions)

	2014	2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	13,191	10,519
Adjustments for :		
Depreciation and amortisation expense	501	399
Preliminary expenses written off (₹ 47,520 (₹ 304,600))	0	0
Provision for doubtful debts and advances	348	260
Liabilities / excess provision written back	(83)	(142)
Loss on sale / discard / impairment of fixed assets (net)	23	23
Exchange adjustments (net)	150	(86)
Interest expense	76	30
Profit on sale of current investments (net)	(96)	(204)
Provision for diminution in value of investments	2	14
Dividend income	(117)	(133)
Interest income	(1,019)	(796)
Operating Profit before working capital changes	12,976	9,884
Adjustments for :		
Increase in trade and other receivables	(2,464)	(3,028)
Increase in inventories	(2,991)	(1,406)
Increase in trade and other payables	551	2,086
Cash Generated from Operations	8,072	7,536
Direct taxes paid (net)	(4,242)	(3,669)
Net Cash Flow from Operating Activities (A)	3,830	3,867
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets / capital work in progress	(1,482)	(751)
Sale of fixed assets	17	42
Investment in associate	(9)	-
Purchase of non-current investments	(2,948)	-
Sale of non-current investments	667	-
Purchase of current investments	(30,391)	(31,840)
Sale of current investments	32,653	32,168
Loans to others	(3,490)	(250)
Loans repaid by others	1,790	200
Dividend received	117	133
Interest received	1,017	750
Net Cash Flow from / (used in) Investing Activities (B)	(2,059)	452

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March, 2014

(₹ millions)

	2014	2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid (including dividend tax)	(2,244)	(1,663)
Money received from minority shareholders	47	-
Share application money refunded to minority shareholders	-	(8)
Interest paid	(26)	(30)
Proceeds from issue of share capital	778	-
Payment on buyback of shares	-	(593)
Proceeds from long-term borrowings	15	22
Repayments of long-term borrowings	(14)	(15)
Net Cash Flow used in Financing Activities (C)	(1,444)	(2,287)
Net Cash flow during the year (A+B+C)	327	2,032
Cash and Cash Equivalents at the beginning of the year	5,306	3,274
Net Cash and Cash Equivalents	5,633	5,306
Add: Earmarked balances	11	10
Cash and bank balances at the end of the year	5,644	5,316

Note: Previous year's figures have been regrouped, recast wherever necessary.

As per our attached report of even date

For **MGB & Co.**

Chartered Accountants

Hitendra Bhandari

Partner

Place: Mumbai

Date: 21 May, 2014

For and on behalf of the Board

Punit Goenka

Managing Director & CEO

M Lakshminarayanan

Company Secretary

R. Vaidyanathan

Director

Mihir Modi

Chief Finance and Strategy Officer

NOTES

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1. CORPORATE INFORMATION

Zee Entertainment Enterprises Limited (hereinafter referred to as 'the parent company', 'the Company' or 'ZEEL') together with its subsidiaries, jointly controlled entity and associates (collectively known as "the Group") derives revenue mainly from advertisements and subscription. The Group also derives revenue from space-selling and distribution for other satellite television channels and sale of television content, film distribution etc.

2. BASIS OF CONSOLIDATION

- i. The Consolidated Financial Statements (CFS) of the Group are prepared under Historical Cost Convention on going concern basis in accordance with Generally Accepted Accounting Principles in India and Accounting Standard-21 on "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI), to the extent possible in the same manner as that adopted by the parent company for its separate financial statements by regrouping, recasting or rearranging figures, wherever considered necessary.
- ii. The CFS are prepared using uniform accounting policies for transactions and other events in similar transactions except in case of five subsidiaries wherein the liability on account of retirement benefits is provided on estimated basis as per local laws instead of actuarial basis. This liability represents 15.23 % (27.63%) of total gratuity and leave benefits of the Group as at the year end.
- iii. The consolidation of financial statements of the parent company and its subsidiaries is done to the extent possible on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group transactions, unrealised inter-company profits and balances have been eliminated in the process of consolidation. Minority interest in subsidiaries represents the minority shareholders proportionate share of the net assets and net income.
- iv. The CFS includes the Financial Statements of the parent company and the subsidiaries (as listed in the table

below). Subsidiaries are consolidated from the date on which effective control is acquired and are excluded from the date of transfer / disposal.

Name of the Subsidiaries	Proportion of Interest (including beneficial interest) / Voting Power (either directly / indirectly or through Subsidiaries)	Country of Incorporation
Direct Subsidiaries		
Asia Today Limited	100(100)	Mauritius
India Webportal Private Limited	51(51)	India
Essel Vision Productions Limited	100(100)	India
Taj Television (India) Private Limited	100(100)	India
Zee Sports Limited	100(100)	India
Zee Turner Limited	74(74)	India
Zee Multimedia Worldwide (Mauritius) Limited	100(100)	Mauritius
Indirect Subsidiaries		
Asia TV Limited	100(100)	United Kingdom
Expand Fast Holdings (Singapore) Pte Limited	100(100)	Singapore
OOO Zee CIS Holding LLC	100(100)	Russia
OOO Zee CIS LLC	100(100)	Russia
Taj TV Limited	100(100)	Mauritius
Zee Multimedia (Maurice) Limited	100(100)	Mauritius
Zee Technologies (Guangzhou) Limited	100(100)	China
Zee Telefilms Middle East FZ-LLC	100(100)	U.A.E.
ATL Media FZ-LLC*	100(Nil)	U.A.E.
Zee TV South Africa (Proprietary) Limited	100(100)	South Africa
Zee TV USA Inc.	100(100)	United States of America
Eevee Multimedia Inc.*	100 (Nil)	United States of America

* Incorporated during the year

v. Associate

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

Name of the Associate	Extent of Holding	Country of Incorporation
Aplab Limited (Direct)	26.42% (26.42%)	India
Idea Web Shop and Media Private Limited (Held through India Webportal Private Limited)	26.00% (Nil)	India

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

vi. Jointly controlled entity

Interest in Jointly controlled entity "Media Pro Enterprise India Private Limited" (MPEIPL) is accounted for using Proportionate Consolidation Method whereby its share of each income, expenses, assets and liabilities is reported as separate line item in consolidated financial statements. Shareholding in MPEIPL is through a subsidiary, Zee Turner Limited.

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

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2.1 Significant Accounting Policies

a) Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, on the date of the financial statements and the reported amount of revenue and expenses for the year. Difference between the actual results and estimates are recognised in the year in which the results are known / materialised.

b) Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year.

c) Fixed Assets

(i) Goodwill on Consolidation

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

(ii) Tangible fixed assets

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

not yet ready for their intended use at the reporting date.

(iii) Intangible assets

Intangible assets acquired are measured on initial recognition at cost and stated at cost less accumulated amortisation and impairment loss, if any.

d) Borrowing costs

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

e) Impairment of tangible and intangible assets

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

f) Depreciation / Amortisation on tangible / intangible assets

- (i) Depreciation on tangible fixed assets including leased assets is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 or at the rates adopted in the accounts of respective subsidiaries as permissible under applicable local laws on straight line basis from the time they are available for use, so as to write off their costs over the estimated useful life of the assets. Depreciation on Aircraft is provided based on estimated useful life of 15 years. The rate of depreciation

so derived is more than the rate prescribed under Schedule XIV.

- (ii) Premium on leasehold land and leasehold improvements are amortised over the period of lease.
- (iii) No part of goodwill arising on consolidation is amortised.
- (iv) Intangible assets are amortised on a straight line basis over the economic useful life as estimated by the management.

g) Investments

- (i) Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments including investment property are classified as long-term investments.
- (ii) Current investments are stated at lower of cost and market value determined on an individual investment basis. Long-term investments are stated at cost less provision for diminution other than temporary in the value of such investments.

(iii) Investment property

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

h) Revenue Recognition

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

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- (i) Broadcasting revenue - Advertisement revenue (net of discount and volume rebates) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognised on time basis on the provision of television broadcasting service to subscribers.
 - (ii) Sales - Television content (including Programs, Film Rights) is recognised, when the significant risks and rewards have been transferred to the customers.
 - (iii) Services
 - a) Commission-Space selling is recognised when the related advertisement or commercial appears before the public i.e. on telecast.
 - b) Revenue from other services is recognised as and when such services are completed / performed.
 - c) Theatrical revenue from films is recognised on receipt of related sale reports.
 - (iv) Interest income is recognised on a time proportion basis taking into account amount outstanding and the applicable interest rate.
 - (v) Dividend income is recognised when the right to receive dividend is established.
- i) Inventories**
- (i) **Television Content for Broadcasting:**
Television content i.e. Programs, Film rights (completed (commissioned / acquired) and under production) are stated at lower of cost / unamortised cost or realisable value. Cost comprises acquisition / direct production cost. Where the realisable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as impairment. Programs, film rights are expensed / amortised as under:
 - a) Programs - reality shows, chat shows, events, current affairs, game shows and sports rights etc. are fully expensed on telecast.
 - b) Programs (other than (a) above) are amortised over three financial years starting from the year of first telecast, as per management estimate of future revenue potential.
 - c) Film rights are amortised on a straight-line basis over the licensed period or 60 months from the commencement of rights, whichever is shorter.
 - (ii) **Film produced and / or acquired for distribution:**
Cost is allocated to each right based on management estimate of revenue. Costs of theatrical rights, satellite rights, music rights, home video rights etc are amortised when sold / exploited and residual rights are carried at lower of unamortised cost or net realisable value.
 - a) Theatrical rights: 70% of allocated cost is amortised over three months of theatrical release of films and balance 30% in subsequent three quarters.
 - b) Satellite rights, music rights, home video rights etc.: Allocated cost of each right is expensed on sale and amortised on exploitation as per (i)(c) above.
 - c) Negative rights: 90% of the cost is allocated and amortised as per (ii)(a) and (ii)(b) above and 10% of the cost is allocated to Intellectual Property Rights (IPR) and amortised over subsequent five years.
 - (iii) **Raw Stock:** Tapes are valued at lower of cost or estimated net realisable value. Cost is taken on weighted average basis.
- j) Foreign Currency Translations**
- (i) **Accounting of Transactions**
 - a) Foreign currency transactions are accounted at the exchange rate prevailing on the date of transactions.
 - b) Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.
 - c) Non-monetary foreign currency items are carried at cost.
 - (ii) **Translation and Exchange Rates**
Financial Statements of overseas non-integral operations are translated as under:
 - a) Assets and Liabilities at the exchange rate prevailing at the end of the year.
 - b) Revenues and expenses are at yearly average rates. Off Balance Sheet items are translated into Indian Rupees at year-end rates.
 - c) Exchange differences arising on translation of non-integral foreign operations are accumulated in the Foreign Currency Translation reserve until the disposal of such operations.

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k) Retirement and other employee benefits

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- b) Retirement benefit plans, pensions schemes and defined contribution plans, or funds are governed by the statutes of the countries in which the companies are located and contribution to the fund, present value of the amount payable determined using actuarial techniques or liability on termination are charged to the Statement of Profit and Loss. Accrued liabilities for leave benefits are made based on unavailed leave to the credit of employees in accordance with the rules of the respective Companies. In case of a subsidiary, the gratuity fund benefits are administered by a specific Trust formed and annual contributions are deposited under group policy scheme with an insurance company. In case of jointly controlled entity, the gratuity scheme is funded and managed by an insurance company.

l) Accounting for taxes on income

- (i) Current tax is determined as the amount of tax payable on the taxable income in accordance with local tax regulations.

- (ii) Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years and measured using relevant enacted tax rates and laws.

m) Leases

(i) Finance Lease

Assets acquired under Finance Lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset at the inception of the lease. Initial costs directly attributable to lease are recognised with the asset under lease.

(ii) Operating Lease

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments / revenue under operating leases are recognised as expense / income on accrual basis in accordance with the respective lease agreements.

n) Earnings per Share

Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the results would be anti-dilutive.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

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	(₹ millions)	
	2014	2013
3. SHARE CAPITAL		
Authorised		
2,000,000,000 (1,399,200,000) Equity Shares of ₹ 1 each	2,000	1,399
21,000,000,000 (Nil) Preference Shares of ₹ 1 each	21,000	-
	23,000	1,399
Issued, Subscribed and Paid up		
960,448,720 (953,957,720) Equity Shares of ₹ 1 each fully paid up	960	954
20,169,423,120 (Nil) 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each fully paid up	20,170	-
Total	21,130	954

a) Reconciliation of number of Equity shares and share capital

	2014		2013	
	Number of equity shares	₹ millions	Number of equity shares	₹ millions
At the beginning of the year	953,957,720	954	958,770,077	959
Add: Allotted on exercise of Employee Stock Options (Refer (h) below)	6,491,000	6	-	-
Less: Cancelled on Buyback	-	-	4,812,357	5
Outstanding at the end of the year	960,448,720	960	953,957,720	954

b) Reconciliation of number of Preference shares and Share capital

	2014		2013	
	Number of preference shares	₹ millions	Number of preference shares	₹ millions
At the beginning of the year	-	-	-	-
Add: Allotted on issue of bonus Preference Shares (Refer (d) below)	20,169,423,120	20,170	-	-
Outstanding at the end of the year	20,169,423,120	20,170	-	-

c) Terms / rights attached to equity shares

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

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

d) Terms / rights attached of Redeemable Preference Shares

During the year, the Company has issued 20,169,423,120 6% Cumulative Redeemable Non-Convertible Preference Shares of ₹ 1 each by way of bonus in the ratio of 21 Bonus Preference Shares of ₹ 1/- each fully paid up for every one Equity share of ₹ 1/- each fully paid up and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The Company will redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. Further, if on any anniversary of the date of allotment beginning from the fourth anniversary, the total number of

Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

The holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting.

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e) Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding 31 March, 2014

	2014	2013
Equity Shares allotted as fully paid bonus shares	489,038,065	489,038,065
Preference Shares allotted by way of Bonus	20,169,423,120	-
Equity Shares allotted as fully paid for consideration other than cash, pursuant to Scheme(s) of Amalgamation / Arrangement	55,030,954	55,030,954
Equity Shares bought back and cancelled	24,185,210	24,185,210

f) Details of Equity Shareholders holding more than 5 % of the aggregate Equity shares in the Company

Name of the Shareholders	2014		2013	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
Cyquator Media Services Private Limited	241,402,908	25.13	241,402,908	25.31
Essel Media Ventures Limited	102,888,286	10.71	102,888,286	10.79
Oppenheimer Developing Markets Fund	82,290,959	8.57	86,953,280	9.12

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.

g) Details of Preference Shareholders holding more than 5 % of the aggregate Preference shares in the Company

Name of the Shareholders	2014		2013	
	Number of preference shares	% Shareholding	Number of preference shares	% Shareholding
Essel Landmark Private Limited	4,120,000,000	20.43	-	-
Essel Media Ventures Limited	2,160,654,006	10.71	-	-
Oppenheimer Developing Markets Fund	1,895,913,054	9.40	-	-

h) 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 ₹ 1 each, to the employees of the Company as well as that of its subsidiaries and also to Non-executive Directors

including Independent Directors of the Company at the market price determined as per the Securities and Exchange Board of India (Employee Stock Options Scheme) Guidelines, 1999 (SEBI (ESOS) Guidelines). The said scheme is administered by the Remuneration Committee of the Board.

During the year ended 31 March, 2014, the Company did not grant any stock options. The options earlier granted under the Scheme vested during the year and these would be exercisable at any time within a period of four years from each vesting and

the equity shares arising on exercise of options shall not be subject to any lock in.

The options were granted to the employees / directors at an exercise price, being the latest market price as per the SEBI (ESOS) Guidelines. In view of, there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account for the value of options as per the SEBI guidelines.

Summary of Stock Options outstanding is as follows:

	2014	2013
- Options outstanding at the beginning of the year	6,548,800	6,825,200
- Options exercised during the year	6,491,000	-
- Options lapsed during the year	57,800	276,400
- Options outstanding at the end of the year	-	6,548,800

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	(₹ millions)	
	2014	2013
4 RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last balance sheet	24	19
Add: On buyback of equity shares	-	5
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	24	-
	-	24
Securities Premium		
As per last balance sheet	8,246	8,834
Add: On issue of Shares under employee stock option plan	772	-
Less: Utilised on buyback of equity shares	-	588
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	9,018	-
	-	8,246
General Reserve		
As per last balance sheet	7,130	5,635
Add: Appropriated during the year	2,000	1,500
Less: Transferred to capital redemption reserve on buyback of equity shares	-	5
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	8,306	-
	824	7,130
Foreign Currency Translation Reserve	2,063	1,152
Surplus in Consolidated Statement of Profit and Loss		
As per last balance sheet	21,609	18,150
Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus	2,822	-
Less: Dividend (Including tax) on Equity Shares - Earlier year (₹ 405,037)	0	-
Add: Dividend (including tax) on Equity Shares bought back and cancelled	-	8
Add: Profit for the year	8,921	7,196
Less: Appropriations		
Dividend on 6% Cumulative Redeemable Preference Shares	86	-
Tax on dividend on Preference Shares	15	-
Proposed dividend on Equity Shares	1,921	1,919
Tax on dividend on Equity Shares	326	326
Transferred to general reserve	2,000	1,500
	23,360	21,609
Total	26,247	38,161

	(₹ millions)			
	Non-Current		Current	
	2014	2013	2014	2013
5. LONG-TERM BORROWINGS				
Vehicle loans * - secured	17	16	12	10
Finance lease obligations	-	1	-	1
	17	17	12	11
Amount disclosed under the head "Other Current Liabilities" (Refer Note 7)	-	-	12	11
	17	17	-	-
Group share in joint venture	-	-	-	-
Total	17	17	-	-

* Secured against hypothecation of vehicles. The aforesaid borrowings carries interest rates ranging from 9.81% p.a. - 13.18% p.a. and are repayable upto December 2017.

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	(₹ millions)			
	Long-Term		Short-Term	
	2014	2013	2014	2013
6. PROVISIONS				
Provision for employee benefits				
- Gratuity	177	184	16	5
- Leave benefits	158	120	37	35
Others				
- Dividend on 6% Cumulative Redeemable Preference Shares and Tax thereon	-	-	101	-
- Proposed dividend on Equity Shares and Tax thereon	-	-	2,247	2,245
- Provision for Taxation (net of advances)	-	-	899	185
	335	304	3,300	2,470
Group Share in joint venture	-	1	11	12
Total	335	305	3,311	2,482

		(₹ millions)			
		Non-Current		Current	
		2014	2013	2014	2013
7. OTHER LIABILITIES					
Trade Payables					
Trade payables		-	-	3,137	3,052
Due to principals (pending remittances)		-	-	325	418
		-	-	3,462	3,470
Group share in joint venture		-	-	1,588	1,702
		-	-	5,050	5,172
Other Current Liabilities					
Current maturities of long-term borrowings		-	-	12	11
Unearned revenue		-	-	376	318
Advances received from customers		324	174	347	290
Deposits received from distributors		-	-	83	78
Unclaimed dividends		-	-	11	10
Creditors for capital expenditure		-	-	35	62
Employee benefits payable		-	-	591	438
Statutory dues payable		-	-	429	466
Cheques overdrawn		-	-	63	143
Other payables		-	-	1,430	1,134
		324	174	3,377	2,950
Group share in joint venture (P.Y. ₹ 190,668)		-	0	465	495
		324	174	3,842	3,445
Total		324	174	8,892	8,617

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[illegible]

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

Notes:

1. Buildings include ₹/million 0 (0) (₹ 114, 100 (₹ 114, 100)) the value of share in a co-operative society.
2. Part of building has been given on operating lease.
3. Depreciation for the year is net of excess depreciation of ₹/millions Nil (8) provided in the earlier year.
4. Vehicle includes Gross Block of ₹/millions Nil (14) acquired under finance lease.

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	(₹ millions)	
	2014	2013
9 NON-CURRENT INVESTMENTS		
(i) Trade Investments (valued at cost, unless stated otherwise)		
In Associate - Unquoted		
352 (Nil) Equity shares of ₹ 100/-each of Idea Web Shop and Media Private Limited (Extent of holding 26.00%) (Includes goodwill arising on consolidation ₹/millions 7 (Nil))	9	-
In Others - Unquoted		
172,413,793 (Nil) Ordinary shares of GBP 0.01 each of Mirriad Limited	274	-
30,000 (30,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited (₹ 300,000 (₹ 300,000))	0	0
	274	0
(ii) Other Investments		
In Associate - Quoted		
1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47
Add: Share of profit upto previous years	(7)	3
Add: Share of profit / (loss) for current year	2	(10)
	42	40
Others - Quoted		
1,822,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	2	2
50 (50) 10.20% Unsecured Redeemable Non-Convertible Debentures of ₹ 1,000,000 each of Yes Bank Limited	50	50
100,000 (Nil) 8.01% Tax Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Rural Electrification Corporation Limited	100	-
Others - Unquoted		
419.6 (Nil) units of ₹ 1,000,000/- each of Morpheus Media Fund	420	-
2,376 (Nil) 18% Secured Redeemable Non-Convertible Debentures of ₹ 100,000 each of Parsvnath Developers Limited	237	-
12,500 (Nil) 17% Secured Redeemable Unrated Non-Convertible Subordinate Debentures of ₹ 100,000 each of SGGD Projects Development Private Limited	1,250	-
Investment Property		
Land at Hyderabad	573	573
	2,957	665
Less: Provision for diminution in value of investments	16	14
	2,941	651
Group Share in joint venture	-	-
Total	2,941	651
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 282 (83)]	194	92
Aggregate amount of unquoted Investments (P.Y. ₹ 300,000)	2,190	0
Value of investment property	573	573
Diminution in the value of investments	16	14

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	(₹ millions)	
	2014	2013
10. DEFERRED TAX ASSETS (NET)		
The components of deferred tax balances as at 31 March, 2014 are as under:		
Deferred tax assets		
Arising on account of timing differences in Employee retirement benefits	109	85
Provision for doubtful debts and advances	333	336
Unabsorbed fiscal allowances	37	45
Other provisions	11	5
	490	471
Deferred tax liabilities		
Depreciation	192	183
Other provisions (P.Y. ₹ 101,270)	-	0
	192	183
Deferred Tax Assets (net)	298	288

	(₹ millions)			
	Long-Term		Short-Term	
	2014	2013	2014	2013
11. LOANS AND ADVANCES				
Capital advances	89	386	-	-
Less: Provision for doubtful advances	6	6	-	-
	83	380	-	-
Deposits (unsecured, considered good)	278	301	142	72
Advances and deposits to related parties	-	-	43	88
Other Loans and Advances (unsecured)				
Loans	-	-	3,450	1,750
Other advances				
- Considered good	588	496	3,465	2,865
- Considered doubtful	-	-	386	370
	588	496	3,851	3,235
Less: Provision for doubtful advances	-	-	386	370
	588	496	3,465	2,865
Prepaid expenses	11	6	461	286
Balance with Government Authorities -				
- Advance income tax (net of provisions)	1,097	717	-	-
- MAT credit entitlement	-	-	13	-
- Advance indirect taxes	3	-	568	338
	2,060	1,900	8,142	5,399
Group share in joint venture	811	591	82	59
Total	2,871	2,491	8,224	5,458

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	(₹ millions)			
	Non-Current		Current	
	2014	2013	2014	2013
12. OTHER ASSETS				
Unbilled revenue	-	-	339	4
Balances with banks - in deposit accounts (Refer Note 16)	2	2	-	-
Interest Accrued on -				
Current investments	-	-	-	57
Bank deposits	-	-	4	11
Long term investments	-	-	46	-
Loans - others	-	-	38	18
Other receivables #	359	327	42	8
Preliminary expenses (P.Y. ₹ 47,520)	-	-	-	0
	361	329	469	98
Group Share in joint venture	-	-	413	237
Total	361	329	882	335

The Group has recognised a receivable of ₹/millions 359 (327) claimed from competing broadcaster for recovery of the telecast rights money relating to the sports event, which is under litigation. The management on the basis of review of the current status of this case and on the basis of opinion received from the lawyers representing in this matter, are confident that the ultimate outcome of the legal dispute will be in its favour and the receivable will be fully realised.

	(₹ millions)	
	2014	2013
13. CURRENT INVESTMENTS		
Certificate of Deposit (Non-Transferable) - Unquoted		
12% (11.75%) of SICOM Limited	1,000	1,000
12% (12%) of SICOM Limited	1,000	1,000
	2,000	2,000
Mutual Funds - Quoted		
513 (11,575) units of USD 1,000 each of Socrates Money Market Fund Limited	31	633
37,421 (17,500) units of USD 1,000 each of First Global Wealth Limited	2,241	954
18,038 (18,038) units of USD 1,000 each of Globex Fund Limited	1,077	981
Nil (3,495,332) units of ₹ 100/- each of Birla Sun Life Cash Plus - Daily Dividend	-	350
	3,349	2,918
Commercial Paper - Quoted		
Nil (1,800) Edelweiss Securities Limited	-	858
Nil (600) Religare Finvest Limited	-	289
Nil (800) Reliance Capital Limited	-	384
Nil (1,200) Morgan Stanley India Capital Private Limited	-	570
Nil (500) L&T Fincorp Limited	-	246
	5,349	7,265
Group Share in joint venture	-	-
Total	5,349	7,265
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 3,529 (5,360)]	3,349	5,265
Aggregate amount of unquoted Investments	2,000	2,000

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	(₹ millions)	
	2014	2013
14. INVENTORIES		
Raw stock - tapes	6	6
Television content *	11,707	8,675
Under production - programs	23	64
	11,736	8,745
Group share in joint venture	-	-
Total	11,736	8,745

* Includes rights ₹/millions 1,210 (1,144) which will commence at a future date.

* valued at lower of cost / unamortised cost or realisable value.

	(₹ millions)	
	2014	2013
15. TRADE RECEIVABLES (UNSECURED)		
Over six months		
- Considered good	224	277
- Considered doubtful	1,324	1,225
Others		
- Considered good	9,174	8,142
- Considered doubtful	307	-
	11,029	9,644
Less: Provision for doubtful debts	1,631	1,225
	9,398	8,419
Group share in joint venture	883	1,471
Total	10,281	9,890

	(₹ millions)			
	Non-Current		Current	
	2014	2013	2014	2013
16. CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with Banks -				
In Current accounts	-	-	1,377	1,326
In Deposit accounts	-	-	2,055	2,536
Cheques, demand drafts in hand	-	-	1,007	181
Cash in hand	-	-	14	5
	-	-	4,453	4,048
Other Bank balances				
Balances with Banks				
In Deposit accounts (₹ 462,000)	2	2	0	-
In Unclaimed dividend accounts	-	-	11	10
	2	2	11	10
Less: Amount disclosed under "Other Assets" (Refer Note 12)	2	2	-	-
	-	-	11	10
	-	-	4,464	4,058
Group share in joint venture	-	-	1,180	1,258
Total	-	-	5,644	5,316

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	(₹ millions)	
	2014	2013
17. REVENUE FROM OPERATIONS		
Services - Broadcasting revenue		
Advertisement	23,801	19,639
Subscription revenue	17,155	15,650
- Commission - broadcasters	146	139
Sales - Television content	1,730	820
Other operating income	518	163
	43,350	36,411
Group share in joint venture	867	585
Total	44,217	36,996

	(₹ millions)	
	2014	2013
18. OTHER INCOME		
Interest income		
- from current investments	370	444
- from bank deposits	64	33
- from long-term investments	214	5
- from others	371	314
Dividend income		
- from current investments	116	132
- from long-term investments	1	1
Rent income	78	70
Gain / (loss) on exchange difference (net)	174	30
Liabilities / excess provision written back	83	142
Profit on sale of current investments (net)	96	204
Insurance claim received	195	7
Miscellaneous income	35	37
	1,797	1,419
Group share in joint venture	10	42
Total	1,807	1,461

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	(₹ millions)	
	2014	2013
19. OPERATIONAL COST		
a) Television Content		
Opening - Inventory **	8,675	7,308
- Under production - programs	64	19
Add: Commissioned / acquisition *	14,077	11,457
Add: Production Expenses - Location hire and set charges	480	272
- Equipment hire charges	603	391
- Professional / artist fees	2,119	1,553
- License fees	113	113
- Other production expenses	2,654	1,589
Less: Closing - Inventory **	11,707	8,675
- Under production - programs	23	64
	17,055	13,963
b) Other Operational Expenses		
Subscription management services	2,367	2,384
Telecast cost	1,266	1,054
	3,633	3,438
Group Share in joint venture	-	-
Total (a) + (b)	20,688	17,401

* Includes Rights acquired ₹/millions 365 (1,058), which will commence at a future date.

** Includes cost / unamortised cost.

Television content of ₹/millions 447 (203) are impaired during the year.

	(₹ millions)	
	2014	2013
20. EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	3,396	3,041
Contribution to provident and other funds	137	109
Staff welfare expenses	99	95
	3,632	3,245
Group share in joint venture	273	246
Total	3,905	3,491

	(₹ millions)	
	2014	2013
21. FINANCE COSTS		
Interest - on vehicle loans	4	19
- others	72	10
Other financial charges	82	56
	158	85
Group share in joint venture (₹ 226,762)	0	1
Total	158	86

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	(₹ millions)	
	2014	2013
22. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on tangible assets	439	332
Amortisation on intangible assets	55	59
	494	391
Group share in joint venture	7	8
Total	501	399

	(₹ millions)	
	2014	2013
23. OTHER EXPENSES		
Rent	325	286
Repairs and maintenance - Building	29	11
- Plant and Machinery	107	112
- Others	39	30
Insurance	16	13
Rates and taxes	85	53
Electricity and water charges	140	118
Communication charges	134	123
Printing and stationery	30	29
Travelling and conveyance expenses	371	311
Legal and professional charges	386	313
Payment to auditors	31	31
Donation	47	13
Miscellaneous expenses	147	120
Advertisement and publicity expenses	2,476	1,818
Commission expenses	258	306
Marketing, distribution and promotion expenses	1,855	1,923
Conference expenses	72	56
Provision for doubtful debts and advances	438	356
Bad debts and advances written off		
Less: Provision for doubtful debts and advances	90	185
Provision for diminution in value of investments	2	14
Loss on sale / discard / impairment of fixed assets (net)	23	23
Preliminary expenses written off (₹ 47,520 (₹ 304,600))	0	0
	7,068	6,244
Group share in joint venture	513	317
Total	7,581	6,561

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24. LEASES

Operating Leases:

a) In respect of assets taken under operating lease

Leasing liabilities primarily relate to lease of certain offices, residential premises and plant and machinery (including equipments) etc. under cancellable / non-cancellable lease agreements that are renewable on a periodic basis at the option of both the Lessor and the Lessee. The initial tenure of the lease is generally for 11 to 108 months.

	(₹ millions)	
	2014	2013
Lease rental charge for the year	1,039	937
Future Lease rental obligation payable (under non-cancellable lease)		
Not later than one year (includes ₹/millions Nil (15) of jointly controlled entity)	397	338
Later than one year but not later than five years (includes ₹/millions Nil (6) of jointly controlled entity)	304	549
Later than five years	173	148

b) In respect of assets given under operating lease

- (i) The Group has given part of its buildings under cancellable operating lease agreement. The initial term of the lease is for 11 to 36 months.
- (ii) The rental revenue for the year is ₹/millions 78 (70).

	(₹ millions)	
	2014	2013
25. CONTINGENT LIABILITIES		
a) Corporate guarantees, loans outstanding ₹/millions 2,496 (2,445)	13,591	8,914
b) Disputed Indirect Taxes	492	658
c) Disputed Direct Taxes *	3,684	3,557
d) Claims not acknowledged as debts #	624	773
e) Legal cases against the Group @	Not Ascertainable	Not Ascertainable

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

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

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

26. CAPITAL COMMITMENTS

- (i) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹/millions 155 (46).
- (ii) Other Commitments towards Television Content and license fees for live future broadcasting and for non live / tape events ₹/millions 19,568 (19,642).
- (iii) Uncalled Liability on investments committed ₹/millions 404 (Nil).

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

28. The Group has been deploying its surplus funds by way of inter corporate deposits, debt instruments etc., which in the opinion of the management are considered good.

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29. RELATED PARTY DISCLOSURE

(i) a) Associate

Name of the Associate	Extent of Holdings	Country of Incorporation
Aplab Limited	26.42%	India
Idea Web Shop and Media Private Limited (held through India Webportal Private Limited)	26.00%	India

b) Joint Venture (held through Zee Turner Limited)

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

(ii) Other Related Parties with whom transactions have taken place during the year and balances outstanding as on the last day of the year:

Agrani Wireless Services Limited; Cyquator Media Services Private Limited; Diligent Media Corporation Limited; Dish TV India Limited; E-City Bioscope Entertainment Private Limited; Essel Corporate Resources Private Limited; Essel International Limited; Essel Propack Limited; Essel Shyam Communication Private Limited; Pan India Network Infravest Private Limited; Pan India Network Limited; Real Media FZ-LLC; Siti Cable Network Limited; Smart Wireless Private Limited; Veria International Limited; Zee Akaash News Private Limited; Zee Learn Limited; Zee Media Corporation Limited.

Directors/ Key Management Personnel

Mr. Subhash Chandra (Non Executive Director), Mr. Punit Goenka (Managing Director & CEO), Mr. Subodh Kumar (Executive Vice Chairman) w.e.f. 1 February, 2014

Transactions during the year with related parties

	(₹ millions)	
	2014	2013
A) Non-Current Investments as at 31 March		
Associates	51	40
Other Related Parties	2	2
B) Trade Receivables as at 31 March		
Joint Venture	2,311	2,743
Other Related Parties	576	306
C) Loans, Advances and Deposits given as at 31 March		
Other Related Parties	43	88
D) Trade Payables / Other Payables as at 31 March		
Associates (₹ 18,480)	0	-
Other Related Parties	522	469
E) Revenue from Operations		
Advertisement Income		
Other Related Parties	30	20
Subscription Income		
Joint Venture	8,517	7,477
Other Related Parties	601	669
Commission - Broadcaster		
Other Related Parties	-	3
Other Operating Income		
Other Related parties	45	28
F) Other Income		
Dividend Income		
Other Related Parties	1	1
Rent / Miscellaneous Income		
Joint Venture	5	5
Other Related Parties	75	65

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	(₹ millions)	
	2014	2013
Balances written back		
Other Related Parties (P.Y. ₹ 53,713)	-	0
G) Reimbursements / Recoveries		
Joint Venture	5	3
Other Related Parties	144	108
H) Purchase of Fixed Assets / Capital Advances		
Other Related Parties	10	5
Sale of Fixed Assets		
Other Related Parties	-	4
I) Purchase of Television Content and Services		
Joint Venture (₹ 349,062)	0	4
Associates (₹ 70,964 (₹ 182,500))	0	0
Other Related Parties	2,081	1,796
Commission Expenses		
Joint Venture (₹ 54,153)	0	1
Other Related Parties (₹ 63,113 (₹ 75,795))	0	0
J) Remuneration paid		
Key Management Personnel	55	56
K) Loans, Advances and Deposits given		
Joint Venture	4	3
Other Related Parties	19	138
L) Loans, Advances and Deposits repayment received		
Other Related Parties	54	146
M) Corporate Guarantees given		
Subsidiaries	12,366	7,986
Other Related Parties	1,226	928

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

Note : Disclosure in Respect of Material Related Party who account for 10% or more of the transactions during the year:

- Investments at year end includes investment in equity of Aplab Limited ₹/millions 42 (40), Idea Web Shop and Media Private Limited ₹/millions 9 (Nil), Essel Propack Limited ₹/millions 2 (2).
- Trade Receivables balances outstanding include receivable from Media Pro Enterprise India Private Limited ₹/millions 2,311 (2,743), Dish TV India Limited ₹/millions 46 (2), Siti Cable Network Limited ₹/millions 31 (23), Veria International Limited ₹/millions 447 (267).
- Loans, Advances and Deposits balances outstanding includes Cyquator Media Services Private Limited ₹/millions 28 (30), Essel Corporate Resources Private Limited ₹/millions Nil (22), Real Media FZ-LLC ₹/millions 11 (21), Zee Media Corporation Limited ₹/millions Nil (10).
- Trade Payables / Other Payables balances - Aplab Limited ₹/millions 0 (Nil), Dish TV India Limited ₹/millions 90 (27), Zee Learn Limited ₹/millions 51 (77), Zee Media Corporation Limited ₹/millions 334 (328).
- Revenue from Operations includes Advertisement Income - Diligent Media Corporation Limited ₹/millions 1 (3), Dish TV India Limited ₹/millions 19 (17), Zee Media Corporation Limited ₹/millions 7 (Nil). Subscription Income - Media Pro Enterprise India Private Limited ₹/millions 8,517 (7,477), Dish TV India Limited ₹/millions 560 (630), Siti Cable Network Limited ₹/millions 41 (39). Commission - Broadcaster from Zee Media Corporation Limited ₹/millions Nil (1), Veria International Limited ₹/million Nil (2). Other Operating Income - Zee Learn Limited ₹/millions 22 (Nil), Zee Media Corporation Limited ₹/millions 23 (26).
- Other Income Include Dividend received from Essel Propack Limited ₹/millions 1 (1). Rent/Miscellaneous Income from Media Pro Enterprise India Private Limited ₹/millions 5 (5), Dish TV India Limited ₹/millions 28 (28), Siti Cable Network Limited ₹/millions 8 (8) Zee Media Corporation Limited ₹/millions 34 (25).
- Reimbursements / Recoveries from Media Pro Enterprise India Private Limited ₹/millions 5 (3), Dish TV India Limited ₹/millions 64 (48), Siti Cable Network Limited ₹/millions 14 (14), Zee Learn Limited ₹/millions 2 (2), Zee Media Corporation Limited ₹/millions 59 (39).
- Purchase of Fixed Assets from Dish TV India Limited ₹/millions 8 (5), Siti Cable Network Limited ₹/millions 1 (Nil). Sale of fixed assets includes assets sold to Zee Media Corporation Limited ₹/millions Nil (4).

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- i) Purchase of Television Content and Services include from Media Pro Enterprise India Private Limited ₹/millions 0 (4), Dish TV India Limited ₹/millions 189 (162), Essel Corporate Resources Private Limited ₹/millions 290 (235), Siti Cable Network Limited ₹/millions 173 (210), Zee Learn Limited ₹/millions 183 (155), Zee Media Corporation Limited ₹/millions 1,181 (979).
- j) Remuneration paid to Key Management Personnel Mr. Puneet Goenka ₹/millions 51 (56) and Mr. Subodh Kumar ₹/millions 4 (Nil).
- k) Loans, Advances and Deposits given includes Media Pro Enterprise India Private limited ₹/millions 4 (3), Cyquator Media Services Private Limited ₹/millions 19 (29), Zee Media Corporation Limited ₹/millions Nil (109).
- l) Loans, Advances and Deposits repayment received includes Cyquator Media Services Private Limited ₹/millions 21 (26), Essel Corporate Resources Private Limited ₹/millions 22 (22), Zee Media Corporation Limited ₹/millions 10 (98).
- m) Corporate Guarantee includes Taj TV Limited ₹/millions 12,366 (7,986), Dish TV India Limited ₹/millions 417 (437), Essel International Limited ₹/millions Nil (95), Siti Cable Network Limited ₹/millions 791 (374).

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

30. Operational cost and other expenses are net off recoveries ₹/millions 149 (111).

31 SEGMENT INFORMATION

(a) Business Segment

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

(b) Revenue from Geographical Market

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

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

	(₹ millions)	
	Revenues	
	2014	2013
India	28,644	23,842
Rest of World	15,573	13,154

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

	(₹ millions)			
	Segment Assets		Capital Expenditures	
	2014	2013	2014	2013
India	36,353	29,711	1,378	723
Rest of World	21,745	19,448	76	71

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	(₹ millions)	
	2014	2013
32. PAYMENT TO AUDITORS		
For Standalone		
Audit fees	7	6
Tax audit fees	1	1
Certification and tax representation	4	5
Other matters	-	3
Reimbursement of expenses (₹ 183,725 (₹179,470))	0	0
Total	13	15
For Subsidiaries and Jointly controlled entity		
Audit fees	16	15
Tax audit fees (₹ 448,958 (₹ 100,000))	0	0
Certification and tax representation	1	1
Reimbursement of expenses (₹ 98,852 (Nil))	0	-
Total	18	16
	2014	2013
33. EARNINGS PER SHARE (EPS)		
a. Profit after Tax (₹/millions)	8,921	7,196
Less: Dividend on Preference Shares (including tax)	101	-
Profit available for appropriation to Equity Shareholders (₹/millions)	8,820	7,196
b. Weighted Average number of equity shares for Basic EPS (in numbers)	959,689,900	954,744,508
Add: Weighted Average outstanding employee stock options (in numbers)	-	2,831,714
c. Weighted Average number of equity shares for Diluted EPS (in numbers)	959,689,900	957,576,222
Nominal value of equity shares (₹)	1	1
d. Basic EPS (₹)	9.19	7.54
e. Diluted EPS (₹)	9.19	7.51

34. The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended 31 March, 2013. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision of taxation.

- 35.** (i) During the year, the Group has acquired 172,413,793 number of ordinary shares (extent of holding 17%) of GBP 0.01 each of Mirriad Limited, engaged in the business of delivering embedded advertising into video streams and virtual product placement.
- (ii) In the meeting held on 17 December, 2013, the Board of Directors have approved a Scheme of Arrangement for acquisition of Media Business Undertaking of Diligent Media Corporation Limited (DMCL) by way of a demerger from DMCL and vesting with the Company, w.e.f. 31 March, 2014. Pending receipts of various regulatory / statutory approvals including approval of High Court and Members of the Company, effect has not been given in these financial statements.
- (iii) In terms of Telecom Regulatory Authority of India (TRAI) notification, for distribution of television channels, if an agent acts as an authorized agent of multiple broadcasters, the individual broadcaster shall ensure that such agent does not bundle its channels or bouquets with that of other broadcasters, with only exception for Broadcasters belonging to the same group. Hence, the Group has subsequent to the year end, decided to terminate its Joint Venture i.e. Media Pro Enterprise India Private Limited with Star Den Media Services Private Limited and is in the process of evaluating and establishing a revised business model for Distribution of Channels on its own, in compliance with the said regulation. The Group is of the view that the termination of joint venture will not affect the realisability of investment, trade receivables and advances due from the joint venture Company.

FINANCIAL HIGHLIGHTS

as on 31 March, 2014

INDIAN SUBSIDIARIES

Particulars	Zee Turner Limited	Zee Sports Limited	Taj Television (India) Private Limited	Essel Vision Productions Limited	India Webportal Private Limited
Summary Balance Sheet					
Share Capital	1	1	1	30	241
Reserves and Surplus	160	(50)	269	58	(219)
Total Assets	1,083	8	1,615	531	144
Total Liabilities	922	57	1,345	443	122
Investments (excluding subsidiaries)	-	-	-	-	-
Summary Statement of Profit and Loss					
Total Income	1,020	0	571	1,707	279
Profit Before Tax	112	(2)	103	112	(70)
Provision for Tax	40	-	32	29	-
Profit after Tax	72	(2)	71	83	(70)
Proposed Dividend	-	-	-	-	-

OVERSEAS OPERATIONS

Particulars	Asia Today Limited	Zee Multimedia Worldwide (Mauritius) Limited	Zee Multimedia (Maurice) Limited	Taj TV Limited	Zee Technologies (Guangzhou) Limited	Asia TV Limited	Zee TV USA, Inc.	EEVEE Multimedia, Inc.	Expand Fast Holdings (Singapore) Pte. Limited	Zee TV South Africa (Proprietary) Limited	Zee Telefilms Middle East FZ-LLC	ATL Media FZ-LLC	OOO Zee CIS LLC	OOO Zee CIS Holding LLC
Functional Currency Conversion Rates														
Balance Sheet	USD	USD	Mauritius ₹	USD	YUAN	GBP	USD	USD	USD	RANDS	AED	AED	Rubble	Rubble
Statement of Profit and Loss	USD	USD	1,9897	59,8105	9,7045	99,5183	59,8105	59,8105	59,8105	5,6553	16,2838	16,2838	1,6730	1,6730
Summary Balance Sheet														
Share Capital	0	3,397	0	1,014	110	1,636	60	15	4	0	41	1	0	-
Reserves and Surplus	7,457	1,067	(20)	(767)	(112)	(821)	(60)	(1)	92	(251)	272	(0)	(7)	-
Total Assets	16,577	4,517	19	5,575	3	981	-	14	131	15	629	1	38	-
Total Liabilities	12,923	53	39	5,328	5	166	-	0	35	266	316	(0)	45	-
Investments (excluding subsidiaries)	3,803	-	-	-	-	-	-	-	-	-	-	-	-	-
Summary Statement of Profit and Loss														
Total Income	6,455	86	22	7,152	14	875	-	-	179	58	1,393	-	97	-
Profit Before Tax	714	78	(8)	282	(8)	18	-	(1)	13	(44)	121	(0)	16	-
Provision for Tax	49	3	(0)	14	-	(2)	-	0	(0)	-	-	-	5	-
Profit after Tax	665	75	(8)	268	(8)	20	-	(1)	13	(44)	121	(0)	11	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Zee Entertainment Enterprises Limited

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018 **Tel:** 91-22-24831234 **Fax:** 91-22-24955974
CIN: L92132MH1982PLC028767 • **Website:** www.zeetelevision.com

ATTENDANCE SLIP 32nd Annual General Meeting

I/We hereby record my presence at the 32nd Annual General Meeting of the Company at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Friday the 18th day of July 2014 at 11.00 a.m.

Name of Shareholder/Proxy: (IN BLOCK LETTERS)

Signature of Shareholder/Proxy

Folio No. _____

Client ID No.# _____

DP ID No. _____

No. of Shares _____

(Applicable for shareholders holding shares in dematerialized form)



|| VASUDHAYA KUTUMBHAKAM ||
THE WORLD IS MY FAMILY

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CIN: L92132MH1982PLC028767 • Website: www.zeetelevision.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

32nd Annual General Meeting

Name of Member(s) _____

Registered address _____

E-mail Id _____

Folio No./ Client ID No. _____

I/We, being the member(s) holding _____ Equity Shares of Zee Entertainment Enterprises Limited, hereby appoint

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

or failing him

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

or failing him

3. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the thirty second Annual General Meeting of the Company to be held on Friday, 18 July, 2014 at 11.00 a.m. at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

Resolutions		For	Against
1.	Adoption of Audited Financial Statements of the Company for the financial year ended 31 March, 2014.		
2.	Confirmation of payment of pro-rata Dividend on the Preference Shares for the financial year ended 31 March, 2014.		
3.	Declaration of Equity Dividend for the financial year ended 31 March, 2014.		
4.	Re-appointment of Dr Subhash Chandra as a Director of the Company		
5.	Re-appointment of Auditors		
6.	Appointment of Prof Sunil Sharma as Independent Director		
7.	Appointment of Prof Neharika Vohra as Independent Director		
8.	Appointment of Mr Subodh Kumar as Director		
9.	Appointment of Mr Subodh Kumar as Executive Vice Chairman		
10.	Appointment of Lord Gulam Noon as Independent Director		

Signed this ____ day of ____ 2014

Signature of Shareholder _____ Signature of Proxyholder(s) _____

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Continental Building, 135, Dr Annie Besant Road, Worli, Mumbai 400 018, not less than 48 hours before the commencement of the Meeting.

OUR PRESENCE



REGIONAL OFFICES

NEW DELHI

Filmcity 19, Sector 16 - A, Noida – 201301.

Tel +91 120 2511064

Fax +91 120 2515240

KOLKATA

5 A/1 & 5 A/2, 5th Floor, Park Plaza, 71 Park Street, Kolkata – 700016.

Tel +91 33 22275458 / 5459

Fax +91 33 22275463

HYDERABAD

6-2-929 DB Enclave, Raj Bhavan Road, Khairatabad, Hyderabad – 500004.

Tel +91 40 23391648 / 23320170

Fax +91 40 23320164

CHENNAI

Alpha Centre, Essel House, 3rd Floor, No. 150 & 151, North Usman Road, T - Nagar, Chennai – 600017.

Tel +91 44 28144964

Fax +91 44 28144963

BANGALORE

204, 2nd Floor, H.M. Geneva House, 14 Cunningham Road, Bangalore – 560 052.

Tel +91 80 22373183 / 86

Fax +91 80 22373180

BANGALORE OFFICE 2

3rd Floor, United Mantions, 39 M. G. Road, Bangalore – 560 001.

Tel +91 80 66109999

Fax +91 80 25559432

PUNE

Girijashankar Bungalow, Next to Girijashankar Apartments, 562/4 Shivajinagar Gaothan, Near Congress Bhavan, Pune – 411004.

Tel +91 20 25532049

Fax +91 20 25532049

INTERNATIONAL OFFICES

USA

Asia TV - USA Limited, One Penn Plaza, 250 W 34th Street, Suite 3501, New York – 10119.

Tel +1646 745 9000

Fax +1646 745 9090

UNITED KINGDOM

Asia TV Limited, Hygeia Building, 3rd Floor, 66/68 College Road, Harrow, HA1 1BE.

Tel +44 020 88394000

Fax +44 020 8841 9550

SOUTH AFRICA

1st Floor, 109 Atrium Terraces, 272 Oak Avenue, Ferndale, Randburg, South Africa.

Tel +27 117813352

Fax +27 117813347

MAURITIUS

2nd Floor, Ebene House, 33, Cybercity Ebene, Mauritius.

Tel +230 4642222 / 6666

Fax +230 4644040

CHINA

Room 1610, Southern Securities Building, #148 Ti Yu Rd East, Tianhe District, Guangzhou, Guangdong, PRC. PC: 510620.

ZEE General Line +86 2038931510

MALAYSIA

Level 16 , 1 Sentral Building, Jalan Stesen Sentral 5, KL Sentral 50470, Kuala Lumpur, Malaysia.

Tel +603 20929297

Fax +603 20929201

SINGAPORE

Expand Fast Holding, 883, North Bridge Road, #09-01, The Southbank, Singapore 198785.

Tel +65 63147821

UAE

ZEE Telefilms Middle East FZ LLC, Ten sports Building, 3rd Floor, Dubai Media City, Dubai UAE, PO Box 500484.

Tel +971 44264100

Fax +971 43625386

RUSSIA MOSCOW

OOOZee CIS, 115419, Moscow Street, Ordzonikidze, Building 11, Stroniy 11, Office 903.

Tel +74959551886

Fax +74959551883

JAKARTA REPRESENTATIVE OFFICE

Perkantoran Graha Kencana Blok AH. Jl. Raya Perjuangan, No. 88 Kebon Jeruk, Jakarta, 11530 Indonesia.

Telpon +62 21 5332417

Fax +62 21 5332415

ASIA TODAY (THAILAND) CO., LTD.,

30,32,34,36,38, K.B.S. Building Unit # 306, 3/Floor, Mahesak Road # 3, Suriyawong, Bangrak, Bangkok - 10500, Thailand

OTHER OFFICES

BROADCAST OPERATIONS

Filmcity 18, Sector 16A, Noida – 201301.

Tel +91 120 2511064

Fax +91 120 2515240

BROADCASTING DIVISION – ETC

7B, Shah Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai – 400053.

Tel +91 22 67813737

Fax +91 22 26732030



॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY

www.zeetelevision.com

[in](#) [tw](#) [f](#) /ZEECorporate



ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No: L92132MH1982PLC028767

REGISTERED & CORPORATE OFFICE

Continental Building, 135, Dr. A. B. Road, Worli, Mumbai - 400 018 Maharashtra, India.

Tel. +91 22 2483 1234