July 14, 2014

BSE Limited
National Stock Exchange of India Limited

Kind Attn: Corporate Relationship Department

Dear Sir,

Sub: Notice of Annual General Meeting and Annual Report of the Company for the year ended 31st March 2014.

As informed earlier, 15th Annual General Meeting of the Members of the Company has been convened to be held on Thursday, August 7, 2014 at 11.00 a.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

Pursuant to Clause 31 & 31A of the listing agreement, we hereby enclose:

a) 6 copies of Annual Report of the Company for FY 2013-14 along with Notice of 15th Annual General Meeting; and

b) Form A - Unqualified / Matter of Emphasis Report on the financial statements of the Company for the year ended March 31, 2014.

We further enclose a CD containing soft copy of the Annual Report of the Company for your records.

Kindly acknowledge receipt.

For **ZEE MEDIA CORPORATION LIMITED**
(Formerly Zee News Limited)

ZEE MEDIA CORPORATION LIMITED MUMBAI

Pushpal Sanghavi
Company Secretary

Encl. As stated

ZEE MEDIA

VASUDHAIVA KUTUMBAKAM
THE WORLD IS MY FAMILY

ZEE MEDIA CORPORATION LIMITED
(Formerly Zee News Limited)
Regd. Office : Continental Building, 135, Dr. Annie Besant Road,
Worli, Mumbai - 400018, India
Tel. : 91-22-2483 1234 Fax : 91-22-2490 0431
www.zeenews.india.com | CIN : L92100MH1999PLC121506

Annual Report
2013-14

Expanding Horizons

ZEE MEDIA

VASUDHAIVA KUTUMBAKAM
THE WORLD IS MY FAMILY

ZEE MEDIA CORPORATION LIMITED

CIN: L92100MH1999PLC121506

CONTENTS

From the Chairman's Office	02
A Rendezvous with the Group CEO	04
Notice	06
Directors' Report	11
Corporate Governance Report	17
Management Discussion & Analysis	30
Certification on Financial Statements	39
Standalone Financial Statements	40
Performance Ratios & Analysis	66
Consolidated Financial Statements	68
Financial Highlights of Subsidiary Companies	91

Caution regarding forward-looking statements:
In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Independent Director

Vinod Bakshi
Independent Director

AUDITORS

MGB & Co, Chartered Accountants

BANKERS

State Bank of India
BNP Paribas
ICICI Bank Ltd.

OFFICES

Registered

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

Corporate

Essel Studio, FC-19
Sector 16A
NOIDA - 201 301
Uttar Pradesh

Zee 24 Taas

4th Floor "B" Wing
Madhu Industrial Estate
Pandurang Budhkar Marg
Worli, Mumbai - 400 013
Maharashtra

Zee MPCG

201 Jeevan Parisar
Rajiv Nagar Colony
Shankar Nagar, Pandri Marg
Raipur – 492001
Chhattisgarh

Zee Marudhara

E – 151, Ramesh Nagar
C- Scheme Jaipur - 302001
Rajasthan

Zee Kalinga

Plot No. – 727, 4th Floor
Bivab Gulmohar Begra Sahi
Nayapali Bhubaneshwar - 751012
Odisha

SENIOR MANAGEMENT

Dr. Bhaskar Das
Group CEO - News Cluster

Dinesh Garg
Chief Financial Officer

Vijayant Kumar
Vice President (Technical)

Geetanjali Pandit Gupta
Chief People Officer

Sudhir Chaudhary
Editor - Zee News

Samir Ahluwalia
Editor - Zee Business

Vasindra Mishra
Editor - News Operations

Uday Nirgudkar
Editor - Zee 24 Taas

Sanjay Vohra
Editor - Zee Punjab Haryana Himachal

Rajendra Sharma
Resident Editor – Zee Madhya Pradesh Chhattisgarh

Purushottam Vaishnav
Resident Editor – Zee Marudhara

Satya Prakash Nayak
Resident Editor – Zee Kalinga

Amitava Bhattacharya
Business Head – East

Vinod Das
Business Head - North

Bhushan Khot
Senior Vice President – Sales & Marketing

Rohit Kumar
Vice President - Marketing - Zee News

Manish Seth
Senior Vice President – Sales & Marketing

Mini Harrison
Senior Vice President – Sales & Marketing

Pushpal Sanghavi
Company Secretary

FROM THE CHAIRMAN'S OFFICE

Dear Shareholders,

In the year gone by, your Company further fortified its leadership as India's largest news network, with 138 million viewer base through its ten national and regional news channel along with its various digital platforms. In line with our ambition to reach deeper into the lives of our viewers your company changed its name to Zee Media Corporation Limited. The name along with the message of 'Vasudhaiva Kutumbakam – The World Is My Family' reflects our rich heritage as the country's pioneering media network and represents our contemporary and inclusive outlook.

The year proved to be challenging for most of the developing economies including India. The Indian economy saw its second successive sub five percent GDP growth, first time post mid-eighties. Despite these headwinds, the Media & Entertainment industry in 2013 grew by 11.8%. During the financial year, we maintained our resolute focus to grow our outreach. We launched three new channels, Zee Madhya Pradesh Chhattisgarh for Madhya Pradesh and Chhattisgarh market, Zee Marudhara for Rajasthan market and Zee Kalinga for Odisha market. Keeping up with the changing time and viewership, we also restaged Zee News, Zee 24 Taas, 24 Ghanta and Zee Punjab Haryana Himachal channels.

Your Company now also has a strong newspaper brand DNA in its fold after merger of Essel Publishers Private Limited with the Company. We are continuously working on our online platform, www.zeenews.com resulting in its user base increase to 26 million users. The regional sections of the website also put up a phenomenal performance with visits to Hindi, Bengali and Marathi websites growing by 69.6%, 289.4% and 333.2% respectively.

With consolidation of all our ten television channels, print through DNA and internet news brands like www.zeenews.com under single umbrella, we are delighting our diverse set of consumers by offering them multi-platform anytime-anywhere access to relevant and unique content thereby further strengthening our bond with them.

I am happy to state that your Company's contributions to the industry and to the society at large have been recognized. During the year, your company won number of awards including the Best Spot News Reporting for Maut Ke Shivir Mein Ek Raat and Best Public Service Campaign for Aapka Vote Aapki Taaqat, from the Exchange4Media News Broadcasting Awards in addition to

"Your Company further fortified its leadership as India's largest news network, with 138 million viewer base through its ten national and regional news channel along with its various digital platforms"

Best Entertainment Show for Double Dose, Best Set Design for Zee News, Best Show Packaging for Daily News and Analysis and Game Changer Award for Zee News from News Television Awards.

Going ahead, as the new government hopefully takes steps to mitigate the factors that have plagued investment cycle, we expect the economy to take a turn for the better. This could lead to positive impact on the growth of our industry. We remain committed to continually enhance our content quality and reach by smartly leveraging our ability to maintain a multi-platform connect with our consumers.

I thank all of you for bestowing your trust and encouraging us to perform better year after year. Looking forward to your continued support.

Regards

Subhash Chandra

A RENDEZVOUS WITH THE GROUP CEO

Dr. Bhaskar Das
Group CEO

Q. How would you describe the new identity of Zee News Limited, Zee Media Corporation Limited?

A. It was with great conviction and a vision to grow that we looked to upgrade ourselves and change our identity to Zee Media Corporation Limited. Our new identity forms a perfect blend of our traditional strengths with modern approach, reflecting in our wide array of media service offerings. We are India's largest News Network and our bouquet of offerings in Television, Print and Online reaching out to over 138 million consumers. We have already taken big steps in providing multi platforms to our advertisers with DNA newspaper now being a part of our company. We have also started content based on TEN (Terrestrial Entertainment Network) framework, which is a mixture of News and Entertainment for some of our new channels. Consequently Zee Media Corporation Limited has become a one stop solution for both advertisers as well as to access multiple touch points, using different Media.

Q. How did the year FY14 go for ZMCL in terms of performance?

A. Amidst a tough economic environment, we managed to squeeze out a revenue growth. Our revenue grew by 13.1% to ₹3,301.8 million from ₹2,919.2 million in FY13. Net Profit before Tax and Exceptional items was ₹166.0 million this year compared to ₹ 306.3 million last year. Our advertising revenue went up by 15.3% compared to last year to reach ₹1,902.1 million. Subscription revenues also went up to ₹999 million from ₹843 million, a jump of 18.6%.

The fact that we are the largest News network in India with 138 million viewers makes us feel proud of our achievements.

Q. How do you see the growth of the industry going forward? How do you plan to use this to your advantage?

A. We see convergence of news consumption happening across platforms. The consumer would become more demanding for customized news which is relevant to his or her life. The news organizations have a tough task ahead to match up their offerings to the new consumers. Zee Media Corporation Limited has already embarked on this path by looking to consolidate the relevant offerings of Television, Print and Digital media under a single umbrella through cross-pollination of content.

Q. What would be your strategy for the next year?

A. Advertising revenue growth, viewership consolidation and increase, faster decision making, and getting a base for increased scope of offerings will be our priorities for the coming year. To this extent, we have gone in for a decentralized decision making structure. We are looking to leverage our new launches to have a strong revenue growth. Additionally, we are looking to provide special content in verticals like Automobiles, Luxury, Education and Career, Women and Lifestyle, etc. We would be providing relevant content for our digital consumers as well.

We already are on the path of strengthening ourselves in digital domain through more informative content on our websites. www.zeenews.com has achieved an increase of 28.2% in visits, which is encouraging enough for us to improvise even better going forward. Our regional websites are also gaining traction with more unique users.

Looking ahead, we are going to be more focused on intensifying our efforts to dig deeper into the market with aggressive marketing and branding. With a new identity, we are looking to become a more comprehensive media corporation with one concrete focus of being relevant to our viewers. When we say the world is my family, we intend to prove it through our outreach.

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Members of **Zee Media Corporation Limited** (earlier known as Zee News Limited) will be held on Thursday, August 7, 2014 at 11.00 a.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 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 March 31, 2014 including the Balance Sheet as at March 31, 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 appoint a Director in place of Dr. Subhash Chandra (DIN 00031458), who retires by rotation, and being eligible, offers himself for re-appointment.

3. 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 a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Vinod Kumar Bakshi (DIN-00771934), Independent Director of the Company who was earlier appointed as a Director liable to retire by rotation and retires by rotation at this Annual General Meeting be and is hereby appointed as an Independent Director not liable to retire by rotation for a period upto March 31, 2017."

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

   "**RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Surjit Banga (DIN-00001637), Independent Director of the Company who was earlier appointed as a Director liable to retire by rotation be and is hereby appointed as an Independent Director not liable to retire by rotation for a period upto March 31, 2017."

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 198, 269 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, (including corresponding applicable provisions of Companies Act, 2013), the Members hereby accord their approval to the appointment of, and payment of remuneration of ₹ 13,393,425/- (Rupees One Crore Thirty Three Lacs Ninety Three Thousand Four Hundred and Twenty Five only) made to Mr. Alok Agrawal as per terms detailed in the explanatory statement, during the period from July 30, 2013 to May 12, 2014 as Whole-time Director of the Company."

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

   "**RESOLVED THAT** in supersession of the resolution passed by the Members under Section 293(1)(d) of the Companies Act, 1956 on February 20, 2006 and pursuant to Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Board of Directors of the Company (which the term shall include any Board Committee duly authorised by the Board) be and is hereby authorised to raise or borrow from time to time such sum or sums as they may deem appropriate for the purposes of the company notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from company's bankers in the ordinary course of business) will exceed the paid-up capital and free reserves of the company. Provided that the total amount upto which monies may be raised or borrowed by the Board of Directors shall not exceed the aggregate of the paid up capital and free reserves of the company by more than ₹1,000 crores (Rupees One Thousand Crores only) at any point of time."

By order of the Board

Place: Mumbai
Date : May 21,2014

Pushpal Sanghavi
Company Secretary

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018
CIN: L92100MH1999PLC121506
Email: pushpal.sanghavi@zee.esselgroup.com

NOTES:

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the 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 Paid-up Share Capital of the Company. Any Member holding more than 10% of total Paid-up 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. 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, authorizing their representative to attend and vote at the Annual General Meeting.

3. 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.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 2, 2014 to Thursday, August 7, 2014 (both days inclusive) for the purpose of Annual General Meeting.

5. Queries on accounts and operations of the Company, if any, may be sent at least seven days before the AGM to the Company Secretary at the registered office of the Company or by email at pushpal.sanghavi@zee.esselgroup.com so as to enable the management to keep the information ready at the meeting.

6. As required under Clause 49 of the Listing Agreement, relevant information in respect of the Directors recommended by the Board for re-appointment at the Annual General Meeting forms part of the Report on Corporate Governance in the Annual Report.

7. Member holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.

8. Copy of the Annual Report of the Company for financial year 2013-14 is being sent by email to all the Members whose email address is registered with the Company/Depository Participants(s) for communication. For members who have not registered their email address, physical copies of the Annual Report for financial year 2013-14 is being sent in permitted mode. The Annual Report may also be accessed on Company's Website www.zeenews.india.com

9. Members are requested to notify about any change in their address / email 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 Clause 35B of the Listing Agreement entered into with the Stock Exchanges and Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their right to vote at the 15th Annual General Meeting 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 Wednesday, July 30, 2014 at 9.00 a.m. and will end on Friday, August 1, 2014 at 6.00 p.m. During this period, Members holding equity shares of the Company either in physical form or in dematerialized form as on the cutoff date of June 30, 2014, may cast their vote electronically. The E-voting module shall be disabled by CDSL for voting thereafter. 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 June 30, 2014.

11. The Company has appointed Mr. Satish K. Shah (CP No. 3142), Practising Company Secretary to act as Scrutinizer to conduct E-voting in fair and transparent manner. The Scrutinizer, within a period of not exceeding 3 working days from the conclusion of the voting period, shall unblock the votes in presence of two witnesses, not in employment of the Company and after scrutinizing votes received shall make a

report of the votes cast in favor of or against or invalid votes in connection with all resolutions mentioned in the Notice of AGM and submit the same forthwith to the Company.

12. The results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company 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.co.in

- Now click on 'Shareholders' tab to cast your votes

- Now, select the 'Electronic Voting Sequence Number (EVSN)' along with 'Zee Media Corporation 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.co.in 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:

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 in dd/mm/yyyy format or folio no as per company records.
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 Demat account/ folio number in the PAN field.

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

- After entering these details appropriately, click on 'SUBMIT'.

- 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 on 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 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 Scrutinizer 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 send email to CDSL on helpdesk.evoting@cdslindia.com or to the Company Secretary of the Company on pushpal.sanghavi@zee.esselgroup.com .

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Members of the Company at the meeting held on December 28, 2006 had approved appointment of Mr. Vinod Kumar Bakshi as a Director of the Company in the category of Independent Director, liable to retire by rotation. Accordingly Mr. Vinod Kumar Bakshi retires at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. In terms of Section 149 of the Companies Act, 2013, Mr. Vinod Kumar Bakshi is proposed to be appointed as an Independent Director, not liable to retire by rotation, for a term upto March 31, 2017.

Mr. Vinod Kumar Bakshi has provided confirmation about his independence and in the opinion of the Board, Mr. Vinod Kumar Bakshi fulfills the conditions of independence prescribed under Section 149 of Companies Act, 2013 and is independent of the management.

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

Your Board is of the opinion that the continued association of Mr. Vinod Kumar Bakshi as Independent Director would benefit the Company and therefore recommends the Ordinary resolution as set out in Item No 4 for approval of Members.

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

Item No. 5

Members of the Company at the meeting held on July 30, 2013 had approved appointment of Mr. Surjit Banga as a Director of the Company in the category of Independent Director, liable to retire by rotation. In terms of Section 149 of the Companies Act, 2013, Mr. Surjit Banga is proposed to be appointed as an Independent Director, not liable to retire by rotation, for a term upto March 31, 2017.

Mr. Surjit Banga has provided confirmation about his independence and in the opinion of the Board, Mr. Surjit Banga fulfills the conditions of independence prescribed under Section 149 of Companies Act, 2013 and is independent of the management.

Brief Profile and other details of Mr. Surjit Banga forms part of the Corporate Governance Report.

Your Board is of the opinion that the continued association of Mr. Surjit Banga as Independent Director would benefit the Company and therefore recommends the Ordinary resolution as set out in Item No 5 for approval of Members.

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

Item No. 6

At the meeting held on July 30, 2013, the Board of Directors of the Company had, based on recommendation of the Remuneration Committee and subject to approval of the Members at the ensuing Annual General Meeting, approved appointment of Mr Alok Agrawal as Whole time Director of the Company for 3 years from July 30, 2013 at the remuneration as detailed herein:

a) Basic Salary:

The Basic Salary of ₹ 6,87,500 per month, with authority to the Board of Directors to determine any merit based increase from time to time within the scale of ₹ 6,50,000 to ₹ 10,50,000 per month.

b) Perquisites & Allowances, in addition to Basic Salary:

i. Company maintained accommodation or House Rent Allowance in lieu thereof subject to a maximum of 50% of Basic Salary as per rules of the Company;

ii. Personnel allowance of ₹ 171,050/- per month with such increase as may be determined by the Board, subject to a ceiling of 25% of Basic Salary;

iii. Medical Reimbursements, Children Education Allowance, Leave Travel Allowance (subject to 10% of basic salary in a year), use of chauffeur driven company car, telecommunication facilities at residence and such other perquisites and allowances in accordance with rules of the Company;

iv. Company's contribution to provident fund, gratuity and leave encashment as per the rules of the Company; and

v. Annual Performance Bonus/Incentive and Stock Options, if any, based on the performance and other criteria as laid down by or approved by the Board or Remuneration Committee from time to time.

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.

c) Overall Remuneration:

The aggregate of salary, perquisites and allowances in any one financial year shall be within the limits prescribed under Section 198, 309, Schedule XIII and other applicable provisions of the Companies Act, 1956 for the time being in force.

d) In the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of the Whole-time Director, 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.

Subsequent to such appointment, Mr. Alok Agrawal, resigned as Whole-time Director of the Company with effect from the close of business on May 12, 2014.

As per Schedule XIII of the Companies Act, 1956 (and corresponding provisions of Schedule V of Companies Act, 2013), any appointment of and remuneration paid inter alia to Whole-time Director, shall be subject to approval of the Members by passing ordinary resolution at a general meeting. In view of this approval of the Members is sought for appointment of, and remuneration paid to, Mr. Alok Agrawal as Whole-time Director of the Company for the period from July 30, 2013 to May 12, 2014.

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 are in any way concerned or interested in the resolution.

Item No. 7

In compliance with Section 293(1)(d) of the Companies Act, 1956, Members of the Company had on February 20, 2006 authorised the Board of Directors to borrow in excess of paid-up capital and reserves upto an amount not exceeding ₹ 500 Crores. Consequent to repeal of Section 293(1)(d) of the Companies Act, 1956 and provision of section 180(1)(c) of the Companies Act, 2013 coming into effect from September 12, 2013 and in accordance with clarification issued by Ministry of Corporate Affairs vide circular no. 04/2014 dated March 25, 2014, the Ordinary Resolution passed by the Members on February 20, 2006 will be valid till September 11, 2014.

In view of the above, and to facilitate funding needs of enhanced business operations of the company, which after the amalgamation of Essel Publishers Pvt Ltd with the Company, includes Print Media business of Diligent Media Corporation Ltd, it is recommended that your Board be authorised to borrow from time to time amounts which shall not exceed the aggregate of the paid up capital and free reserves of the Company by more than ₹1,000 Crores at any point in time.

As per Section 180(1)(c) of the Companies Act, 2013, the Board of Directors can borrow in excess of paid-up capital and reserves of the Company subject to approval of the Members by way of Special Resolution.

Your Board recommends the Special 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 are in any way concerned or interested in this resolution.

By order of the Board

Place: Mumbai
Date: May 21, 2014

Pushpal Sanghavi
Company Secretary

Registered Office:
Continental Building,
135,Dr. Annie Besant Road,
Worli, Mumbai – 400 018
CIN: L92100MH1999PLC121506
Email: pushpal.sanghavi@zee.esselgroup.com

DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting the 15th Annual Report of your Company together with Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL PERFORMANCE

The financial performance of standalone operations of your Company during the Financial Year 2013-14 is summarized in the following table:

(₹ in Millions)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
Total revenues	3,301.77	2,919.20
Total expenses	3,135.81	2,612.86
Profit before tax and exceptional items	**165.96**	**306.34**
Exceptional items	59.89	45.96
Profit before tax	225.85	352.30
Provision for tax expenses	37.68	109.31
Profit after tax	**188.17**	**242.99**

DIVIDEND

With a view to conserve the resources for future business requirements and expansion plans, your Directors are of view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the year under review.

OPERATIONS & STRATEGY

As per Central Statistics Office, India's GDP was at 4.7% for the fiscal 2013-14 indicating an economic slowdown with persistent inflation and supply side constraints and global influencing factors like appreciation in Dollar rate dampened growth. As per FICCI KPMG Indian Media and Entertainment Industry Report 2014, Media and Entertainment industry grew by 11.8% from ₹ 821 billion in 2012 to ₹ 918 billion in 2013. Television industry grew by 12.7% making it a ₹ 417 billion industry in 2013 from ₹ 370 billion in 2012. Television advertisement revenues grew by 8.8 % to ₹ 136 billion in 2013 from ₹ 125 billion in 2012. Television subscription revenues have seen a growth of 14.7% to ₹ 281 billion in 2013 from ₹ 245 billion in 2012. The Television news advertisement grew in low single digits (2 to 4%).

Indian television industry additionally experienced a lot of changes in operating environment with completion of Phase II of digitization and roll out of Phase III and Phase IV. LC1 (towns having less than 0.1 million population) markets were also included in TAM (Television Audience Measurement) ratings giving the broadcasters a view of markets which were not reported earlier. There was a shift from TV Rating Point (TVRs) to TV Viewership in thousand (TVTs) which showcased the increasing reach of television medium. A key change was also the implementation of 12 minute advertisement cap in non-news channels. This resulted in an Effective Rate (ER) increase in some genres like Hindi GECs. The implementation of the advertising cap for the news channels is currently on hold as News Broadcasters Association (NBA) has contested the same and the matter is under consideration in Delhi High Court.

During the year under review, your company made further inroads into the Hindi heartland through the launch of 'Zee Madhya Pradesh Chhattisgarh' for Madhya Pradesh and Chhattisgarh viewers, 'Zee Marudhara' for viewers in Rajasthan and 'Zee Kalinga' for Odisha viewers. In addition to launching new channels, your company also restaged Zee News, Zee 24 Taas, 24 Ghanta, Zee Punjab Haryana Himachal (erstwhile Zee Punjabi) and Zee Sangam (erstwhile Zee Uttar Pradesh Uttarakhand) to keep up with the ever changing viewing patterns. Of these, Zee Marudhara and Zee Kalinga follow a new content format named Terrestrial Entertainment Network (TEN). TEN format comprises locally produced entertainment programmes in addition to news bulletins and feature programmes. Hence, the viewers of these regions can get variety content on a platter.

During the year, your company acquired 37.87% equity stake in Maurya TV Private Limited, which runs Maurya TV, a news and entertainment channel for the region of Bihar/Jharkhand. Additionally, consequent to amalgamation of Essel Publishers Pvt Ltd with the Company, your Company expanded into print news media segment, through subsidiaries Diligent Media Corporation Limited (DMCL), which publishes DNA newspaper in cities of Mumbai, Bengaluru and Pune and Pri Media Services Pvt Ltd, which is engaged in printing inter-alia of DNA newspaper. This would enable your Company to devise even greater synergies and offer a better quality of news to its consumers.

Your Company was the largest news network with ten News Channels in six different languages present across India and touching more than 138.4 million viewers (Source: TAM, TG: CS 4+, March 2014, All India, Google analytics, Facebook, Twitter)

Zee News, our flagship channel reached out to over 40.1 million viewers across India. (Source: TAM, CS 4+, All India, FY 2013-4). While **Zee Business,** India's First 24-hour Hindi business channel, has been performing consistently and has outperformed its competitors. Zee Business has been No. 1 in reach in 8 metros and reached out to more than 11.7 million viewers across India (Source: TAM, FY 2013-14, TG: CS 4+, All India, 8 Metros).

24 Ghanta, our Bengali news offering through 60% subsidiary, Zee Akaash News Pvt Ltd, reached to more than 6.7 million viewers across India. The channel is also No. 2 in reach in West Bengal. (Source: TAM, FY 2013-14, TG: CS 4+, WB and India).

Zee 24 Taas continued to be a strong No. 2 in reach across Maharashtra owing to its restaging with a strong brand promise of Raha Ek Paul Pudhe (Stay One Step Ahead) and reached out to more than 12.3 million viewers across India (Source: TAM, FY 2013-14, TG: CS 4+, All India and Maharashtra).

Zee Sangam, erstwhile **Zee UP UK** was the undisputed leader in Uttar Pradesh and Uttrakhand market with an average of more than 27% channel share in FY 2013 -14, The channel was also No. 1 in reach across Uttar Pradesh and Uttrakhand reaching more than 6.1 million viewers across India (Source: TAM, FY 2013-14, TG: CS 15+, UP and FY 2013 -14, TG: CS 4+, All India)

Zee Punjab Haryana Himachal, erstwhile **Zee Punjabi** reached out to more than 2.5 million viewers across India (Source: TAM, FY 2013 -14, TG: CS 4+, All India)

Zee Madhya Pradesh and Chhattisgarh, launched on March 31, 2013 for viewers of Madhya Pradesh and Chhattisgarh reached out to more than 3.8 million viewers across India in just one year of its launch (Source: TAM, FY 2013 -14, TG: CS 4+, All India)

Zee Marudhara, launched on August 1, 2013 for Rajasthan market reached out to 0.9 million viewers across India (Source: TAM, FY 2013 -14, CS 4+, All India)

Zee Kalinga, one of our latest offering for Odisha market was launched on January 26, 2014, reached out to more than 0.1 million viewers across India (Source: TAM, FY 2013 -14, CS 4+, All India)

Zeenews.com registered a year on year increase of 47.8% in visits, 33.6% in unique visitors and 41.1% in page views. It also attracted over 93 million unique users, 182 million visits with 437 million page views. The regional sections of the website also put up a phenomenal performance with visits to Hindi, Bengali and Marathi websites growing by 69.6%, 289.4% and 333.2% respectively. (Source: Google Analytics, Facebook, Twitter)

Despite slowdown in economy and shifting of advertisement spends to GECs (General Entertainment Channels), during the year under review your Company grew its overall operating revenues by 14.3% from ₹ 2,667.94 Million in 2012-13 to ₹ 3,048.56 Million. Your Company invested in launching of three new channels as well as restaging of the existing channels. The Operating Profit during the year under review was ₹ 162.47 Million as compared to ₹ 249.86 Million in 2012-13.

CHANGE OF NAME OF THE COMPANY

During the year under review, subsequent to Members approval vide Special Resolution passed by Postal Ballot on June 25, 2013 and upon receipt of approval of Ministry of Corporate Affairs, the name of the company changed from Zee News Limited to **Zee Media Corporation Limited** with effect from July 6, 2013. Consequently the trading symbol for the equity shares of the Company at the NSE changed to 'ZEEMEDIA', while the ticker number allotted to the Company's Equity Shares by BSE continued to be 532794.

CORPORATE RESTRUCTURING

During the year under review, to facilitate venturing into Print Media business, your Board had on July 30, 2013 approved a Scheme of Amalgamation for merger of Essel Publishers Pvt Ltd (EPPL), the Holding Company of Diligent Media Corporation Ltd (DMCL) an entity engaged in the business of publication of English Daily 'DNA' and Pri Media Services Pvt. Ltd, an entity engaged in the business of printing inter alia of DNA News Paper, with the Company. Subsequent to the approval by the Members at the Court Convened General Meeting on November 21, 2013 and by the Public Shareholders (i.e. Shareholders other than those forming part of Promoter and Promoter Group) by passing an Ordinary Resolution through Postal Ballot on December 2, 2013, Hon'ble Bombay High Court had accorded its approval to the Scheme of Amalgamation vide order passed on May 2, 2014. The said Scheme shall become effective, in due course after completion of certain statutory formalities.

In pursuance of the said Scheme of Amalgamation, (a) the Authorised Share Capital of the Company shall stand increased to ₹ 170,00,00,000 (Rupees One Hundred and Seventy Crores) comprising of 170,00,00,000 (One Hundred and Seventy Crores) Equity Shares of Re. 1 each; and (b) the Company will be issuing 12,23,81,817 Equity Shares which will result in increase in Promoter shareholding in the Company to 69.11% of expanded Paid-up Capital of the Company.

PUBLIC DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made there under.

CORPORATE SOCIAL RESPONSIBILITY

As a socially conscious media organization, your Company continued to sustain and carry out its Corporate Social Responsibility (CSR) as an integral part of its growth philosophy. Your Company executes several on air and on ground campaigns with an objective to positively transform our society and make a difference in millions of life.

Your Company also understands the importance of conserving environment. Your Company's green campaign, 'My Earth My

Duty', is an attempt to highlight the environment cause in the country. One of the largest climate awareness campaigns in the country, the initiative won accolades from the United Nations for planting thousands of trees in a single day. It has been Zee News' endeavour since 2010 to sensitize and encourage people to take concrete actions towards mitigating the effects of climate change and environmental degradation. It has set a record of planting over 15 million trees across India, reached out to 2.5 lakh villages and 100 cities and also encouraged over 50 million youth to act. It has been recognized by Limca Book of Records for being the only campaign to make India Greener by planting over 50 Lakhs saplings in one day and for making people to take action to adverse climate change. This CSR initiative has also won many coveted awards like Rashtriya Rajiv Gandhi, BCS Ratna Award and Lions Club Award for being the best CSR campaign.

Your Company has made it a point to make the people aware about their democratic right to vote. The nation's largest voter awareness initiative, *Apka Vote Aapki Taqat*, truly created an impact in the states where elections took place and was one of the factors leading to increased voter turnout. This splendid thought and initiative has been supported by The Election Commission of India. Zee News is the first ever news channel to win the National Award from the Election Commission to increase electoral participation and strengthening Indian democracy. It has also been recognized by Limca Book of Records and received the coveted Lion's Club SOL awards for the best CSR campaign.

Your company also seek to turn the spotlight on security forces as well as unsung heroes who are silently working to protect our borders and uplift the society through our flagship CSR initiative, *Ananya Samman*. The initiative took place in three different locations addressed in Marathi, Bengali and Hindi through Zee 24 Taas, 24 Ghanta and Zee News channels respectively.

Your company in association with Marrow Donor Registry of India (MDRI) launched a new initiative 'Gift A Life' which was designed to help India in becoming healthier. The awareness initiative aimed to save lives of people suffering from blood disorders and increase the registration count of stem cell donor's manifold. Zee Media Corporation Limited's 'Gift A Life' initiative addressed the huge problem by serving three objectives – raising awareness about bone marrow transplant; increasing the voluntary donors database and inviting financial support for MDRI to conduct HLA (Human Leukocyte Antigen) testing.

In line with recent regulatory requirement your Board has constituted a Corporate Social Responsibility Committee, which is in process of formulating a formal CSR Policy.

EMPLOYEES STOCK OPTION SCHEME

Till date your Company has not granted any Stock Options under 'ZNL ESOP Scheme 2009' approved by the Members at the 10th Annual General Meeting held on August 18, 2009. In view of this, particulars as required under Clause 12 (Disclosure in the Directors' Report) of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, are Nil and consequently the Company has not obtained any certificate from the Statutory Auditors confirming implementation of the Employees Stock Option Scheme in accordance with SEBI guidelines and the resolution passed by the shareholders.

CORPORATE GOVERNANCE

In addition to strictly complying with Clause 49 of the Listing Agreement, your Company is committed to adherence of the highest standards of Corporate Governance. In line with your Company's commitment to excel in implementing best Corporate Governances practices, your Board had earlier approved and implemented a Corporate Governance Manual which serves as guide to every business activity / decision making in the Company. Report on Corporate Governance as stipulated under the Listing Agreement(s) with the Stock Exchanges as also a Management Discussion and Analysis Report forms part of the Annual Report.

Certificate from the Statutory Auditors of the Company, M/s MGB & Co., Chartered Accountants, confirming compliance with the provisions of Corporate Governance as stipulated in Clause 49, is annexed to the said Corporate Governance Report.

DIRECTORS

During the year under review, Mr. Punit Goenka vacated his office as Managing Director of the Company upon conclusion of his term of appointment at the close of business on July 4, 2013. Mr. Punit Goenka thereafter resigned as Non-Executive Director of the Company with effect from September 28, 2013. Your Board places on record its deep appreciation for the contributions made by Mr. Punit Goenka during his association as Director of the Company.

Your Board had on July 30, 2013 approved appointment of Mr. Alok Agrawal, the Chief Executive Officer of the Company, as an Additional Director and Whole-time Director of the Company for period of 3 years from July 30, 2013. The said appointment was subject to approval of Members at the ensuing Annual General Meeting. Subsequently Mr. Alok Agrawal, resigned as Whole-time Director of the Company with effect from the close of business on May 12, 2014. The Members are therefore requested to approve and ratify Boards decision of appointment of, and payment of remuneration to, Mr. Alok Agrawal during his tenure

as a Whole-time director by passing resolution as proposed in the Notice of ensuing Annual General Meeting.

Dr. Subhash Chandra, Non-Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Your Board recommends appointment of Dr. Subhash Chandra as a Director liable to retire by rotation.

As per the provisions of the Companies Act, 2013, Independent Directors shall not be liable to retire by rotation. Accordingly, Mr. Vinod Kumar Bakshi & Mr. Surjit Banga, who were earlier appointed by the Members as Independent Directors of the Company liable to retire by rotation, are proposed to be re-appointed at the ensuing Annual General Meeting as Independent Directors not liable to retire by rotation for a period upto March 31, 2017. Your Board recommends the said appointments.

SUBSIDIARIES & ASSOCIATES

Your Company continues to hold 60% equity stake in Zee Akaash News Pvt Ltd which runs a Bengali News Channel '24 Ghanta'. During the year under review, your Company had decided to close operation of its Telugu News Channel '24 Ghantalu' and consequently sold its entire stake in 24 Ghantalu News Ltd, a wholly owned subsidiary formed in previous fiscal year to house Telugu News Channel business.

Additionally during the year under review, your Company acquired 37.87% equity stake in Maurya TV Private Limited, which runs Maurya TV, a Hindi news and entertainment channel catering to the viewers in the region of Bihar/Jharkhand.

Upon the Scheme of Amalgamation for merger of Essel Publishers Pvt Ltd (EPPL) with the company coming into effect, the investments of EPPL in its direct/indirect subsidiaries, viz. Diligent Media Corporation Limited (DMCL), an entity engaged in the business of publication of an English Daily DNA, Pri Media Services Pvt Ltd, an entity engaged in the business of Printing inter alia of DNA Newspaper and Mediavest India Pvt Ltd, the holding company of DMCL shall vest on the Company and consequently these entities will become subsidiaries of the Company.

Statement pursuant to Section 212 of the Companies Act, 1956 in connection with Zee Akaash News Private Limited is attached herewith and forms part of this report.

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

As the Members are aware, the Ministry of Corporate Affairs has granted general exemption to companies from complying with Section 212 (8) of the Companies Act, 1956, provided that such companies publish the audited consolidated financial statements in the Annual Report. Your Board has decided to avail the said general exemption, and accordingly, the annual financial statements of Zee Akaash News Private Limited for the financial year ended March 31, 2014 is not being attached with this Annual Report. Requisite financial highlights of the said subsidiary forms part of the Report. The audited Annual Accounts and related information of the subsidiary will be made available, upon request or for inspection at the registered office, by any shareholder of the Company.

AUDITORS

Statutory Auditors, M/s MGB & Co., Chartered Accountants, (which is in the process of being converted in to a LLP under the name and style of MGB & Co. LLP) having Registration No. 101169W, hold office until the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.

The Company has received communication from the Statutory Auditors confirming that their re-appointment, if made, would be within the limits prescribed under the Companies Act, 2013 and they satisfy 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 MGB & Co. as Statutory Auditors during Financial Year 2014-15 will be in the best interest of the Company and therefore the 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 a 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 News & Current Affairs Television Channels in Hindi and various regional languages. Since this 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, is not applicable.

However the information as applicable is given hereunder:

Conservation of Energy:

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

Technology Absorption:

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

Foreign Exchange Earnings and Outgo:

Particulars of foreign exchange earnings and outgo during the year are given in Note No. 39 to 41 of Note to the Financials Statements of the Company

PARTICULARS OF EMPLOYEES

Your Company had 1,388 employees as at March 31, 2014. The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are set out in an annexure to this Report. However, in terms of Section 219(1)(b)(iv) of the Companies Act, 1956, these details are not being sent as part of this Report and any shareholder interested in obtaining copy of the same may write to the Company Secretary.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, and based on representations received from the operating management, the Directors hereby confirm that:

(i) in the preparation of the Financial Statements for the year ended March 31, 2014, the applicable Accounting Standards have been followed and there are no material departures;

(ii) they have selected such accounting policies in consultation with the Statutory Auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the financial year ended March 31, 2014;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

(iv) they have prepared the Annual Financial Statements on a going concern basis.

ACKNOWLEDGEMENTS

Your Board takes this opportunity to place on record its appreciation for the dedication and commitment of employees shown at all levels which have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation extended by various Governmental authorities, including Ministry of Information and Broadcasting, Department of Telecommunication, Ministry of Corporate Affairs, Stock Exchanges, Depositories and other stakeholders including banks, financial Institutions, viewers, vendors and service providers.

For and on behalf of the Board

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Place: Mumbai
Date : May 21, 2014

ANNEXURES TO DIRECTORS' REPORT

Statement relating to Subsidiary Company pursuant to Section 212 of the Companies Act, 1956

No.	Name of the Subsidiary	Zee Akaash News Pvt Ltd
1	The Financial year of the subsidiary company ended on	March 31, 2014
2	Holding Company	Zee Media Corporation Limited
3	Extent of holding Company's interest	60%
4	Face value per equity share	₹ 10
5	No. of Equity shares held by the holding company	2,400,002
6	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is dealt with in account of holding company: i) For the financial year ended on March 31, 2014 ii) For the previous financial years of the subsidiaries since it became a subsidiary	 NIL NIL
7	Net aggregate amount of profit/(loss) of the subsidiary so far as it concerns the members of the holding company and is not dealt with in account of holding company: i) For the financial year ended on March 31, 2014 (₹ in million) ii) For the previous financial years of the subsidiaries since it became a subsidiary (₹ in million)	 35.84 189.58

For and on behalf of the Board

Place: Mumbai
Date : May 21, 2014

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance philosophy of Zee Media Corporation Limited stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including shareholders, viewers etc. Good Corporate Governance practices enable a Company to attract financial and human capital and leverage these resources to maximize long-term shareholder value, while preserving the interests of multiple stakeholders, including the society at large. Corporate Governance at Zee Media is founded upon 4 pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability.

Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with balance mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place system, process and technology. In its endeavor to improve on the Corporate Governance practices, the Board has adopted a Corporate Governance Manual which serves as guide in various activities and decisions in normal course of business.

BOARD OF DIRECTORS

Composition & Category of Directors

Your Company is in strict compliance of Board composition requirements including of the Listing Agreement.

Composition of the Board as on March 31, 2014

Category of Directors	No of Directors	% to total No. of Directors
Executive Director	1*	25.00
Non-Executive Independent Directors	2	50.00
Other Non-Executive Director	1	25.00
Total	**4**	**100.00**

* Mr. Alok Agrawal, Whole-time Director of the Company resigned with effect from close of business on May 12, 2014

Independent Directors provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Clause 49.

BOARD MEETINGS AND PROCEDURE

During the financial year under review seven (7) meetings of the Board of Directors were held on May 23, 2013, July 30, 2013, October 3, 2013, October 22, 2013, December 17, 2013, January 23, 2014 and March 25, 2014. In compliance with Clause 49 of the Listing Agreement, the gap between two Board meetings did not exceed four months.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2013-14 and also their other directorships in Public Companies (excluding Foreign Companies and Section 25 Companies) & membership of Audit Committee & Share Transfer Committee of other Public Companies as at March 31, 2014 are as under:

Name of Director	Attendance at		No of Directorship in other public companies		No of Committee positions held in other public companies	
	Board Meeting (Total 7 Meetings)	14th AGM held on July 30, 2013				
			Member	Chairman	Member	Chairman
Independent						
Vinod Kumar Bakshi	7	Yes	2	-	2	-
Surjit Banga	7	Yes	2	-	2	2
Promoter Non-Executive						
Subhash Chandra	4	No	1	4	-	-
Punit Goenka*	2	Yes	N.A	N.A	N.A	N.A
Executive						
Alok Agrawal#	5	N.A.	1.	-	-	-

* Vacated office of Managing Director as at close of July 4, 2013 & Resigned as a Non-Executive Director with effect from September 28, 2013

\# Appointed as Whole-time Director from July 30, 2013 & resigned with effect from close of business on May 12, 2014

Schedule of the Board meetings for each year are decided well in advance and communicated to the Directors. Board meetings are generally held either at the registered office at Mumbai or at the corporate office at Noida. The agenda alongwith the explanatory notes are sent to the Directors well in advance to enable them to take informed decisions. Group CEO – News Cluster and Chief Financial Officer are normally invited to the Board meetings to provide necessary insights into the working of the Company and for discussing corporate strategies. All relevant information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement, are considered and taken on record/ approved by the Board.

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

Brief profile of Directors proposed to be re-appointed at the ensuing Annual General Meeting

Dr. Subhash Chandra, 63, Non-Executive Chairman of the Company and Promoter of Essel Group of Companies is among the leading lights of the Indian industry. A self-made man, Dr. Chandra has consistently demonstrated his ability to identify new businesses and lead them on the path of success.

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. His bouquet of businesses includes television networks (ZEE & ZMCL), a newspaper chain (DNA), cable systems (Siti Cable), Direct-to-Home (Dish TV), Satellite Communications (Agrani and Procall), Theme parks (Essel World 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 Essel Propack, which is the largest speciality packaging company in the world; Asia's largest amusement park Essel World; or the first satellite television channel in India (Zee TV).

Dr. Chandra has been recipient of numerous industry awards and civic honors including (a) Entrepreneur of the year (Ernst & Young) in 1998; (b) Businessman of the Year (Business Standard) (1999); (c) Entrepreneur CEO of the Year (International Brand Summit) (1999); (d) Global Indian Entertainment Personality of the Year (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). Dr. Chandra became the first Indian ever to receive a Directorate Award recognizing 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 set up TALEEM (Transnational Alternate Learning for Emancipation and Empowerment through Multimedia), an organisation which seeks to provide access to quality education through distance and open learning. He is also the Chairman of 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 5 other Indian Public Companies viz., Essel Propack Limited, Essel Infraprojects Limited, Dish TV India Limited, Siti Cable Network Limited and Zee Entertainment Enterprises Limited.

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

Mr Vinod Kumar Bakshi, 74, is a Non-Executive Independent Director of the Company. Mr Bakshi is an experienced professional with career spanning over 4 decades in domestic and overseas marketing, public relations, administration and image building holding senior positions in reputed organisations like Care India, Gabriel India Ltd., Escorts Ltd., Williamson & Magor group, Exide Industries Ltd., BBC etc. As BBC's Resident Director in India, he was responsible for supporting strategic directions, instilling operating standards to achieve goals, building talent and business infrastructure, as well as enhancing business growth and upholding and improving the image of BBC.

Apart from being professional, Mr. Bakshi is a painter of repute and member of Lalita Kala Academy and Central Film Censor Board

Apart from Company, Mr. Bakshi holds directorship in Essel Shyam Communication Limited and Siti Cable Network Limited.

Mr. Bakshi does not hold any shares of the Company in his name as at March 31, 2014.

Mr. Surjit Banga, 73, is a senior and experienced banker and is known for his leadership and commendable contribution to the Banking sector. Mr. Banga held the position of Managing Director of SBI Factors and Commercial Services Limited and was associated with the State Bank of India in various capacities in his

37 years of career in Banking. He is Graduate in Sociology, fellow of All India Management Association and is a Certified Associate of Indian Institute of Bankers.

Apart from the Company Mr. Surjit Banga holds directorship in Jetking Infotrain Limited and Zee Learn Limited.

Mr. Surjit Banga does not hold any shares in the Company as at March 31, 2014

CODE OF CONDUCT

The Board of Directors of the Company has approved and adopted Code of Conduct for Members of the Board and Senior Management of the Company. The Code is circulated to all the members of the Board and Senior Management personnel and the compliance of the same is affirmed by them annually. The Code has been posted on Company's website viz. www.zeenews.india.com.

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

Declaration

I confirm that the Company has obtained from all Directors and Senior Management 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 March 31, 2014.

Subhash Chandra
Non-Executive Chairman
Mumbai, May 21, 2014

BOARD COMMITTEES

Your Board has constituted various Board and Executive Committees for smooth and efficient operation of day-to-day business of the Company. Apart from Audit Committee, Nomination & Remuneration Committee (earlier known as Remuneration Committee) and Stakeholders Relationship Committee (earlier known as Share Transfer & Investors Grievances Committee), your Board has constituted a Corporate Social Responsibility Committee in accordance with Section 135 of Companies Act, 2013, Finance Sub-Committee, for approving financing facilities sanctioned to the Company from time to time and Corporate Management Committee, for general business purposes. Your Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees. Minutes of the proceedings of each meeting of the Committee's held between two Board meetings are circulated to the Board Members along with agenda papers and taken on record by the Board at its meetings.

Relevant particulars of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are as detailed hereunder.

Audit Committee

Terms of reference

The role and powers of the Audit Committee is as set out in Clause 49 of the Listing Agreement(s) with Stock Exchanges and Section 177 of Companies Act, 2013 (corresponding to Section 292A of the Companies Act, 1956). The terms of reference of the Audit Committee broadly includes:

- Oversight of Company's financial reporting process and disclosure of its financial information.
- Review with the management, quarterly and annual financial statements.
- Review of related party transactions.
- Review Company's financial and accounting policies.
- Review with the management, external and internal auditors, adequacy of internal control systems.
- Review of financial statements, investments, minutes and related party transactions of subsidiary company.
- Recommend to the Board the appointment, re-appointment and removal of the statutory auditor &/or fixation of their remuneration.
- Discussion with statutory auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the statutory auditors.
- Discussion of Internal Audit Reports with internal auditors and significant findings and follow-up thereon and in particular internal control weaknesses.

Constitution

As at March 31, 2014, the Audit Committee of the Board comprised of three (3) Directors and was chaired by Mr. Surjit Banga an Independent Director. The Audit Committee was re-constituted with effect from May 21, 2014, consequent to appointment of Dr. Subhash Chandra as a Member of the Committee in place of Mr. Alok Agrawal.

During the year under review, Audit Committee met for five (5) times on May 23, 2013, July 30, 2013,October 22, 2013, January 23, 2014 and March 25, 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(s), along with attendance of the Committee members at the meetings held during financial year 2013-14 are as detailed hereunder:

Name of Committee Member	Category	No. of meetings attended during the year under review
Vinod Kumar Bakshi	Independent Director	5
Surjit Banga	Independent Director	5
Alok Agrawal#	Executive Director	3
Punit Goenka*	Executive Director	1

Appointed as Member of the Committee with effect from October 3, 2013

* Resigned as Member of the Committee with effect from September 28, 2013

Audit Committee meetings are generally attended by the Whole-time Director, Group CEO-News Cluster, Chief Financial Officer and representative of the Statutory Auditors of the Company. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit reports were considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

Nomination & Remuneration Committee (earlier known as Remuneration Committee)

Terms of reference

In accordance with Section 178 of the Companies Act, 2013, the Remuneration Committee of the Board was re-named as Nomination & Remuneration Committee with effect from May 21, 2014. The terms of reference of the Committee, as revised by the Board with effect from May 21, 2014, inter alia, consists of (i) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending their appointment and removal to the Board; (ii) carrying out evaluation of every director's performance; (iii) Formulating criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; (iv) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; (v) Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (vi) Formulating policy with regard to remuneration to directors, key managerial personnel and senior management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Additionally the Committee has been vested with the powers for administration and implementation of Company's Employees Stock Option Scheme.

Constitution

The current constitution of the Nomination & Remuneration Committee comprises of three (3) Directors and is chaired by Mr. Vinod Kumar Bakshi an Independent Director. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met twice, on July 30,2013 and March 25, 2014.

The details of composition along with attendance of the Committee members at the meetings held during financial year 2013-14 are as detailed hereunder:

Name of Committee Member	Category	No. of meetings attended during the year under review
Vinod Kumar Bakshi	Independent Director	2
Surjit Banga	Independent Director	2
Subhash Chandra	Promoter- Non-Executive Director	1

Remuneration paid to Whole-time Director

During the year under review, no remuneration was paid to Mr. Punit Goenka, during his tenure as Managing Director of the Company till the close of business on July 4, 2013.

Your Board, subject to approval of Members at the ensuing AGM, had on July 30, 2013 approved appointment and remuneration of Mr. Alok Agrawal, CEO as a Whole-time Director of the Company for the period of three (3) years with effect from July 30, 2013. Mr. Alok Agrawal resigned from the services of the Company with effect from close of business on May 12, 2014.

The remuneration paid to Mr. Alok Agrawal as Whole-time Director during this period, is subject to the approval of Members and limits laid down under Section 198, 269 read with Schedule XIII of the Companies Act, 1956 (and corresponding applicable provisions of Companies Act, 2013). The remuneration was recommended by the

Remuneration Committee based on factors such as the Company's performance and performance/track record of the Whole-time Director. The elements of the remuneration package comprises of salary, perquisites & allowances comprising of house rent allowance, personnel allowance, leave travel allowance, medical allowance, use of chauffeur driven Company car, and other perquisites and allowances including Company's contribution to provident fund and other funds in accordance with rules of the Company.

The details of the remuneration paid to Mr. Alok Agrawal as Whole-time Director of the Company during the period from July 30, 2013 till March 31, 2014 is as under:

(₹ in Million)

Particulars	Amount
Salary, Allowances & Perquisites	10.14
Employer's Contribution to Provident Fund	0.66
Total	**10.80**

Remuneration payable to Non-Executive Directors

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

Additionally, pursuant to Member's approval at 13th Annual General Meeting held on July 19, 2012, Non-Executive Directors will be paid remuneration as determined by the Board in the form of Commission of upto maximum of 1% of profits of the Company for the current financial year.

Based on various criterias including contribution made by each Non-Executive Directors, performance of the Company etc., within overall limits approved by the Members, the Board has approved a Commission of ₹ 0.40 Million for each Non-Executive Director on pro rata basis for the financial year 2013-14.

Particulars of sitting fees paid and commission payable to Non-Executive Directors of the Company for Financial Year 2013-14 is as under:

(₹ Million)

Name of Director	Sitting Fees	Commission	Total
Subhash Chandra	0.10	0.40	0.50
Vinod Kumar Bakshi	0.28	0.40	0.68
Surjit Banga	0.28	0.40	0.68
Punit Goenka*	0.02	N.A.	0.02
Total	**0.68**	**1.20**	**1.88**

* Resigned with effect from September 28, 2013

Stakeholders Relationship Committee (earlier known as Share Transfer & Investor Grievance Committee)

Terms of reference

In accordance with Section 178 of Companies Act, 2013 the Share Transfer & Investor Grievance Committee was renamed as Stakeholders Relationship Committee with effect from May 21, 2014. Main function of Stakeholders Relationship Committee is to strengthen investor relations; ensure efficient transfer of shares and proper and timely attendance of investor's grievances. The Committee has delegated various powers including approving requests for transfer, transmission, rematerialisation & dematerialisation etc of Equity shares to the Executives of the Company and the Company Secretary, being the compliance officer, is entrusted with the responsibility, to specifically look into the redressal of the shareholders and investors complaints and report the same to Stakeholders Relationship Committee.

Constitution

As at March 31, 2014, the Stakeholders Relationship Committee comprised of Mr. Surjit Banga, Independent Director as Chairman and Mr. Vinod Kumar Bakshi, Independent Director and Mr. Alok Agrawal, Whole-time Director as Member. The Committee was re-constituted with effect from May 21, 2014, consequent to appointment of Dr. Subhash Chandra as a Member of the Committee in place of Mr. Alok Agrawal. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met four (4) times on April 23, 2013, July 11, 2013, October 22, 2013 and January 23, 2014.

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

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	2	2	-
Non-receipt of Annual Report	5	5	-
Letter from Stock Exchanges / SEBI	2	2	-
Total	**9**	**9**	**-**

GENERAL BODY MEETINGS

The 15th Annual General Meeting of the Company for the Financial Year 2013-14 will be held on Thursday, August 7, 2014 at 11.00 a.m. at 'The Hall of Culture', 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 thereat are as follows:

Year	Date and Time	Special Resolutions passed	Venue
2012-13	July 30, 2013- 11.00 a.m.	None	The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 18
2011-12	July 19, 2012- 11.00 a.m.	Payment of Commission to Non-Executive Directors of the Company	
2010-11	July 25, 2011- 11.00 a.m.	None	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –18

The above Special Resolution was passed with requisite majority.

Postal Ballot

Particulars of Resolutions passed by way of Postal Ballot during financial year 2013-14 are as detailed herein:

Date of Notice: May 13, 2013	Date of Result: June 25, 2013	
	Details of Votes Cast (number of Shares & % of total shares for which votes were cast)	
Particulars of Resolution	For	Against
Special Resolution for change of name of the Company from "Zee News Limited" to "Zee Media Corporation Limited"	150,806,860 (99.96%)	62,481 (0.04%)

Date of Notice: October 22, 2013	Date of Result: December 2, 2013	
	Details of Votes Cast (number of Shares & % of total shares for which votes were cast)	
Particulars of Resolution	For	Against
Ordinary Resolution seeking approval of Public Shareholders to the Scheme of Amalgamation of Essel Publishers Private Limited with the Company	42,828,022 (99.86%)	61,615 (0.14%)
Special Resolution seeing Shareholders approval for Issuance of Corporate Guarantee beyond limits prescribed under Section 372A of the Companies Act, 1956	170,711,401 (99.96%)	73,610 (0.04%)

Mr. Satish K. Shah, Practising Company Secretary was appointed as a Scrutinizer in respect of all these resolutions, to ensure that the postal ballot voting process is conducted in fair and transparent manner. All the above resolutions were passed with requisite majority.

None of the resolution(s) proposed at the ensuing AGM is required to be passed by way of Postal Ballot.

DISCLOSURES

There are no materially significant related party transactions, which have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Notes to Financial Statements.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the year under review and no penalties or strictures have been imposed on the Company by any Stock Exchange, SEBI or other statutory authorities during last three years.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company confirms that it has complied with all mandatory requirements to Clause 49 of the Listing Agreement(s). Particulars of non mandatory requirements complied by the Company are as detailed hereunder:

Remuneration Committee – The Company had setup Remuneration Committee to recommend/review overall compensation policy, service agreements and other employment conditions of Executive Director(s) and also to manage Company's Employee Stock Option Scheme. The said Committee was renamed as Nomination & Remuneration Committee with effect from May 21, 2014 and the terms of reference were revised in line with the provisions of Companies Act, 2013.

Whistle Blower Policy- The Board of Directors of the Company approved the Whistle Blower Policy, pursuant to which employees can raise concern about unethical behaviour, fraud, violation of the Company's code of conduct 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.

Chairman's Office – A Chairman's office with requisite facilities is provided and maintained at the Corporate office at Noida at the Company's expenses 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.

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 shares of the Company are listed. Such information is also simultaneously displayed on the Company's website www.zeenews.india.com. The financial results, quarterly, half yearly and annual results and other statutory information were communicated to the shareholders by way of advertisement in a English newspaper DNA and in a vernacular language newspapers 'Punya Nagari (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the Listing Agreement(s). Additionally the financial and other information are filed by the Company on NEAPS and Corporate Filing with NSE and BSE respectively.

Official press releases and presentations made to institutional investors or to the analysts, if any, are displayed on Company's website www.zeenews.india.com.

Management Discussion and Analysis Report forming part of this Annual Report is annexed separately.

AUDITORS' CERTIFICATE

To
The Members
Zee Media Corporation Limited
(Formerly Zee News Limited)

We have examined the compliance of conditions of Corporate Governance by **Zee Media Corporation Limited** (Formerly Zee News Limited) ('the Company'), for the year ended March 31, 2014 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the 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 Clause 49 of 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 No. 101169W

Hitendra Bhandari
Partner
Membership No. 107832

Mumbai, May 21, 2014

SHAREHOLDERS' INFORMATION

1	Date, Time and Venue of Shareholder's Meeting	Meeting Day & Date Time Venue	: Annual General Meeting : Thursday, August 7, 2014 : 11.00 a.m. : The Hall of Culture Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
2	Financial Year	1 April, 2013 to 31 March, 2014	
3	Date of Book Closure	Saturday, August 2, 2014 to Thursday, August 7, 2014 (both days inclusive)	
4	Registered office	Continental Building, 135, Dr. Annie Besant Road,Worli, Mumbai-400 018, India Tel: +91-22-2483 1234 Fax: +91-22-2495 5974 Website : www.zeenews.india.com	
5	Corporate Office	Essel Studio, FC-19,Sector 16A, NOIDA 201 301, Uttar Pradesh, India Tel: 0120 251 1064 Fax: 0120 251 5381 /82	
6	Listing on Stock Exchanges	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)	
7	Stock Code	BSE- 532794 NSE- ZEEMEDIA-EQ.	
8	ISIN No.	INE966H01019	
9	Corporate Identity Number	L92100MH1999PLC121506	
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 0300/400 Fax: +91-22- 2859 1568/2850 8927 E-Mail: sharepro@shareproservices.com	
11	Investor Relation Officer	Mr. Pushpal Sanghavi Continental Building, 135, Dr. Annie Besant Road,Worli,Mumbai - 400 018, India Tel: +91-22-2483 1234 Fax: +91-22-2495 5974 E-mail: pushpal.sanghavi@zee.esselgroup.com	

12 Dividend

The Board of Directors have not recommended payment of any dividend for financial year 2013-14.

Members who have not encashed their dividend warrant(s) for past financial years, are requested to seek issuance of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company.

13. Change of Address

Members holding equity share(s) 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 dematerialized 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. Unclaimed Shares

As per Clause 5A of the Listing Agreements, the details in respect of the shares, which were issued pursuant to the Scheme of Arrangement 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 April 1, 2013	90	47,833
Number of shareholders who approached the Company for transfer of shares from Suspense account till March 31, 2014	1	452
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2014	1	452
Aggregate number of shareholders and the outstanding shares in the Suspense account lying as on March 31, 2014	89	47,381

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

15. Share Transfer System

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

16. Dematerialisation of Equity Shares & Liquidity

The Equity shares of the Company are in the list of scrips specified by SEBI to be compulsory traded in the Dematerialized form. As on March 31, 2014, 99.84% of the total issued and paid-up Equity Share capital of the company is held by 105,159 shareholders in Dematerialized form and the balance 0.16% is held by 720 shareholders in physical form.

17. Shareholders' Correspondence

The Company has attended to all the investors' grievances/ queries/ information requests except for the cases where we are constrained because of some pending legal proceeding or court/statutory orders.

The Company endeavours to reply all letters 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 above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

18. Share Capital Build-up

Particulars	No. of shares issued	Date of issue
Issued to Subscribers	70	28.08.99
Preferential Issue	1,000,000	26.11.99
Preferential Issue	8,749,930	13.09.05
Preferential Issue	850,000	28.09.05
Preferential Issue	5,250,000	28.09.05
Rights Issue	4,000,000	29.11.05
Cancellation of shareholding of Zee Entertainment Enterprises Limited pursuant to the Scheme	(6,574,920)	28.11.06
Sub-Division of Shares from ₹ 10 each to shares of ₹ 1 each	132,750,800	28.11.06
Reduction of Share Capital Pursuant to Scheme	(88,943,036)	28.11.06
Issued to shareholders of Zee Entertainment Enterprises Limited pursuant to Scheme	195,956,192	28.12.06
Issued & Paid up Capital as on 31.03.2014	239,763,956	

19. Stock market data relating to Shares Listed in India

Monthly high and low quotations and volume of shares traded on BSE & NSE for financial year 2013-2014 are:

	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2013	16.87	13.35	2,917,192	16.60	13.30	3,593,499
May 2013	18.55	13.70	4,417,427	18.50	13.70	9,167,636
June 2013	15.05	11.70	2,929,838	14.00	11.70	3,649,963
July 2013	13.95	11.00	1,074,699	13.00	11.00	2,507,763

	BSE			NSE		
Month	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
August 2013	12.93	10.51	1,758,280	12.35	8.80	3,016,607
September 2013	12.10	10.50	1,086,753	12.10	10.55	2,423,292
October 2013	14.48	11.00	3,092,540	14.50	11.05	7,802,140
November 2013	15.25	12.90	2,411,412	15.30	12.85	7,391,790
December 2013	14.49	12.85	1,876,826	14.70	13.00	5,441,170
January 2014	14.88	12.45	4,336,104	14.95	12.40	9,689,306
February 2014	13.80	12.22	1,021,741	13.75	12.25	3,113,877
March 2014	14.89	13.25	5,391,938	15.00	13.35	8,892,617

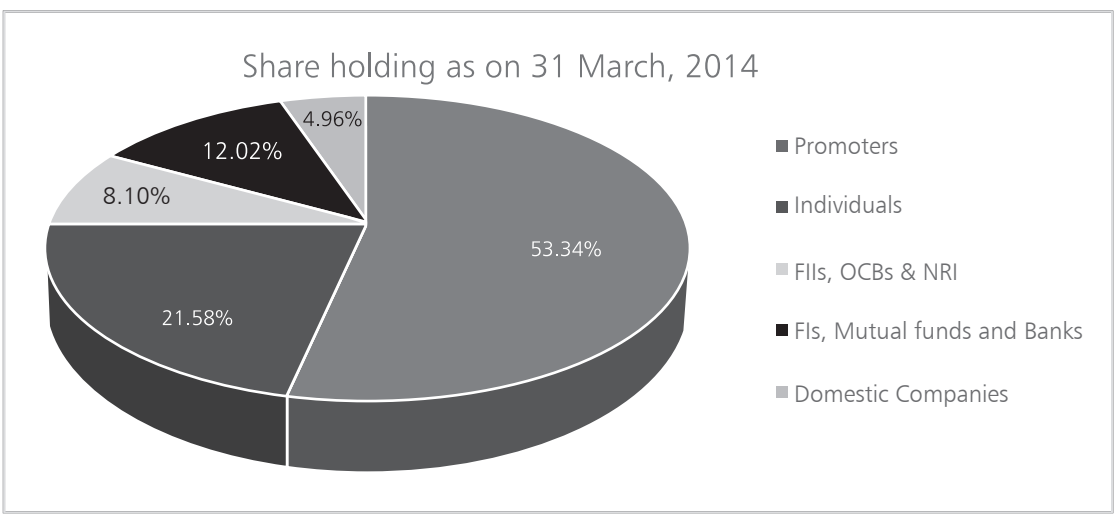
20. Relative Performance of Zee Media Corporation Limited Shares Vs. BSE Sensex & Nifty Index

21. Distribution of Shareholding as on March 31, 2014

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	104,806	98.99%	26,807,645	11.18%
5001 – 10000	543	0.51%	4,206,836	1.75%
10001-20000	262	0.25%	3,904,403	1.63%
20001-30000	78	0.07%	2,029,589	0.85%
30001-40000	31	0.03%	1,089,805	0.46%
40001-50000	48	0.04%	2,266,597	0.94%
50001-100000	41	0.04%	3,183,972	1.33%
100001 and Above	70	0.07%	196,275,109	81.86%
Total	**105,879**	**100.00%**	**239,763,956**	**100.00%**

22. Categories of Shareholders as on March 31, 2014

Category	% of shareholding	No. of shares held
Promoters	53.34%	127,899,010
Individuals	21.58%	51,749,717
Domestic Companies	4.96%	11,884,258
FIs, Mutual funds and Banks	8.10%	19,411,510
FIIs, OCBs & NRI	12.02%	28,819,461
Total	100.00%	239,763,956



23. Particulars of Shareholding

a) Promoter Shareholding as on March 31, 2014

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	25 FPS Media Private Ltd	127,898,710	53.34%
2	Sprit Textiles Private Ltd	200	0.00%
3	Essel Infraprojects Ltd	100	0.00%
	Total	**127,899,010**	**53.34%**

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

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	HDFC Trustee Co. Ltd – HDFC Prudence Fund	17,467,103	7.29%
2	Orange Mauritius Investments Limited	11,743,226	4.90%
3	Acacia Partners LP	6,180,100	2.58%
4	Acacia Institutional Partners LP	3,989,700	1.66%
5	Acacia Conservation Fund LP	2,772,000	1.16%
6	Amit Goela	2,350,000	0.98%
7	Acacia Banyan Partners	1,996,200	0.84%
8	Vishesh Nimish Shah	1,400,000	0.58%
9	Hardik Dhanesh Shah	1,400,000	0.58%
10	SiddhantDurgesh Shah	1, 400,000	0.58%
	Total	**50,698,329**	**21.15%**

MANAGEMENT DISCUSSION AND ANALYSIS

The figures have been stated in ₹ millions in this MD&A for better readability. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties including, but not limited to, risks inherent in the Company's growth strategy, acquisition plans, dependence on certain businesses, and dependence on availability of qualified and trained manpower and other factors. The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

COMPANY OVERVIEW:

Zee Media Corporation Limited (ZMCL), erstwhile Zee News Limited (ZNL) (BSE Code: 532794, NSE Code: ZEEMEDIA-EQ.), is India's leading news television organization with interests in national as well as regional channels. The Company was incorporated as Zee Sports Limited on August 27, 1999. The name of the Company was changed to Zee News Limited on May 27, 2004 after obtaining a fresh Certificate of Incorporation from the Registrar of Companies, Mumbai. To comply with the News Up-linking Guidelines of Government of India, Zee Entertainment Enterprises Limited (ZEEL) transferred its news-gathering activities to Zee News Limited w.e.f. October 2005. To enable clear management focus and direction to be imparted to the various properties of the Company, ZEEL transferred its regional entertainment channels to ZNL by way of a de-merger scheme approved by the Hon'ble High Court of Bombay vide its Order dated November 17, 2006 from March 31, 2006. Thereafter, the Company got listed at Bombay Stock Exchange, National Stock Exchange & Calcutta Stock Exchange in January 2007. ZNL, before January 1, 2010, had national news, regional news and regional general entertainment as its focus areas. However, in order to become a pure news powerhouse, it was decided to separate the Regional General Entertainment Channel business from the News Business. Under the Scheme of Arrangement for de-merger of Regional General Entertainment Channel business undertaking of the Company, Regional General Entertainment Channels, were transferred to Zee Entertainment Enterprises Limited (ZEEL) from the Appointed Date, January 1, 2010, which was approved by the Hon'ble Bombay High Court on March 19, 2010, and had become effective on and from March 29, 2010 upon filing of the order the Hon'ble Bombay High Court with the Registrar of Companies of Maharashtra, Mumbai.

To reflect the change in intent to reach out to consumers beyond television media, the company decided to change its name to the one which signified the breadth of the news offerings across platforms. The new name of the Company, with effect from July 6, 2013, is Zee Media Corporation Limited.

ZMCL runs Bangla news channel called '24 Ghanta' through a JV M/s Zee Akaash News Private Limited wherein it holds 60% equity stake while another JV partner is M/s Sky B (Bangla) Private Limited which holds the remaining 40% stake. ZMCL also has a 37.87 % stake in Maurya TV Private Limited which runs Maurya TV news channel

The Company runs news channels in the following domains:

i. Hindi General News: Zee News
ii. Hindi Business News: Zee Business
iii. Uttar Pradesh and Uttarakhand News: Zee Sangam erstwhile Zee UP UK
iv. Bangla News: 24 Ghanta
v. Marathi News: Zee 24 Taas
vi. Punjab Haryana Himachal Pradesh News: Zee Punjab Haryana Himachal erstwhile Zee Punjabi
vii. Madhya Pradesh and Chhattisgarh News: Zee MP CG
viii. Rajasthan News: Zee Marudhara
ix. Odisha News: Zee Kalinga
x. Bihar and Jharkhand News: Maurya TV

With effect from April 1, 2014, Essel Publishers Private Limited, holding company inter alia of Diligent Media Corporation Limited (DMCL) merged with the Company. DMCL is primarily engaged in publishing of DNA newspaper and has three editions in Mumbai, Bengaluru and Pune. It also has franchisee agreement with D.B. Corporation Limited for Ahmedabad and Jaipur editions. DNA has various supplements like DNA After Hrs, DNA Property, among others. It also operates DNA Syndication, a content licensing portal of DMCL.

MEDIA & ENTERTAINMENT INDUSTRY

In 2013-14, persistent inflation and supply side constraints, coupled with global influencing factors like appreciation in Dollar rate dampened growth. The macro-economic upheavals added to the overall slowdown in the Indian economy. This had a cascading effect on the Indian Media and Entertainment Industry

As per FICCI- KPMG Indian Media and Entertainment Industry Report 2014, Media and Entertainment industry grew by 11.8% from ₹ 821 bn in 2012 to ₹ 918 bn in 2013. Television industry grew by 12.7% making it a ₹ 417 bn industry in 2013 from ₹ 370 bn in 2012. Television ad revenues grew by 8.8 % to ₹ 136 bn in 2013 from ₹ 125 bn in 2012. Television subscription revenues have seen a growth of 14.7% to ₹ 281 bn in 2013 from ₹ 245 bn in 2012.

With phase II of DAS complete, for the first time we are viewing a shift where in Digital cable and DTH subscribers (71 bn) are higher than Analog cable subscribers (68 bn). As the government rolls out Phase III and Phase IV of DAS covering Tier 3 and Tier 4 cities across India, it is expected to bring down carriage fees for broadcasters leading to easing of overall cost.

News Segment

The overall television advertising grew by 12.7%. The news genre where your company operates in grew at a slower pace in low single digits (2 to 4%), as per our estimates basis market intelligence.

As per FICCI- KPMG Indian Media and Entertainment Industry Report 2014, viewership share of News Genre was 7% of the total TV viewership (for Calendar year 2013). Major 'newsy' events like Uttarakhand floods, assembly elections and run up to general elections, kept the viewers glued to news channels.

BUSINESS OPERATIONS:

Broadcasting

In terms of newsgathering, the Company has one of the largest network of news bureaux & correspondents with a pan-India presence. The Company's newsgathering capabilities are significantly enhanced by its KU Band network and strong relationships with international news agencies. The Company is equipped with state-of-art technology in content creation, packaging and broadcasting.

Distribution

The Company had an arrangement with Media Pro Enterprise India Private Limited (a joint venture between Zee Turner and Star Den). While the distribution of financial year 2013-14 has been handled by Media Pro Enterprise India Private Limited, the JV is now in the process of dissolution. Advanced discussions with a new distribution partner are on and a new agreement will be drawn out shortly.

Up-linking of Channels

The Company has an arrangement with Dish TV India Limited for up-linking of its channels through their teleport. Dish TV has a license for up-linking of TV channels from the competent Government authority.

Business Overview

Your Company focused on expanding its offerings to the news consumer through launches in new regional markets with launches in the markets of Madhya Pradesh-Chhattisgarh, Rajasthan and Odisha. The Company also concentrated on strengthening its online portfolio through enhanced Digital offerings. This has resulted in the Company becoming the largest News Network across the country with offerings across three platforms of television news, newspapers and online. The Network now reached out to 138.4 mn consumers in the month of March (Source: TAM All India CS 4+ reach, Google Analytics, Facebook, Twitter).

Your Network's flagship channel Zee News, while moving with time positioning line of Ab Khabar Aapke Rangon Main. The new look had a vibrant and colorful persona with engaging content especially targeting youth while retaining the core strength of honest, unbiased and straight forward News delivery. With its continuous endeavour of being a responsible media channel, Zee News continued with India's largest voter awareness and award winning initiative, running in its fifth year, Aapka Vote Aapki Taqat. The channel was exclusive partner with the Election Commission of India during the recent assembly elections. The campaign engaged heavily with youth and contributed by getting more than 1.6 lakh voter registration details to the Election Commission of India and was awarded with BCS Ratna Award. Zee News, also executed the 4th edition of 'My Earth My Duty', a revolutionary pan-India campaign which activated youth action on issues of human induced climate change. 'My Earth My Duty' also represented India as a model green campaign at Earth Summit – 2012 in Rio De Janeiro and was recognized by Limca Book of Records for being the only campaign to make India greener by planting over 5 million saplings in a single day. Zee News in line with its five-year long tradition of acknowledging and recognizing the contribution of military and paramilitary forces, felicitated the heroes of the nation with Ananya Samman. Zee News received Accolades and appreciation from Election Commission of India and Fifth BCS Ratna Awards for Aapka Vote Aapki Taqat and was awarded as the Best Public Service Campaign (Hindi) by a News channel by exchange4media News Broadcasting Awards in addition to Best Spot News Reporting for a story Maut Ke Shivir Main Ek Raat

Zee Business continued with its flagship initiatives of Sensex ka Sultan, India's first derivatives reality show and the third season of Emerging Business Forum, India's largest SME discussion forum. The channel held its 4th edition of India's Best Market Analyst Awards 2013 with much grandeur and the awards were given by Gujarat Chief Minister. Zee Business unique initiative 'Growth Drivers Season I' aimed to empower SMEs and providing a platform for knowledge sharing and interactive learning which was a great success. Another unique on ground initiative Faayda Unlimited was also launched offering an opportunity to interact with the experts and business leaders from various personal finance functional areas.

24 Ghanta was completely refreshed with a brand new look and feel keeping in mind the changing viewer and their preferences. The new content philosophy looked to capture conversations, expressions and reactions of the Thinking Bengali. The new logo was designed to look smart and appealing for the young generation and the new brand tag line 'Jana Gana Mana' which literally meant a channel which showcases the 'Minds and Hearts' of the people of Bengal. 24 Ghanta team reporter Sandip Sarkar and cameraman Nishant Tripathi were conferred Eastern India's coveted Journalism Award in the categories of Best Reporter and Best Cameraman. 24 Ghanta, in its continuous effort to integrate the brand into the lifestyle of Bengali audience continued doing various on ground events like Durga Puja with 20 branded pandals across Kolkata. 24 Ghanta also organized the 6th edition of Ananya Samman honoring the unsung heroes from the field Business, Sports, Literature, Drama and Academics in West Bengal

Zee 24 Taas, while moving with time, restaged itself with a strong brand promise of Raha Ek Paul Pudhe (Stay One Step Ahead) highlighting the core thought of keeping its viewers ahead in their life by empowering them with right information, valuable

knowledge and in depth holistic view of the each news. Zee 24 Taas also took great pride in felicitating the real heroes of Maharashtra through its unique platform Ananya Samman. The channel, in line with its emphasis on resolving issues of the emerging cities of Maharashtra, conducted Kolhapur Education Summit wherein issues and solutions regarding quality education, infrastructure and employability of students were discussed. Zee 24 Taas also executed "Mission Diwali" where in it celebrated noise free Diwali with the ground activations in more than 100 schools in Mumbai & rest of Maharashtra with over 1 lakh students taking pledge for a noise free Diwali. Zee 24 Taas also carried out activation led Don't Drink and Drive Campaign with over 5,000 people taking pledge in Mumbai.

Zee Sangam, erstwhile Zee UP UK, was restaged by expanding its reach to key viewership cities of Delhi and Mumbai, giving its viewers news with a regional perspective. The channel also did a comprehensive coverage of the Uttarakhand floods and ran several campaigns for flood relief including search for missing persons. Zee Sangam also unveiled Coffee Table Book titled Jewels of Uttar Pradesh covering success stories of entrepreneurs and felicitated nine prominent personalities for their contribution to the States in welfare activities, industry, banking and finance.

Zee Punjab Haryana Himachal, erstwhile Zee Punjabi rebranded itself to address a much wider range of audience in the Northern region of the country. Zee Punjab Haryana Himachal now caters to a much wider audience base. Zee Punjab Haryana Himachal also honored the industrialists of the Northern states of India through Uddhami Samman with the Hon. Governor of Punjab gracing the occasion as chief guest.

Zee Madhya Pradesh Chhattisgarh, launched on March 31, 2013 is already a strong No. 2 player in Madhya Pradesh and Chhattisgarh, making its presence felt with strong local coverage.

Zee Marudhara, launched on July 31, 2013 for viewers across Rajasthan is based on Terrestrial Entertainment Network (TEN) content architecture, Zee Marudhara provides multifaceted generalized content to the regional viewer which is a mixture of news and entertainment based shows.

Zee Kalinga was launched on January 26, 2014 as part of ZMCL's new content format Terrestrial Entertainment Network (TEN) to tap viewers of Odisha with five Fiction and two Non-fiction shows apart from 10 News bulletins.

Zeenews.com, in 2013-14, registered a strong year on year increase of 47.8% in visits, 33.6% in unique visitors and 41.1% in page views. It also attracted over 93 million unique users, 182 million visits with 437 million page views. The regional sections of your website also put up a phenomenal performance with visits to Hindi, Bengali and Marathi websites growing by 69.6%, 289.4% and 333.2% respectively. (Source: Google Analytics/FB/Twitter)

Business Strategy

As the new age news consumer prefers consumption of news anytime and anywhere, your Company is looking to straddle various platforms of news dissemination. Your Company's offerings include Television News, Newspaper as well as Digital.

Within Television, ZMCL has expanded its bouquet into Madhya Pradesh & Chhattisgarh, Rajasthan and Odisha by launching new regional channels in these locations. In addition, the Company has acquired a 37.87% stake in Maurya TV Private Limited to have a presence in Bihar & Jharkhand.

Your Company also has taken up a new content format named Terrestrial Entertainment Network (TEN) for the new channels Zee Marudhara (Rajasthan), Zee Kalinga (Odisha) and for Maurya TV (Bihar & Jharkhand). These channels have locally produced entertainment programmes in addition to news bulletins and feature programmes. Hence, the viewers of these regions can get variety content on a platter.

Your Company has merged Essel Publishers Private Limited into itself, which is holding company of Diligent Media Corporation Limited (DMCL). DMCL is primarily engaged in publishing of DNA newspaper and has three editions in Mumbai, Bengaluru and Pune. In addition, through an association with India Webportal Private Limited's brand india.com, the Company also has robust Digital properties. The Company has set up a Special Interest Vertical team which is capable of generating content in all three platforms, viz., television, newspapers and digital. This Special interest Vertical team has expertise in the sectors of Automobiles, Luxury, Women & Lifestyle and Education & Careers.

Your Company, hence, is moving into newer geographies, newer content formats as well as newer content platforms. Additionally, the existing television channels have undergone restaging with a more contemporary look and feel. They continue to base their content on picking up issues related to the viewer interests. As the Company is expanding, it has embarked on implementation of a more decentralized structure to enable faster decision making as well as better speed to market.

OTHER COMPANY INFORMATION

ZEE MEDIA CORPORATION LIMITED

1. Internal Control Systems

   The Company has in place adequate internal control systems, commensurate with its size and nature of operations so as to ensure smoothness of operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic review of businesses to ensure timely decision-making. It has hired independent professionals with professionally qualified financial personnel.

   The management information system (MIS) forms an

integral part of the Company's control mechanism. All operating parameters are monitored and controlled. Any material change in the business outlook is reported to the Board. Material deviations from the annual planning and budgeting, if any, are reported to the Board on quarterly basis. An effective budgetary control on all capital expenditure ensures that actual spending is in line with the Capital Budget.

2. Human Resources

The Company seeks respects and values the diverse qualities and backgrounds that its people bring to it and is committed to utilizing the richness of knowledge, ideas and experience that this diversity provides. The work environment is stimulating and development of core competencies through formal training, job rotation and hands on training is an ongoing activity. The Company's Employee strength as on March 31, 2014 was 1,388 in comparison to 1,160 as on March 31, 2013. Increase in Employee strength was due to launch of new channels like Zee Madhya Pradesh Chhattisgarh, Zee Marudhara and Zee Kalinga.

RISK FACTORS:

The Company operates in a highly competitive industry that is attracting a raft of new players and is subject to technological changes:

With more and more number of players entering the Broadcasting Industry, more specifically News Broadcasting, competition is ever increasing. Technological changes have spawned new distribution platforms. To maintain its competitive edge in such a scenario, the Company will need to anticipate viewer preferences to create, acquire, commission and produce compelling content and maintain viewer-pull. While the Company proposes to make investments in content and technology to stay ahead of the game, it is impossible to predict how future changes could affect the Company's competitiveness. Barring a few players like Zee Media Corporation Ltd., most of the news television ventures are not profitable. This might dampen the interest of investors in the news television industry. In case the industry adopts a new viewership rating monitoring system, and the viewership figures of the Company's channels are significantly lower than the current figures, there is a possibility of ad revenues being affected by the same.

The Company operates in a regulated environment which is subject to regulatory changes leading to substantial effect on the business model:

TRAI has mandated 10+2 minutes inventory norms (10 minutes of advertisement and 2 minutes of internal promotions in an hour) for the television industry. The implementation in news channels which are members of News Broadcasters Association (NBA) is currently on hold as these norms have been challenged by NBA and are currently under consideration of Honourable Delhi High Court. If implemented, there is likely to be a reduction of advertising revenues of the Company. While the Company will make efforts to mitigate the revenue reduction through rate increase, the rate increase may be limited if not accepted by the advertisers and advertising agencies. Additionally, TRAI also has mandated that the content aggregators cannot club together channels of different companies in a single bouquet. Implementation of this norm may result in reduction of Subscription revenues of the Company as it would no longer enjoy the strength of the sister concern channels.

New channel launches might take longer than expected to break even:

Recent launches as well as future launches may not be accepted by the audiences. This could be due to a variety of reasons including quality of programming, price, marketing support, competition, etc. There can be no assurance that all new launches will be successful.

A decline in advertising revenues overall could adversely affect the Company in a given period:

Advertising revenues make up about 62.4% of the Company's revenues (on stand alone basis) and the trend of high levels of contribution of advertising revenues to aggregate revenues is likely to continue for the foreseeable future. In this scenario, if our Company's programming is unable to sustain high levels of viewership rating, the consequent decline in advertising revenues will manifest itself as a significant dip in aggregate revenues. Business and economic cycles also have a cascading effect on advertising budgets of companies. A downturn could cause a decline in our revenues and profits. If future trends favour other forms of advertising media like radio, outdoor, print, etc., our Company could be adversely affected.

Poor implementation of measures like Digital Access System (DAS) could affect revenues:

While the Government implemented Digital Access System (DAS) in two phases in metros and above 1 million towns, the implementation for the same has not kept track with the deadlines specified by the government. Additionally, implementation of the third and fourth phases of digitization may not be completed as per the deadlines as well. We believe, that poor and tardy implementation by the Government and cable operators could result in a loss of viewership and hence of advertising and subscription revenues.

Continued underreporting of subscribers by local cable operators may adversely affect growth prospects:

While advertising accounts for a lion's share of our revenues, subscription revenues are already significant. They could be even more so, if it were not for rampant under-declaration of subscribers by cable operators in non-digitized areas. This affects our revenues and therefore our ability to invest for the future. If this does not trend down in future, our results could be further adversely affected.

The Company depends significantly on its senior management and other skilled personnel and may be adversely affected if it loses their services and fails to find equally skilled replacements:

The Company's success to a large part depends on the abilities and continued services of its senior management, as well as other skilled personnel, including creative and programming personnel. The Company's senior management is particularly important to its business because of their experience and knowledge of the media industry. The loss or non-availability to the Company of any of its senior management could have significant adverse affect. The Company may also not be able to either retain its present personnel or attract additional qualified personnel as and when needed. To the extent the Company will be required to replace any of its senior management or other skilled personnel, there can be no assurance that the Company will be able to locate or employ similarly qualified persons on acceptable terms or at all.

The Company relies on intellectual property and proprietary rights which may not be adequately protected under current laws:

The Company relies on trademark, copyright and other intellectual property laws to establish and protect its rights in these products. There can be no assurance that the Company's rights will not be challenged, invalidated or circumvented or that the Company will successfully renew its rights or licenses. Further, the weak enforcement regime in India coupled with the high levels of cable, satellite and video piracy could impose an increased burden on the Company to protect the intellectual property rights in its television and film programming.

The Company's business is heavily regulated and changes in regulations or failure to obtain required regulatory approvals could adversely affect its ability to operate:

Media, specifically news media, is a strongly regulated industry in India. The regimes that affect your Company's business include broadcasting, cable, advertisement, telecommunications, intellectual property, consumer and competition (anti-trust) laws and regulations. Relevant authorities may introduce additional or new regulations applicable to its business. Changes in regulations relating to one or more of licensing requirements, access requirements, programming transmission, uplinking requirements, spectrum specifications, consumer protection, or other aspects of the Company's or any competitor's business, could have an adverse effect on the Company's business and results of operation. There can be no assurance that the Company will succeed in obtaining all requisite approvals in the future for its operations with or without the imposition of restrictions, which may have an adverse consequence to the Company nor that compliance issues will not be raised.

The Company may be subject to claims based on the content it provides over its network and third party networks:

As a broadcaster and distributor of content, the Company faces potential liability relating to content that it broadcasts and distributes, including defamation, negligence, copyright, patent or trademark infringement and other claims based on the nature and content of the programmes that it broadcasts or distributes. The Company does not carry general liability insurance that will cover these types of liabilities.

FINANCIALS AND FINANCIAL POSITION

Standalone and Consolidated Financials as on March 31, 2014:

Table below presents Standalone & Consolidated Financials for the Current and Previous Financial Year.

₹ million

Profit and Loss Account for the year ended	Standalone		Consolidated	
	2014	2013	2014	2013
Revenues				
Revenue from Operations	3,048.6	2,667.9	3,351.6	3,038.2
Other Income	253.2	251.3	235.8	208.1
Total Revenues	**3,301.8**	**2,919.2**	**3,587.4**	**3,246.3**
Expenses				
Operational Cost	618.5	441.6	661.3	529.6
Employee Benefits Expense	888.3	774.5	991.0	877.1
Other Expenses	1,379.3	1,202.0	1,444.6	1,256.2
Total Expenses	**2,886.1**	**2,418.1**	**3,096.8**	**2,662.9**
Operating Profit	**415.7**	**501.1**	**490.6**	**583.4**
Finance Cost	103.3	87.9	103.4	87.9
Depreciation / Amortisation Expense	146.4	106.9	160.7	119.5
Profit before Exceptional Items and Tax	**166.0**	**306.3**	**226.5**	**376.0**
Exceptional Items	59.9	46.0	59.9	46.0
Profit before Tax and Minority Interest	**225.9**	**352.3**	**286.4**	**422.0**
Tax Expense	(37.7)	(109.3)	(73.2)	(148.3)
Profit before Minority Interest	**188.2**	**243.0**	**213.2**	**273.7**
Minority Interest	-	-	(23.9)	(32.0)
Profit for the year	**188.2**	**243.0**	**189.3**	**241.7**

₹ million

Balance Sheet as at	Standalone		Consolidated	
	2014	2013	2014	2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	239.8	239.8	239.8	239.8
Reserves and Surplus	1,979.7	1,791.5	2,071.3	1,888.1
	2,219.5	**2,031.3**	**2,311.1**	**2,127.9**
Minority Interest	-	-	116.6	120.8
Non-current Liabilities				
Long Term Borrowings	678.8	6.2	678.8	6.3
Long Term Provisions	96.1	84.7	107.0	94.9
	774.9	**90.9**	**785.8**	**101.2**
Current Liabilities				
Short Term Borrowings	431.9	482.6	431.9	482.5
Trade Payables	148.0	84.6	140.2	81.1
Other Current Liabilities	650.2	717.0	667.9	744.2
Short Term Provisions	10.1	2.6	10.1	2.6
	1,240.2	**1,286.8**	**1,250.1**	**1,310.4**
Total	**4,234.6**	**3,409.0**	**4,463.6**	**3,660.3**

Balance Sheet as at	Standalone		Consolidated	
	2014	2013	2014	2013
ASSETS				
Non - Current Assets				
Fixed Assets				
Tangible Assets	1,162.4	714.4	1,297.5	839.8
Intangible Assets	78.4	16.0	80.8	19.5
Capital work-in-progress	27.3	44.5	27.3	44.5
Non-Current Investments	122.3	83.8	39.0	-
Deferred Tax Assets (Net)	57.1	38.6	43.5	26.5
Long Term Loans and Advances	510.2	75.1	546.2	89.5
Other Non-current Assets	4.5	4.4	4.5	4.4
	1,962.2	976.8	2,038.8	1,024.2
Current Assets				
Inventories	1.4	1.6	1.6	1.9
Trade Receivables	793.3	796.3	875.7	887.6
Cash and Bank Balances	114.9	34.7	162.7	128.3
Short Term Loans and Advances	1,297.8	1,444.5	1,319.2	1,461.2
Other Current Assets	65.0	155.1	65.6	157.1
	2,272.4	2,432.2	2,424.8	2,636.1
Total	4,234.6	3,409.0	4,463.6	3,660.3

A. RESULTS OF OPERATIONS

We are pleased to share the Consolidated Financial information for the year ended March 31, 2014 compared to previous year ended March 31, 2013. At the close of FY14, Zee Media Corporation Limited has one Subsidiary Company i.e., Zee Akaash News Private Limited (ZANPL) with 60% equity holding. ZANPL operates a 24x7 Bangla News Channel "24 Ghanta". The Consolidated Financial Statements have been prepared after knocking off the effect of common services among the Companies, if any.

The Company has launched three new channels during the year, as follows:

- Zee MPCG – A 24x7 regional news channel in the state of Madhya Pradesh & Chhattisgarh, launched on March 31, 2013.
- Zee Marudhara - A 24x7 regional news channel with regional GEC programs in the state of Rajasthan, launched on July 31, 2013.
- Zee Kalinga - A 24x7 regional news channel with regional GEC programs in Oriya language, launched on January 26, 2014 in the state of Odisha.

Further to the above channel launches, ZMCL has acquired 37.87% Equity stake in Maurya TV Private Limited (MTPL), a company which operates a 24x7 news channel "Maurya TV" in the state of Bihar & Jharkhand, with effect from October 7, 2013. The said channel was later rebranded as "Zee Purvaiya", having regional GEC content in the local language of the region.

Considering the above expansion projects undertaken by the Company in FY 2013-14, the current year financials are not comparable with the corresponding previous year financials.

Revenue from Operations

Revenue from Operations includes Advertisement Income, Subscription Income, Sale of Programs and Franchisee Fees. Revenue from Operations increased by ₹ 313.4 million or 10% from ₹ 3,038.2 million in FY13 to ₹ 3,351.6 million in FY14.

Overall the Hindi, Regional News and Business News genres advertising revenues stayed flat or recorded single digit growth. This was due to the adverse economic environment wherein the advertisers tightened their ad spends. Given these challenges the Company posted total ad revenue growth of 9% against previous year. Subscription revenue increased by 19%, indicating a strong viewer demand for our channels.

Other Income

Interest & Other Income increased by ₹ 27.7 million or 13% from ₹ 208.1 million in FY13 to ₹ 235.8 million in FY14. The increase was mainly due to interest income.

Operational Cost

Operational Cost increased by ₹ 131.7 million or 25% from ₹ 529.6 million in FY13 to ₹ 661.3 million in FY14. The increase is mainly due to the new channel launches out which major cost component is towards producing the regional general entertainment contents for these regional channels, as well as normal YOY increase in existing channels.

Personnel Cost

Overall Personnel Cost increased by ₹ 113.9 million or 13% from ₹ 877.1 million in FY13 to ₹ 991.0 million in FY14. The Company believes in working with the best talent in the industry. Increase in Personnel Cost is attributable to annual increments, incentives and employee welfare cost, in line with the Company's continuous investment in hiring and retaining the best talent. Needless to mention, the new channel launches also has its impact in the incremental personnel costs.

Other Expenses

Other Expenses which includes all Administrative, Selling and Distribution Expenses increased by ₹ 188.5 million or 15% from ₹ 1,256.2 million in FY13 to ₹ 1,444.6 million in FY14. The increase was primarily on account of new channel launches, which is in the respective regional locations, hence every facility has to be created afresh for these new launches also upgradation of existing facilities and marketing expenditures to facilitate the launch of new channels.

Finance Cost

Finance cost increased by ₹ 15.5 million or 18% from ₹ 87.9 million in FY13 to ₹ 103.4 million in FY14, due to increase in loan facilities for incurring capital expenditure for launching new channels.

Depreciation and Amortization

Depreciation increased by ₹ 41.2 million or 35% from ₹ 119.5 million in FY13 to ₹ 160.7 million in FY14, during the year the addition in fixed assets is to the tune of ₹ 716.0 million mainly for the new channel launches and up gradation of existing facilities, accordingly it has its bearing on depreciation as well.

Profit before Tax & Exceptional Items.

Profit before Exceptional Items and Tax decreased by ₹ 149.5 million or 40%, from ₹ 376.0 million in FY13 to ₹ 226.5 million in FY14. Profits decreased due to the higher expenses on new channels vis-à-vis lower contribution to the top line by them, since newer channels have less viewership and hence lower contribution to the revenues, but demand higher expenditures to support launch activities.

Exceptional Items

During the year the Company has reversed the provision of ₹ 59.9 million which was provided for in FY12 towards diminution in value of strategic investments and provision for doubtful advance share application money given to a Media Company as Exceptional Item, since the same was recovered from them.

Tax Expense

Tax Expense decreased by ₹ 75.2 million (51%), from ₹ 148.3 million in FY13 to ₹ 73.2 million in FY14. This was in line with the rates of taxes as per relevant provisions of Income Tax Act.

Profit for the Period after Tax

Profit for the year after Tax & Minority Interest is ₹ 189.3 million. Profits reduced by 22%, this was mainly due to the impact of new channel launches.

B. FINANCIAL POSITION

Equity & Liabilities

Share Capital

Equity Share Capital of ₹ 239.8 million continued to remain the same as last year.

Reserves & Surplus

Reserves & Surplus stood at ₹ 2,071.3 million as on March 31, 2014 as against ₹ 1,888.1 million as on March 31, 2013. The increase is ₹ 183.2 million which is net of Profit after Tax for the current year.

Long Term Borrowings

Long Term Borrowings stood at ₹ 678.8 million as on March 31, 2014 as against ₹ 6.3 million as on March 31, 2013. The increase of ₹ 672.6 million is due to a new Secured Term Loan taken from Bank for incurring capital expenditure. ZANPL has no Long Term Borrowings.

Long Term Provisions

Long Term Provisions increased by ₹ 12.0 million from ₹ 94.9 million as on March 31, 2013 to ₹ 107.0 million as on March 31, 2014.

Current Liabilities

Current Liabilities includes Short Term Borrowings, Trade Payables, Other Current Liabilities and Short Term Provisions.

Current Liabilities stood at ₹ 1,250.1 million as on March 31, 2014 as against ₹ 1,310.4 million as on March 31, 2013. The decrease was due to lower Short Term Borrowings.

Assets

Non Current Assets

Fixed Assets

Fixed Assets stood at ₹ 1,378.3 million as on March 31, 2014 as against ₹ 859.4 million as on March 31, 2013. The high increase was due to the Capital Expenditure incurred for various new channels.

Capital Work-in-Progress decreased by ₹ 17.2 million from ₹ 44.5 million as on March 31, 2014 to ₹ 27.3 million as on March 31, 2013.

Investments

Non Current Investments stood at ₹ 39.0 million as on March 31, 2014, reflecting the investment in MTPL during the current year.

Long Term Loans and Advances

Long Term Loans and Advances increased by ₹ 456.7 million from ₹ 89.5 million as on March 31, 2013 to ₹ 546.2 million as on March 31, 2014. The increase was primarily due to the advances given for purchasing Capital Equipments from various parties.

Other Non Current Assets

Other Non Current Assets stood at ₹ 4.5 million as on March 31, 2014, an increase of just 3% over the last year figure of ₹ 4.4 million.

Current Assets

Inventories

Inventories stood at ₹ 1.6 million as on March 31, 2014 as against ₹ 1.9 million as on March 31, 2013, registering a reduction of 3%.

Trade Receivables

Trade Receivables stood at ₹ 875.7 million as on March 31, 2014 as against ₹ 887.6 million as on March 31, 2013. Average Collection Period stood at 95 days.

Cash & Bank Balances

Cash & Bank Balances stood at ₹ 162.7 million as on March 31, 2014 as against ₹ 128.3 million as on March 31, 2013.

Short Term Loans & Advances

Loans & Advances stood at ₹ 1,319.2 million as on March 31, 2014 as against ₹ 1,461.2 million as on March 31, 2013. Decrease in Loans & Advances is primarily due to proceeds from refund of ICD given to Related Parties out of the surplus Cash & Bank Balance available in earlier years.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Bhaskar Das, Group-CEO News Cluster and Dinesh Garg, Chief Financial Officer of Zee Media Corporation Limited ('the Company'), certify that:

(a) We have reviewed the Financial Statements and the Cash Flow Statement of the Company both on Standalone and Consolidated basis for the year ended March 31, 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; and

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 March 31, 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 those 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.

Bhaskar Das
Group CEO- News Cluster

Dinesh Garg
Chief Financial Officer

Place: Mumbai
Date: May 21, 2014

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Zee Media Corporation Limited
(Formerly known as Zee News Limited)

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Zee Media Corporation Limited** (formerly "Zee News Limited") ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 Section 211 (3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 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

3. 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.

4. 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 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 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, the said financial statements together with the notes thereon, 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:

   a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

   b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and

   c) 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

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

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

   a) 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;

   b) 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;

   c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and

   e) On the basis of written representation received from the directors as at March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as at March 31, 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, May 21, 2014

Annexure referred to in Paragraph (7) under the heading of "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, the periodicity of 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 programs 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 and sale of goods and services, *however internal control system for purchase of fixed assets is required to be strengthened.* 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 March 31, 2014 for a period of more than six months from the date they became payable *except income tax demand of ₹ (Million) 0.23 for AY 2010-11 for which rectification application is filed*.

(b) According to the records of the Company, the dues of income 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 Income Tax Act, 1961	Income Tax	6.68	F.Y. 2006-2007	Commissioner of Income Tax (Appeals)
		317.75	F.Y. 2007-2008	
		2.64	F.Y. 2010-2011	
The Central Excise Act, 1944	Service Tax and penalty	142.63#	FY 2007-2008 to 2011-2012*	Central Excise and Service Tax Appellant Tribunal

Interest and penalty to the extent quantified.

*Appeal to be filed before due date.

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) According to the records of the Company examined by us, the information and explanations given to us and based on extention granted by the bank for repayment of principal and interest, the Company has not defaulted in repayment of dues to banks. The Company has not borrowed any funds from financial institutions or issued debentures 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) According to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks, which have been approved by the members, are prima facie not prejudicial to the interests of the Company.

16) In our opinion and according to the information and explanations given to us, the term loan raised during the year have been applied for the purposes for which they were raised.

17) According to 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, May 21, 2014

Essel GROUP

BALANCE SHEET as at March 31,

₹ million

	Note	2014	2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	239.76	239.76
Reserves and Surplus	4	1,979.67	1,791.50
		2,219.43	**2,031.26**
Non-Current Liabilities			
Long-Term Borrowings	5	678.84	6.25
Long-Term Provisions	6	96.15	84.69
		774.99	**90.94**
Current Liabilities			
Short-Term Borrowings	7	431.86	482.54
Trade Payables	8	148.05	84.59
Other Current Liabilities	8	650.21	717.03
Short-Term Provisions	6	10.09	2.61
		1,240.21	**1,286.77**
Total		**4,234.63**	**3,408.97**
Assets			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		1,162.37	714.42
Intangible Assets		78.41	16.04
Capital work-in-progress		27.28	44.44
		1,268.06	774.90
Non-Current Investments	10	122.28	83.78
Deferred Tax Assets (net)	11	57.11	38.61
Long-Term Loans and Advances	12	510.18	75.12
Other Non-Current Assets	13	4.50	4.35
		1,962.13	**976.76**
Current Assets			
Inventories	14	1.42	1.63
Trade Receivables	15	793.33	796.29
Cash and Bank Balances	16	114.94	34.67
Short-Term Loans and Advances	12	1,297.83	1,444.52
Other Current Assets	13	64.98	155.10
		2,272.50	**2,432.21**
Total		**4,234.63**	**3,408.97**
Notes forming part of the financial statements	1 - 46		

As per our attached report of even date

For MGB & Co
Chartered Accountants

Hitendra Bhandari
Partner

Place: Mumbai
Date: May 21, 2014

For and on behalf of the Board

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31,

₹ million

	Note	2014	2013
Revenue			
Revenue from Operations	17	3,048.56	2,667.94
Other Income	18	253.21	251.26
Total		**3,301.77**	**2,919.20**
Expenses			
Operational cost	19	618.50	441.65
Employee benefits expense	20	888.30	774.46
Finance costs	21	103.35	87.86
Depreciation and amortisation expense	22	146.37	106.92
Other expenses	23	1,379.29	1,201.97
Total		**3,135.81**	**2,612.86**
Profit before exceptional items and tax		**165.96**	**306.34**
Add : Exceptional Items	24	59.89	45.96
Profit before tax		**225.85**	**352.30**
Less: Tax expense			
Current Tax			
- Current year		66.47	105.80
- Earlier years		(10.30)	3.39
Deferred Tax		(18.49)	0.12
Profit after tax		**188.17**	**242.99**
Earnings per equity share (face value ₹ 1 each)	45		
- Basic and Diluted before exceptional items		0.54	0.82
- Basic and Diluted after exceptional items		0.78	1.01
Notes forming part of the financial statements	1 - 46		

As per our attached report of even date

For MGB & Co
Chartered Accountants

Hitendra Bhandari
Partner

Place: Mumbai
Date: May 21, 2014

For and on behalf of the Board

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

Zee Media Corporation Limited ("ZMCL" or "the Company") is incorporated in the State of Maharashtra, India. The Company is mainly in the business of broadcasting of news, current affairs programs uplinked from India and sale of television programs including program feeds. The name of the Company is changed to Zee Media Corporation Limited as per revised Certificate of Incorporation dated July 6, 2013 issued by the Registrar of Companies, Maharashtra.

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 provisions of the Companies Act, 1956 read with general circular 8/2014 dated April 4, 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 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 amounts of assets and liabilities, on the date of the financial statements and the reported amount of revenue and expenses for the priod. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

C 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.

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 the 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 / Amortization on tangible / intangible assets

a) Depreciation on tangible fixed assets is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.

b) Leasehold Improvements are amortized over the period of Lease.

c) Intangible assets are amortised on a straight line basis over the economic useful life estimated by the management.

H Investments

a) 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 are classified as long-term investments.

b) 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.

I Transactions in foreign currencies

a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of such 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.

J Revenue recognition

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

b) Sales (including television programs) are recognized when the significant risks and rewards have been transferred to the customers.

c) Revenue from other services including franchisee fee revenue is recognized as and when such services are completed / performed.

d) Dividend income is recognized when the Company's right to receive dividend is established.

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

K Inventories

a) Inventories of television programs (completed, under production, available for sale) are stated at lower of cost/ unamortized cost or net realizable value. Cost comprises acquisition / direct production costs and other allocated production overheads. Where the realizable value on the basis of its estimated useful life is less than its carrying amount, the difference is expensed as impairment. Programs are expensed / amortized as under:

i) Programs- news / current affairs / chat shows / events etc are fully expensed on telecast.

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

b) Raw Stock – Tapes are valued at lower of cost or estimated net realizable value. Cost is taken on weighted average basis.

L Retirement and other employee benefits

a) 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.

b) Post employment and other long term employee benefits are recognized 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

a) 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.

b) Deferred tax is recognized, 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

a) Finance lease

Assets acquired under finance lease are capitalized 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 recognized with the asset under lease.

b) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense 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 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.

P Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

3. Share Capital

₹ million

	2014	2013
Authorised		
1,000,000,000 (1,000,000,000) Equity Shares of ₹ 1 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, Subscribed and Paid up		
239,763,956 (239,763,956) Equity Shares of ₹ 1 each fully paid up	239.76	239.76
Total	239.76	239.76

a) Reconciliation of number of Equity shares and Share capital

	2014		2013	
	Number of equity shares	₹ million	Number of equity shares	₹ million
At the beginning of the year	239,763,956	39.76	239,763,956	239.76
Changes during the year	-	-	-	-
Outstanding at the end of the year	239,763,956	239.76	239,763,956	239.76

b) 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 if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c) Details of shares held by Holding Company

Name of the Shareholder	2014	2013
25FPS Media Private Limited (extent of holding 53.34%)	127,898,710	127,898,710

d) Details of Shareholders holding more than 5 percent of the aggregate shares in the Company:

Name of Shareholder	2014		2013	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
25FPS Media Private Limited	127,898,710	53.34%	127,898,710	53.34%
HDFC Trustee Company Limited- HDFC Prudence Fund	17,467,103	7.29%	17,467,103	7.29%

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.

e) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding March 31, 2014.

f) 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 March 31, 2009 i.e. up to 11,988,000 equity shares of ₹ 1 each, to the employees of the Company as well as that of its subsidiaries and also to the 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. The Company has not granted any options till March 31, 2014.

4. Reserves and Surplus

₹ million

	2014	2013
Capital Reserve		
As per last Balance Sheet	96.79	96.79
Securities Premium		
As per last Balance Sheet	76.50	76.50
General Reserve		
As per last Balance Sheet	90.00	90.00
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	1,528.21	1,285.22
Add: Profit for the year	188.17	242.99
	1,716.38	1,528.21
Total	**1,979.67**	**1,791.50**

5. Long-Term Borrowings - Secured

₹ million

	Non- Current		Current	
	2014	2013	2014	2013
Term Loan from Bank (Refer (a) and (b) below)	674.25	-	-	170.00
Vehicle Loans (Refer (c) below)				
- from Banks	2.63	2.68	2.31	5.65
- from Others	1.96	3.57	1.62	2.20
	678.84	**6.25**	**3.93**	**177.85**
Less: Amount disclosed under "Other Current Liabilities" (Refer 'Note 8')	-	-	3.93	177.85
Total	**678.84**	**6.25**	**-**	**-**

a) Term Loan from bank ₹ 674.25 million (₹ Nil) is secured by way of first hypothecation charge on entire movable fixed assets except vehicles, carries interest @ 12% p.a. payable monthly and repayable in 14 quarterly installments commencing from October 2015.

b) Term Loan from bank ₹ Nil (₹ 170.00 million) is secured by way of first hypothecation charge on entire movable fixed assets except vehicles, carries interest @ 12.95% to 13.05% p.a. payable monthly. The Loan is fully repaid in the current year.

c) Vehicle Loans from Banks and Others are secured by way of hypothecation of vehicles, carries interest ranging from 7.50% to 12.25% p.a. and repayable upto September 2016.

6. Provisions

₹ million

	Long-Term		Short-Term	
	2014	2013	2014	2013
Provision for employee benefits:				
- Gratuity	62.30	55.49	5.47	1.48
- Leave benefits	33.85	29.20	4.62	1.13
Total	96.15	84.69	10.09	2.61

7. Short-Term Borrowings - Secured

₹ million

	2014	2013
Cash Credit from Bank	431.86	482.54
Total	431.86	482.54

Cash Credit loan from bank is secured by way of hypothecation charge on entire current assets and collaterally secured by first hypothecation charge on entire movable fixed assets except vehicles.

8. Current Liabilities

₹ million

	2014	2013
Trade Payables	148.05	84.59
	148.05	84.59
Other Current Liabilities		
Current maturities of long-term borrowings (Refer 'Note 5')	3.93	177.85
Interest accrued but not due on borrowings	6.04	1.94
Unearned Revenue	54.57	33.45
Advance received from customers	31.19	18.06
Deposits received from distributors	6.08	3.43
Creditors for Capital expenditure	42.63	38.24
Unclaimed Dividends ^	0.68	0.68
Statutory dues payable	53.29	37.38
Other Payables	451.80	406.00
	650.21	717.03
Total	798.26	801.62

^ There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2014.

9. Fixed Assets

₹ million

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	Upto March 31, 2013	For the year	Deductions	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Plant and Machinery	898.66	564.25	133.82	1,329.09	330.84	89.61	73.79	346.66	982.43	567.83
Equipments	58.34	13.65	4.23	67.76	12.87	2.88	1.15	14.60	53.16	45.47
Computers	70.23	32.97	3.55	99.65	26.20	13.48	2.69	36.99	62.66	44.03
Furniture and Fixtures	10.23	2.23	3.76	8.70	4.97	1.90	1.76	5.11	3.59	5.26
Vehicles	53.03	1.55	1.43	53.15	11.09	4.97	0.95	15.11	38.04	41.93
Leasehold Improvements	22.12	17.89	-	40.01	12.22	5.30	-	17.52	22.49	9.90
Total	**1,112.61**	**632.54**	**146.79**	**1,598.36**	**398.19**	**118.14**	**80.34**	**435.99**	**1,162.37**	**714.42**
Previous Year	1,031.26	160.24	78.89	1,112.61	344.36	95.25	41.42	398.19	714.42	
Intangible Assets										
Computer Software	95.15	90.60	3.03	182.72	79.11	28.23	3.03	104.31	78.41	16.04
Total	**95.15**	**90.60**	**3.03**	**182.72**	**79.11**	**28.23**	**3.03**	**104.31**	**78.41**	**16.04**
Previous Year	89.57	5.58	-	95.15	67.44	11.67	-	79.11	16.04	
Capital Work-in-Progress									**27.28**	**44.44**

Note:

Current year deductions in gross block of Plant and Machinery includes ₹ 7.13 million (₹ NIL) and depreciation for the year is net of ₹ 0.38 million (₹ NIL) being Cenvat Credit availed during the current year for assets capitalised in the previous year ended March 31, 2013.

10. Non-Current Investments (valued at cost unless otherwise stated)

₹ million

	2014	2013
Trade Investments (Equity shares of ₹ 10 each, fully paid up) - Unquoted		
In Subsidiary - Wholly owned		
Nil (50,000) of 24 Ghantalu News Limited	-	0.50
In Subsidiary - Others		
2,400,002 (2,400,002) of Zee Akaash News Private Limited (extent of holding 60 %)	83.28	83.28
	83.28	**83.78**
In Associate		
8,380,241 (Nil) of Maurya TV Private Limited (extent of holding 37.87%)	39.00	-
In Others		
435,000 (435,000) of Akash Bangla Private Limited (extent of holding 11.93%)	60.90	60.90
Less: Provision for diminution in value of investment	60.90	60.90
	-	-
Total	**122.28**	**83.78**
Aggregate amount of unquoted Investments	183.18	144.68
Diminution in value of investments	60.90	60.90

11. Deferred Tax Assets (net)

₹ million

	2014	2013
Deferred Tax Assets		
Arising on account of timing difference in employee retirement benefits	36.11	29.67
Allowable on payment basis	56.10	40.68
Provision for doubtful debts and advances	15.96	11.94
	108.17	**82.29**
Deferred Tax Liabilities		
Depreciation	51.06	43.68
	51.06	**43.68**
Deferred Tax Assets (net)	**57.11**	**38.61**

12. **Loans and Advances** (unsecured, considered good unless otherwise stated)

₹ million

	Long-Term		Short-Term	
	2014	2013	2014	2013
Capital Advances				
Related Parties	1.89	-	-	-
Others (Refer note 31)	334.44	4.36	-	-
	336.33	4.36	-	-
Deposits				
Related Parties	19.36	-	-	-
Others	24.44	23.18	2.77	2.30
	43.80	23.18	2.77	2.30
Loans and Advances to Related Parties				
Loans	-	-	1,100.00	1,250.00
Other Advances	-	-	5.05	78.58
	-	-	1,105.05	1,328.58
Advance Share Application Money	-	-	-	105.84
Less: Provision for doubtful advance	-	-	-	59.88
	-	-	-	45.96
Other Loans and Advances				
Loan to Employee	8.86	13.79	4.93	4.41
Advances				
- considered good	-	-	85.24	22.80
- considered doubtful	-	-	0.87	0.87
	8.86	13.79	91.04	28.08
Less: Provision for doubtful advances	-	-	0.87	0.87
	8.86	13.79	90.17	27.21
Prepaid expenses	2.53	0.22	8.42	9.55
Balances with Government authorities				
Advance direct tax (net of provisions)	118.66	33.57	-	-
Advance indirect taxes	-	-	91.42	30.92
Total	**510.18**	**75.12**	**1,297.83**	**1,444.52**

13. Other Assets

₹ million

	Non-Current		Current	
	2014	2013	2014	2013
Balances with bank in deposit accounts* (Refer 'Note 16')	4.35	4.35	-	-
Interest accrued on - Bank deposits (as at March 31, 2014 ₹ 1,537)	0.15	-	0.00	1.66
- Loan to related parties	-	-	39.57	138.14
- Other advances	-	-	16.01	-
Other receivables	-	-	9.40	15.30
Total	4.50	4.35	64.98	155.10

* Pledged with Statutory Authorities.

14. Inventories

₹ million

	2014	2013
Raw Stock - Tapes	1.42	1.63
Total	1.42	1.63

15. Trade Receivables (unsecured)

₹ million

	2014	2013
Over six months		
considered good	20.51	43.39
considered doubtful	46.97	35.12
Others		
considered good	772.82	752.90
considered doubtful	-	-
	840.30	831.41
Less: Provision for doubtful debts	46.97	35.12
Total	793.33	796.29

16. Cash and Bank Balances

₹ million

	Non-Current		Current	
	2014	2013	2014	2013
Cash and Cash Equivalents				
Balances with Banks in Current accounts	-	-	113.65	33.58
Cash in Hand	-	-	0.61	0.41
	-	-	114.26	33.99
Other Bank Balances				
Balances with Banks				
Fixed Deposits with maturity more than 12 months	4.35	4.35	-	-
In Unclaimed dividend accounts	-	-	0.68	0.68
	4.35	4.35	0.68	0.68
Less: Amount disclosed under the head "Other Assets" (Refer 'Note 13')	4.35	4.35	-	-
Total	-	-	114.94	34.67

17. Revenue from Operations

₹ million

	2014	2013
Services - Broadcasting Revenue		
Advertisement	1,902.08	1,649.66
Subscription	999.00	842.65
Sales -		
Television Programs	143.37	115.07
Franchise Fee Revenue	-	30.49
Other Operating Income	4.11	30.07
Total	3,048.56	2,667.94

18. Other Income

₹ million

	2014	2013
Interest Income		
from Bank Deposits	0.37	1.54
from Loans	155.27	153.49
from Others	17.90	0.96
Dividend Income		
from Subsidiary	36.00	48.00
from Current Investments	-	0.65
Liabilities / Excess provisions written back	43.00	33.26
Miscellaneous Income	0.67	13.36
Total	253.21	251.26

19. Operational Cost

₹ million

	2014	2013
a) Television Programs		
Opening	-	6.89
	-	6.89
Add: Production/ Acquisition Cost		
Program Purchased	28.41	-
Raw tapes consumed	2.26	2.35
Consultancy and Professional charges	152.63	116.45
News Subscription fees	40.46	36.09
Vehicle running, maintenance and Hire charges	62.00	47.50
Travelling and Conveyance expenses	19.62	12.32
Lease-line and V-Sat expenses	58.69	49.26
Other Production expenses	90.10	54.62
	454.17	318.59
Less: Closing	-	-
	-	-
	454.17	325.48
b) Telecast cost	120.14	101.39
c) Channel Subscription fees	21.69	14.78
d) Loss on Channel Management (Refer Note 32)	22.50	-
Total	618.50	441.65

20. Employee benefits expense

₹ million

	2014	2013
Salaries and allowances	770.64	674.32
Contribution to provident and other funds	46.30	40.80
Staff welfare expenses	67.53	58.80
Staff recruitment and training expenses	3.83	0.54
Total	888.30	774.46

21. Finance costs

₹ million

	2014	2013
Interest - on Loans	90.22	78.60
- on Others	0.22	7.11
Bank and other financial charges	12.91	2.15
Total	103.35	87.86

22. Depreciation and amortisation expense

₹ million

	2014	2013
Depreciation on tangible assets	118.14	95.25
Amortisation on intangible assets	28.23	11.67
Total	146.37	106.92

23. Other expenses

₹ million

	2014	2013
Rent	72.43	56.60
Rates and Taxes	5.54	4.90
Repairs and Maintenance - Building	3.16	10.81
- Plant and Machinery	38.04	17.11
- Other	23.69	26.95
Insurance	3.20	2.51
Electricity and water charges	73.30	57.54
Communication charges	27.06	17.36
Printing and Stationary expenses	7.33	4.94
Travelling and Conveyance expenses	92.56	72.67
Legal and Professional charges	158.30	86.06
Payment to Auditors (Refer 'Note 29')	2.46	2.25
Donation	1.30	1.45
Hire and Service Charges	36.54	33.77
Miscellaneous expenses	17.56	12.71
Marketing, distribution, business promotion expenses	609.50	651.21
Advertisement and Publicity expenses	106.65	72.65
Commission/ Discount on services	26.09	30.06
Provision for doubtful debts and advances	11.85	2.57
Bad debts / advances written off	-	4.83
Loss on sale/discard of fixed assets (net)	57.41	31.52
Loss on exchange difference (net)	5.32	1.50
Total	1,379.29	1,201.97

24. Exceptional items

₹ million

	2014	2013
Provision for doubtful share application money written back	59.89	45.96
Total	59.89	45.96

25. Operating Lease

The Company has taken office premises, 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 period is generally for 11 to 120 months.

₹ million

	2014	2013
Lease rental charges for the year	155.52	119.51
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	75.30	64.74
Later than one year but not later than five years	33.93	85.58
Later than five years	-	-

26. Contingent Liabilities not provided for

₹ million

	2014	2013
Custom Duty pending export obligations	18.18	18.18
Disputed Direct Taxes	362.69	9.31
Disputed Indirect Taxes	142.63	-
Corporate Guarantee given	2,540.00	-
Legal cases against the Company *	Not Ascertainable	Not Ascertainable

* The Company has received legal notices of claims / law suits filed against it relating to infringement of copy rights, defamation suits etc. in relation to programs telecasted / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

27. Capital and Other Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ 57.88 million (₹ 53.21 million).

(b) The Company has entered into a share purchase agreement for acquiring equity shares of Maurya TV Private Limited subject to necessary approval from regulatory authorities. Pursuant to the agreement, the Company has acquired certain shares and balance commitment as at balance sheet date is ₹ 38.92 million.

28. Managerial Remuneration

(a) Details of remuneration paid to Whole-time Director is as under:

₹ million

	2014	2013
Salaries, allowances and perquisites*	10.14	-
Contribution to provident and other funds	0.66	-
Total	10.80	-

* Excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis.

Mr. Alok Agrawal is appointed as a Whole-time Director of the Company w.e.f. July 30, 2013 for a period of 3 years subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company. Remuneration paid to the Whole-time Director during the period from July 30, 2013 to March 31, 2014 amounting to ₹ 10.80 million is subject to shareholders' approval. Mr. Alok Agrawal resigned as Whole-time Director with effect from close of business on May 12, 2014.

(b) Commission payable to Non Executive Directors of ₹ 1.20 million (₹ 1.60 million) based on profits for the year ended March 31, 2014 is included in 'Miscellaneous expenses' under Note 23 "Other expenses".

29. Payment to Auditors

₹ million

	2014	2013
Audit Fees	1.00	0.80
Tax Audit Fees	0.25	0.25
Certification work (including limited reviews)	1.01	0.74
Tax Representation and other matters	0.17	0.44
Reimbursement of expenses	0.03	0.02
Total	2.46	2.25

30. Foreign Exchange

Foreign currency exposures that are not hedged by derivative instruments as at March 31, are as under:

₹ million

	2014	2013
Payables	33.11	58.67
Receivables	113.28	121.90

31. During the year, the Company has given advances of ₹ 246.25 million to certain companies for purchase of fixed assets. However, the contracts could not be executed and accordingly the capital advances have been received back subsequent to the balance sheet date.

32. The Company has entered into a channel management agreement i.e. operation and management of channel owned by a party. As per the agreed terms, the Company has agreed to bear all costs / expenses and losses that may be incurred in the operation of the channel and in case of net surplus after recovering of costs / expenses, share the surplus with the said party in the agreed ratio.

33. Micro, Small and Medium Enterprises

The Company has no dues to Micro, Small and Medium Enterprises during the year ended March 31, 2014 on the basis of information provided by the parties and available on record.

34. Employee Benefits

As per the Accounting Standard 15 "Employee Benefits", the disclosure of Employee benefits as defined in the Accounting Standard are given below:

(a) Defined Benefit Plan

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 seperately 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 is as under:

(i) Expenses recognised during the year:

₹ million

	Gratuity (Non Funded)	
	2014	2013
Service cost	10.81	9.99
Interest cost	4.67	4.23
Net actuarial (gain)/loss on obligation	12.32	7.88
Total Expenses	27.80	22.10

(ii) Net Assets/ (Liability) recognised in the Balance Sheet as at March 31, 2014

₹ million

	2014	2013
Present value of deferred obligation	67.77	56.97
Net Asset/ (Liability)	**(67.77)**	**(56.97)**

(Iii) Reconciliation of Net Asset/ (Liability) recognised in the Balance sheet as at March 31, 2014

₹ million

	2014	2013
Net Asset/ (Liability) at the beginning of the year	(56.97)	(50.73)
Expenses as per (i) above	(27.80)	(22.10)
Benefits paid	17.00	15.86
Net Asset/ (Liability) at the end of the year	**(67.77)**	**(56.97)**

(iv) Actuarial assumptions :

₹ million

	2014	2013
Discount Rate	9.15%	8.20%
Expected Salary Escalation Rate	6.50%	6.00%
Mortality Table	IAL (2006-08)	IAL (1994-96)

Note

(a) Amount recognised as an expense and included in Note 20 "Employee benefit expense" are gratuity ₹ 27.80 million (₹ 22.10 million) and Leave Encashment ₹ 22.42 million (₹ 17.64 million).

(b) The estimates of rate of escalation in salary considered in the actuarial valuation takes into account of 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 fund and other funds" is recognized as an expense in Note 20 "Employee benefits expense" of the Statement of Profit and Loss.

35. Disclosures as required by clause 32 of the listing agreement

(a) Loans and advances given to Subsidiary (Loanee)

₹ million

	Balance as at March 31		Maximum amount outstanding during the year	
	2014	2013	2014	2013
Subsidiary				
24 Ghantalu News Limited*	-	1.74	1.77	1.74

* ceased to be subsidiary w.e.f. December 24, 2013

(b) None of the loanees have made investments in the shares of the Company.

36. Related Party Transactions

(i) List of Parties where control exists:

Holding Company:

25 FPS Media Private Limited (Holding 53.34%)

Ultimate Holding Company:

- 25 FPS Media Private Limited held by Essel Corporate Resources Private Limited (upto June 10, 2013)

- Essel Corporate Resources Private Limited held by Prime Publishing Private Limited (upto June 10, 2013)

- 25 FPS Media Private Limited held by Prime Publishing Private Limited (w.e.f. June 11, 2013)

- Prime Publishing Private Limited held by Sprit Textiles Private Limited (w.e.f. October 1, 2012)

Subsidiary Company:

Zee Akaash News Private Limited (extent of holding 60%), 24 Ghantalu News Limited (extent of holding 100% up to December 23, 2013)

Fellow Subsidiary:

Bioscope Cinemas Private Limited, Direct Media Distribution Ventures Private Limited, Mediavest India Private Limited, Pri - Media Services Private Limited, Diligent Media Corporation Limited.

Associate:

Maurya TV Private Limited (extent of holding 37.87% w.e.f. October 7, 2013)

(ii) Other Related Parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Asia Today Limited, Cyquator Media Services Private Limited, Dish TV India Limited, Digital Subscriber management & Consultancy Services Private Limited (Formerly known as Buddha Films Private Limited), Digital Ventures Private Limited, Essel International Limited, Essel Publishers Private Limited, Essel Shyam Communication Limited, India Webportal Private Limited, Media Pro Enterprise India Private Limited, Pan India Network Limited, Procall Private Limited, Rama Associates Limited, Siti Cable Network Limited, Smart Wireless Private Limited, Taj Television (India) Private Limited, Zee Entertainment Enterprises Limited, Zee Foundation, Zee Learn Limited, Zee Sports Limited, Zee Telefilms Middle East FZ LLC, Zee Turner Limited.

Key Management Personnel

Dr. Subhash Chandra (Non-Executive Chairman), Shri Punit Goenka (up to September 27, 2013), Shri Alok Agrawal (w.e.f. July 30, 2013)

(iii) Transactions with Related Parties:

₹ million

	2014	2013
(A) Transactions :		
(i) With Holding Company		
- Essel Corporate Resources Private Limited		
• Legal and Professional charges	3.12	15.60
(ii) With Subsidiary Company		
- Zee Akaash News Private Limited		
• Channel Subscription fees paid	21.68	14.78
• Purchase of services	2.43	-
• Dividend income	36.00	48.00
- 24 Ghantalu News Limited		
• Investment in equity shares	-	0.50
• Investment in preference shares	200.00	-
• Loans, Advances and Deposits given	0.03	1.74
• Loans, Advances and Deposits repayment received	0.35	-
(iii) With Fellow Subsidiary Company		
- Diligent Media Corporation Limited		

₹ million

	2014	2013
• Loans, Advances and Deposits given	260.00	1,250.00
• Loans, Advances and Deposits repayment received	1,510.00	-
• Revenue from Broadcasting services	-	0.53
• Interest income	111.31	4.62
• Rent paid	6.00	-
• Advertisement and Publicity expenses	0.86	-
• Printing and stationery expenses	1.26	-
- **Pri - Media Services Private Limited**		
• Corporate guarantee given	2,540.00	-
(iv) **With Associate**		
- **Maurya TV Private Limited**		
• Investment in equity shares	21.32	-
• Security deposit given	19.36	-
• Channel management fee paid	22.50	-
• Subscription fee paid	7.76	-
(v) **With Other Related Parties:**		
• **Revenue from Broadcasting services**	**1,042.76**	**874.51**
Media Pro Enterprise India Private Limited	999.00	840.00
Other Related Parties	43.76	34.51
• **Sale of Television programs**	**143.37**	**115.07**
Asia Today Limited	143.37	115.07
• **Other operating income**	**0.34**	**5.89**
Zee Entertainment Enterprises Limited	0.34	5.89
• **Interest income**	**43.96**	**148.87**
Essel Publishers Private Limited	43.96	-
Essel International Limited	-	148.87
• **Purchase of fixed assets / capital work in progress**	**2.43**	**3.21**
Zee Entertainment Enterprises Limited	-	3.21
Dish TV India Limited	2.43	-
• **Purchase of services**		
• **Lease-line & V-Sat expenses**	**44.19**	**41.88**
Dish TV India Limited	25.36	23.05
Essel Shyam Communication Limited	18.83	18.83
• **Telecast cost**	**64.85**	**59.96**
Dish TV India Limited	41.55	34.12
Zee Entertainment Enterprises Limited	23.30	25.84
• **Rent**	**34.34**	**26.81**
Zee Entertainment Enterprises Limited	34.34	26.81
• **Marketing, distribution, business promotion expenses**	**51.06**	**55.45**
Siti Cable Network Limited	51.06	55.45
• **Advertisement and publicity expenses**	**8.62**	**-**
Dish TV India Limited	1.15	-
Zee Entertainment Enterprises Limited	7.47	-

₹ million

	2014	2013
• **Other services**	**74.96**	**39.17**
Zee Entertainment Enterprises Limited	58.33	37.59
Essel Corporate Resources Private Limited	15.61	-
Other Related Parties	1.02	1.58
• **Loans, Advances and Deposits given**	**1,101.89**	**575.00**
Essel Publishers Private Limited	1,100.00	-
Essel International Limited	-	500.00
Digital Ventures Private Limited	-	75.00
Other Related Parties	1.89	-
• **Loans, Advances and Deposits repayment received**	**75.00**	**1,214.59**
Essel International Limited	-	1,200.00
Digital Ventures Private Limited	75.00	-
Other Related Parties	-	14.59
• **Balances written back**	**0.01**	**0.70**
Zee Turner Limited	-	0.70
Zee Learn Limited	0.01	-
• **Donation**	**1.30**	**1.00**
Zee Foundation	1.30	1.00
(B) **Balances at the end of the year:**		
(i) **Holding Company**		
- **Essel Corporate Resources Private Limited**		
• Other Payables	-	1.45
(ii) **Subsidiary Company**		
- **Zee Akaash News Private Limited**		
• Investment in equity shares	83.28	83.28
• Trade payables / Other payables	12.29	3.67
• Trade receivables	0.52	0.46
- **24 Ghantalu News Limited**		
• Investment in equity shares	-	0.50
• Loans, Advances and Deposits given	-	1.74
(iii) **With Fellow Subsidiary Company**		
- **Diligent Media Corporation Limited**		
• Loans, Advances and Deposits given	-	1,250.00
• Trade recievables	1.02	-
• Interest receivable	-	4.16
• Other payables	2.05	0.08
- **Pri - Media Services Private Limited**		
• Corporate guarantee given	2,540.00	-
(iv) **With Associate**		
- **Maurya TV Private Limited**		
• Investment in equity shares	39.00	-
• Security deposit given	19.36	-
• Trade payables	7.76	-

₹ million

	2014	2013
(v) Other Related Parties		
• Trade Receivables	370.62	359.16
Media Pro Enterprise India Private Limited	251.76	224.50
Asia Today Limited	97.26	119.31
Other Related Parties	21.60	15.35
• Loans, Advances and Deposits given	1,106.94	76.84
Essel Publishers Private Limited	1,100.00	-
Digital Ventures Private Limited	-	75.00
Other Related Parties	6.94	1.84
• Interest Receivable	39.57	133.98
Essel Publishers Private Limited	39.57	-
Essel International Limited	-	133.98
• Trade Payables / Other Payables	159.22	70.55
Dish TV India Limited	60.30	31.41
Asia Today Limited	29.16	21.71
Zee Entertainment Enterprises Limited	51.78	12.03
Other Related Parties	17.98	5.40
• Advances and Deposits received	0.07	0.07
Pan India Network Limited	0.07	0.06
Zee Learn Limited	-	0.01

Note

(i) Parties with transactions less than 10% of the group total are grouped under the head "Other Related Parties".

(ii) Details of remuneration to Directors is disclosed in 'Note 28'.

37. Prior period items

Other operating income includes prior period income of ₹ 0.26 million (₹ Nil).

38. Value of Imported and Indigenous Raw Stock-Tapes consumed

Details of consumption of Imported and Indigenous stock:

	2014		2013	
	Percentage	₹ million	Percentage	₹ million
Imported	77.83%	1.76	78.43%	1.84
Indigenous	22.07%	0.50	21.57%	0.51
Total	100%	2.26	100%	2.35

39. Earnings in Foreign Exchange

₹ million

	2014	2013
FOB Value of Export of Programs	143.37	115.07
Advertising Revenue	6.34	6.26

40. Expenditure in Foreign Currency

₹ million

	2014	2013
Telecast cost	55.29	41.43
Production expenses	12.89	13.83
Other expenses	4.24	13.59

41. CIF Value of Imports

₹ million

	2014	2013
Raw Stock-Tapes	1.57	0.52
Capital Equipment	308.51	102.89
Repair and Maintenance	5.10	4.71

42. Segment Reporting

The Company is engaged in the business of "Production and Broadcasting of Television software" which in the context of AS 17 "Segment Reporting" is considered as the only reportable business segment. The geographical segment is not relevant as exports are insignificant.

43. 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 March 31, 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.

44. Scheme of Amalgamation

The Scheme of Amalgamation for merger of Essel Publishers Private Limited ("EPPL") with the Company as approved by the Members at the Court convened General Meeting held on October 19, 2013 was approved by Hon'ble High Court of Judicature at Mumbai vide Order dated May 2, 2014, with Appointed Date being April 1, 2014. The Scheme shall be made effective upon filing of the Order with the Registrar of Companies.

45. Earnings per share (EPS)

₹ million

		2014	2013
a.	Profit after tax after exceptional items (₹ million)	188.17	242.99
	Adjustments for :		
	Provision for doubtful share application money written back (₹ million)	(59.89)	(45.96)
b.	Profit after tax before exceptional items (₹ million)	128.28	197.03
c.	Weighted average number of equity shares for Basic and Diluted EPS (Numbers)	239,763,956	239,763,956
d.	Nominal value of each equity share (₹)	1	1
e.	Basic and Diluted EPS before Exceptional Items (₹)	0.54	0.82
f.	Basic and Diluted EPS after Exceptional Items (₹)	0.78	1.01

46. Previous year comparatives

Previous year's figures have been regrouped, rearranged or recast wherever necessary to conform to current year's classification. Figures in brackets pertain to previous year.

Essel GROUP

CASH FLOW STATEMENT for the year ended March 31,

₹ million

			2014	2013
A.	**Cash flow from Operating activities**			
	Profit before Tax		225.85	352.30
	Adjustments for:			
	Depreciation and amortisation expense		146.37	106.92
	Loss on sale/discard of fixed assets (net)		57.41	31.52
	Interest expense		90.44	85.71
	Interest income		(173.54)	(155.99)
	Dividend income		(36.00)	(48.65)
	Liabilities/excess provisions written back		(43.00)	(33.26)
	Provision for doubtful share application money written back		(59.89)	(45.96)
	Provision for doubtful debts and advances		11.85	(0.04)
	Unrealised foreign exchange loss (net)		11.75	3.13
	Operating Profit before working capital changes		231.24	295.68
	Adjustments for:			
	(Increase)/Decrease in inventories		0.20	8.13
	(Increase)/Decrease in trade and other receivables		(67.12)	493.74
	Increase/(Decrease) in trade and other payables		216.38	63.55
	Cash generated from Operations		**380.70**	**861.10**
	Direct taxes paid (net)		(141.26)	(140.86)
	Net cash flow from/(used in) Operating activities	(A)	**239.44**	**720.24**
B.	**Cash flow from Investing activities**			
	Purchase of fixed assets, including capital advances		(1,033.68)	(156.62)
	Sale of fixed assets		1.92	5.96
	Loan given to others		(1,360.00)	(1,750.00)
	Loan repaid by others		1,510.00	1,200.00
	Refund of share application money given to Others		105.84	-
	Investment in Subsidiary		(200.00)	(0.50)
	Sale of Investment in Subsidiary		200.50	-
	Investment in Associate		(39.00)	-
	Deposits with Banks (net)		-	50.00
	Interest received		257.61	18.00
	Dividend received		36.00	48.65
	Net cash flow from/(used in) Investing activities	(B)	**(520.81)**	**(584.51)**
C.	**Cash flow from Financing activities**			
	Proceeds from long-term borrowings		674.25	-
	Repayment of long-term borrowings		(170.00)	(180.00)
	Proceeds from working capital loan		200.00	1,200.00
	Repayment of working capital loan		(200.00)	(1,600.00)
	Proceeds from cash credit (net)		(50.68)	469.78
	Proceeds from vehicle loans		-	8.17
	Repayment of vehicle loans		(5.58)	(11.26)
	Interest paid		(86.35)	(91.79)
	Net cash flow from/(used in) Financing activities	(C)	**361.64**	**(205.10)**

₹ million

			2014	2013
	Net Cash flow / (outflow) during the year	(A+B+C)	**80.27**	**(69.37)**
	Cash and Cash equivalents at the beginning of the year		33.99	103.36
	Cash and Cash equivalents at the end of the year		**114.26**	**33.99**
	Add: Balances earmarked		0.68	0.68
	Cash and Bank balances at the end of the year		**114.94**	**34.67**

Note:

Previous year's figures are regrouped, rearranged or recast, wherever considered necessary to conform to this year's classification.

As per our attached report of even date

For MGB & Co
Chartered Accountants

Hitendra Bhandari
Partner

Place: Mumbai
Date: May 21, 2014

For and on behalf of the Board

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

PERFORMANCE RATIOS & ANALYSIS

₹ million

Year Ending March 31,	Consolidated					Standalone				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Revenue Account										
Income from Operations	3,351.6	3,038.2	3,072.2	2,767.9	5,292.9	3,048.6	2,667.9	2,733.3	2,430.5	5,077.5
Total Expenses	3,096.8	2,662.8	2,538.7	2,343.9	4,368.5	2,886.1	2,418.1	2,330.8	2,165.2	4,213.7
Operating Profit	254.8	375.4	533.5	424.0	924.4	162.5	249.8	402.5	265.4	863.8
% to Income from Operations	7.6%	12.4%	17.4%	15.3%	17.5%	5.3%	9.4%	14.7%	10.9%	17.0%
Other Income	235.8	208.1	155.5	113.2	185.4	253.2	251.3	145.0	108.5	15.7
PBIDT	490.6	583.5	689.0	537.2	1,109.8	415.7	501.1	547.5	373.8	879.4
Financial Expenses	103.4	87.9	106.6	125.7	261.4	103.3	87.9	106.6	125.7	92.3
Depreciation/Amortisation	160.7	119.5	112.1	100.8	112.3	146.4	106.9	101.4	92.4	104.8
Profit Before Tax & Exceptional Items	226.5	376.1	470.3	310.7	736.2	166.0	306.3	339.5	155.8	682.3
Expectional Items	(59.9)	(46.0)	166.7	-	-	(59.9)	(46.0)	166.7	-	-
Profit Before Tax	286.4	422.1	303.6	310.7	736.2	225.8	352.3	172.8	155.8	682.3
Tax	73.2	148.3	152.5	103.1	267.9	37.7	109.3	110.8	58.0	242.7
Profit after Tax & before Minority Interest	213.2	273.8	151.1	207.6	468.3	188.2	243.0	62.0	97.8	439.7
Less: Minority Interest	23.9	(32.0)	(35.6)	(43.9)	(11.5)	-	-	-	-	-
PAT	237.1	241.8	115.5	163.7	456.8	188.2	243.0	62.0	97.8	439.7
% to Total Income	6.6%	7.4%	3.6%	5.7%	8.3%	5.7%	8.3%	2.2%	3.9%	8.6%
Dividend	-	-	-	-	-	-	-	-	-	-
Dividend Rate %	-	-	-	-	-	-	-	-	-	-
Capital Account										
Share Capital - Equity	239.8	239.8	239.8	239.8	239.8	239.8	239.8	239.8	239.8	239.8
Share Capital - Preference	-	-	-	-	-	-	-	-	-	-
Reserves & Surplus	2,071.3	1,888.1	1,654.2	1,538.8	1,375.1	1,979.7	1,791.5	1,548.5	1,486.5	1,388.7
Deferred Tax Balances	-	-	-	-	-	-	-	-	-	-
Minority Interest	116.6	120.8	126.0	108.9	64.9	-	-	-	-	-
Loan Funds	1,114.6	666.6	780.0	522.6	1,689.1	1,114.6	666.6	779.9	522.4	1,688.8
Capital Employed	**3,542.3**	**2,915.3**	**2,800.0**	**2,410.1**	**3,368.9**	**3,334.1**	**2,698.1**	**2,568.2**	**2,248.7**	**3,317.3**
Fixed Assets	1,405.6	903.8	844.7	914.8	952.4	1,268.1	774.9	723.0	795.6	850.9
Investments	39.0	-	-	60.9	60.9	122.3	83.8	83.3	144.2	144.2
Deferred Tax Balances	43.5	26.5	27.0	5.4	25.8	57.1	38.6	38.7	15.9	21.1
Net Current Assets	2,054.2	1,985.0	1,928.3	1,429.0	2,329.8	1,886.6	1,800.8	1,723.2	1,293.0	2,301.1
Misc. Expenditure (to the extent not W/O)	-	-	-	-	-	-	-	-	-	-
Capital Deployed	**3,542.3**	**2,915.3**	**2,800.0**	**2,410.1**	**3,368.9**	**3,334.1**	**2,698.1**	**2,568.2**	**2,248.7**	**3,317.2**
Closing Market Price Per Share of ₹ 1	14.0	13.40	10.3	12.2	68.1	14.0	13.4	10.3	12.2	68.1
Market Capitalisation	3,363.9	3,200.8	2,467.2	2,913.1	16,327.9	3,363.9	3,200.8	2,467.2	2,913.1	16,327.9

₹ million

Year Ending March 31,		Consolidated					Standalone				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Financial Performance											
Advertisement Income/Income from Operations	(%)	65.8	66.5	65.2	70.9	79.1	62.4	61.8	60.9	67.3	78.4
Subscription Income/Income from Operations	(%)	29.8	27.7	24.2	26.6	18.8	32.8	31.6	27.2	29.8	19.5
Operating Profit/Income from Operations	(%)	7.6	12.4	17.4	15.3	17.5	5.3	9.4	14.7	10.9	17.0
Other Income/Total Income	(%)	6.6	6.4	4.8	3.9	3.4	7.7	8.6	5.0	4.3	0.3
Programming Cost/Income from Operations	(%)	19.7	17.4	23.1	21.3	36.8	20.3	16.6	23.4	21.2	36.9
Personnel Cost/Income from Operations	(%)	29.6	28.9	24.3	25.0	14.9	29.1	29.0	24.2	25.8	14.4
Selling & Admin. Expenses/Income from Operations	(%)	43.1	41.3	35.6	38.4	30.9	45.2	45.1	37.8	42.2	19.6
Total Operating Cost/Income from Operations	(%)	92.4	87.6	82.6	84.7	82.5	94.7	90.6	85.3	89.1	83.0
Financial Expenses/Income from Operations	(%)	3.1	2.9	3.5	4.5	4.9	3.4	3.3	3.9	5.2	1.8
Tax/Income from Operations	(%)	2.2	4.9	5.0	3.7	5.1	1.2	4.1	4.1	2.4	4.8
PAT for the year/Total Income	(%)	6.6	7.4	3.6	5.7	8.3	5.7	8.3	2.2	3.9	8.6
Tax / PBT	(%)	25.6	35.1	50.2	33.2	36.4	16.7	31.0	64.1	37.2	35.6
Dividend Payout/PAT for the year	(%)	-	-	-	-	-	-	-	-	-	-
Dividend Payout/Effective Net Worth	(%)	-	-	-	-	-	-	-	-	-	-
Balance Sheet											
Debt-Equity Ratio (Total Loans/Effective Net Worth)	(x)	0.5	0.3	0.4	0.3	1.1	0.5	0.3	0.5	0.3	1.2
Current Ratio (Current Assets/Current Liabilities)	(x)	1.9	2.0	2.1	2.2	3.9	1.8	1.9	2.0	2.1	4.1
Capital Output Ratio (Income from Operations/ Eff.Cap.Employed)	(x)	1.0	1.1	1.1	1.2	1.6	1.0	1.0	1.1	1.2	1.6
Fixed Assets Turnover (Income from Operations/ F.A)	(x)	2.4	3.4	3.6	3.0	5.6	2.4	3.4	3.8	3.1	6.0
Cash & Cash equivalents/Total Eff. Capital Employed	(%)	4.7	4.4	9.9	37.4	4.4	3.6	1.3	6.3	38.6	3.0
RONW (PAT for the year/Eff. Networth)	(%)	10.1	10.9	5.8	9.0	28.7	9.2	12.7	3.7	6.2	30.0
ROCE (PBIT/Eff. Capital Employed)	(%)	9.5	16.1	20.8	18.6	30.4	8.5	15.3	18.2	13.5	24.6
Per Share Data *											
Revenue Per Share	(₹)	14.0	12.7	12.8	11.5	22.1	12.7	11.1	11.4	10.1	21.2
Dividend Per Share	(₹)	-	-	-	-	-	-	-	-	-	-
Indebtedness Per Share	(₹)	4.6	2.8	3.3	2.2	7.0	4.6	2.8	3.3	2.2	7.0
Earnings Per Share	(₹)	0.8	1.0	0.5	0.7	1.9	0.8	1.0	0.3	0.4	1.8
P.E Ratio (Share Price as of March 31,)	(x)	17.8	13.2	21.4	17.8	35.7	17.9	13.2	39.8	29.8	37.1

Notes:

* Annualised

Previous years figures have been regrouped wherever necessary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Zee Media Corporation Limited
(Formerly known as Zee News Limited)

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Zee Media Corporation Limited** (Formerly known as Zee News Limited) ("the Company"), its subsidiary and associate (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 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 subsidiary and associate 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 March 31, 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.

Other Matter

7. We did not audit the financial statements of a subsidiary of the Group whose financial statements reflect revenue of ₹ 302 Million, total assets of ₹ 325 Million and the net cash outflows amounting to ₹ 45 Million, and the Group's share of profit of associate of ₹ Nil. 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 the subsidiary and associate is based solely on the reports of the other auditors.

8. The financial statements of a subsidiary with Group's share of revenue of ₹ 17 Million which has been sold during the year have been consolidated based on the management accounts and therefore unaudited.

   Our opinion is not qualified in respect of these matters.

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

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, May 21, 2014

Essel GROUP

CONSOLIDATED BALANCE SHEET as at March 31,

₹ million

	Note	2014	2013
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	239.76	239.76
Reserves and Surplus	4	2,071.34	1,888.15
		2,311.10	**2,127.91**
Minority Interest		**116.64**	**120.82**
Non-Current Liabilities			
Long-Term Borrowings	5	678.84	6.25
Long-Term Provisions	6	106.99	94.94
		785.83	**101.19**
Current Liabilities			
Short-Term Borrowings	7	431.86	482.54
Trade Payables	8	140.22	81.06
Other Current Liabilities	8	667.89	744.17
Short-Term Provisions	6	10.09	2.61
		1,250.06	**1,310.38**
Total		**4,463.63**	**3,660.30**
Assets			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		1,297.50	839.81
Intangible Assets		80.80	19.54
Capital work-in-progress		27.28	44.44
		1,405.58	903.79
Non-Current Investments	10	39.00	-
Deferred Tax Assets (net)	11	43.45	26.52
Long-Term Loans and Advances	12	546.18	89.51
Other Non-Current Assets	13	4.50	4.35
		2,038.71	**1,024.17**
Current Assets			
Inventories	14	1.59	1.90
Trade Receivables	15	875.76	887.64
Cash and Bank Balances	16	162.79	128.33
Short-Term Loans and Advances	12	1,319.19	1,461.19
Other Current Assets	13	65.59	157.07
		2,424.92	**2,636.13**
Total		**4,463.63**	**3,660.30**
Notes forming part of the consolidated financial statements	1 - 38		

As per our attached report of even date

For MGB & Co
Chartered Accountants

Hitendra Bhandari
Partner

Place: Mumbai
Date: May 21, 2014

For and on behalf of the Board

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

for the year ended March 31,

₹ million

	Note	2014	2013
Revenue			
Revenue from Operations	17	3,351.63	3,038.19
Other Income	18	235.80	208.06
Total		**3,587.43**	**3,246.25**
Expenses			
Operational cost	19	661.25	529.59
Employee benefits expense	20	990.96	877.10
Finance costs	21	103.38	87.90
Depreciation and amortisation expense	22	160.71	119.48
Other expenses	23	1,444.63	1,256.13
Total		**3,360.93**	**2,870.20**
Profit before exceptional items and tax		**226.50**	**376.05**
Add : Exceptional Items	24	59.89	45.96
Profit before tax		**286.39**	**422.01**
Less: Tax expense			
Current Tax			
- Current year		99.93	144.38
- Earlier years		(9.47)	3.46
Deferred Tax		(17.28)	0.49
Profit after Tax before minority interest and share of profit/(loss) of associate		**213.21**	**273.68**
Less : Minority interest		**23.89**	**32.00**
Add: Share of profit/(loss) of associate		**-**	**-**
Profit for the year		**189.32**	**241.68**
Earnings per equity share (face value ₹ 1 each)	38		
- Basic and Diluted before exceptional items		0.54	0.82
- Basic and Diluted after exceptional items		0.79	1.01
Notes forming part of the consolidated financial statements	1 - 38		

As per our attached report of even date

For MGB & Co
Chartered Accountants

Hitendra Bhandari
Partner

Place: Mumbai
Date: May 21, 2014

For and on behalf of the Board

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 A Corporate Information

Zee Media Corporation Limited (hereinafter referred to as 'the parent company', 'the Company' or 'ZMCL') together with subsidiaries and associate (collectively known as "the Group") is mainly in the business of broadcasting of news, current affairs and programs and derives revenue from advertisement and subscription. The Group also derives revenue from sale of television programs including program feeds. The name of the Company is changed to Zee Media Corporation Limited as per the revised Certificate of Incorporation dated July 6, 2013 issued by the Registrar of Companies, Maharashtra.

B Basis of Consolidation

(a) 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.

(b) 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, unrealized 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.

(c) The CFS are prepared using uniform accounting policies for transactions and other events in similar circumstances, except in case of subsidiary, where inventories are valued on First In First Out (FIFO) basis. The value of such inventory, as at March 31, 2014 is ₹ 0.16 million. No adjustment has been made for such policy difference.

(d) 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	Country of Incorporation
Direct Subsidiaries		
Zee Akaash News Private Limited	60% (60%)	India
24 Ghantalu News Limited ^	Nil (100%)	India

^ Incorporated during the year ended March 31, 2013 and sold on December 24, 2013.

(e) 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
Maurya TV Private Limited *	37.87% (Nil)	India

* Acquired during the year.

2. Significant Accounting Policies

A Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts 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 recognized in the period in which the results are known/ materialized.

B Comparatives

Previous years figures have been regrouped, rearranged or recasted wherever necessary to conform to this year's classification. Figures in brackets pertain to previous year. The CFS is not comparable, in view of sale of subsidiary during the current year, as referred above.

C 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.

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 the 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 / Amortization on tangible / intangible assets

a) Depreciation on tangible fixed assets is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956.

b) Leasehold Improvements are amortized over the period of Lease.

c) Intangible assets are amortised on a straight line basis over the economic useful life estimated by the management.

H Investments

a) 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 are classified as long-term investments.

b) 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.

I Transactions in foreign currencies

a) Foreign currency transactions are accounted at the exchange rates prevailing on the date of such 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.

J Revenue recognition

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

b) Sales (including television programs) are recognized when the significant risks and rewards have been transferred to the customers.

c) Revenue from other services including franchisee fee revenue is recognized as and when such services are completed / performed.

d) Dividend income is recognized when the Company's right to receive dividend is established.

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

K Inventories

a) Inventories of television programs (completed, under production, available for sale) are stated at lower of cost/ unamortized cost or net realizable value. Cost comprises acquisition / direct production costs and other allocated production overheads. Where the realizable value on the basis of its estimated useful life is less than its carrying amount, the difference is expensed as impairment. Programs are expensed / amortized as under:

i) Programs- news / current affairs / chat shows / events etc are fully expensed on telecast.

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

b) Raw Stock – Tapes are valued at lower of cost or estimated net realizable value. Cost is taken on weighted average basis.

L Retirement and other employee benefits

a) 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.

b) Post employment and other long term employee benefits are recognized 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

a) 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.

b) Deferred tax is recognized, 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

a) Finance lease

Assets acquired under finance lease are capitalized 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 recognized with the asset under lease.

b) 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 under operating leases are recognized as expense 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 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.

P Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

3. Share Capital

₹ million

	2014	2013
Authorised		
1,000,000,000 (1,000,000,000) Equity Shares of ₹ 1 each	1,000.00	1,000.00
	1,000.00	**1,000.00**
Issued, Subscribed and Paid up		
239,763,956 (239,763,956) Equity Shares of ₹ 1 each fully paid up	239.76	239.76
Total	239.76	239.76

a) Reconciliation of number of Equity shares and Share capital

	2014		2013	
	Number of equity shares	₹ million	Number of equity shares	₹ million
At the beginning of the year	239,763,956	239.76	239,763,956	239.76
Changes during the year	-	-	-	-
Outstanding at the end of the year	**239,763,956**	**239.76**	**239,763,956**	**239.76**

b) 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 if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

c) Details of shares held by Holding Company

Name of the Shareholder	2014	2013
25FPS Media Private Limited (extent of holding 53.34%)	127,898,710	127,898,710

d) Details of Shareholders holding more than 5 percent of the aggregate shares in the Company:

Name of Shareholder	2014		2013	
	Number of equity shares	% Shareholding	Number of equity shares	% Shareholding
25FPS Media Private Limited	127,898,710	53.34%	127,898,710	53.34%
HDFC Trustee Company Limited- HDFC Prudence Fund	17,467,103	7.29%	17,467,103	7.29%

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.

e) There are no bonus shares issued, shares issued for consideration other than cash and shares bought back during five years preceding March 31, 2014.

f) 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 March 31, 2009 i.e. up to 11,988,000 equity shares of Re. 1 each, to the employees of the Company as well as that of its subsidiaries and also to the 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. The Company has not granted any options till March 31, 2014.

4. Reserves and Surplus

₹ million

	2014	2013
Capital Reserve		
As per last Balance Sheet	96.79	96.79
Securities Premium		
As per last Balance Sheet	76.50	76.50
General Reserve		
As per last Balance Sheet	98.00	90.00
Add: Appropriated during the year	5.97	8.00
	103.97	98.00
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	1,616.86	1,390.96
Add: Profit for the year	189.32	241.68
Less: Transferred to General Reserve	5.97	8.00
Less: Tax on Interim Dividend	6.13	7.78
	1,794.08	1,616.86
Total	2,071.34	1,888.15

5. Long-Term Borrowings - Secured

₹ million

	Non- Current		Current	
	2014	2013	2014	2013
Term Loan from Bank (Refer (a) and (b) below)	674.25	-	-	170.00
Vehicle Loans (Refer (c) below)				
- from Banks	2.63	2.68	2.31	5.65
- from Others	1.96	3.57	1.62	2.20
	678.84	6.25	3.93	177.85
Less: Amount disclosed under "Other Current Liabilities" (Refer 'Note 8')	-	-	3.93	177.85
Total	678.84	6.25	-	-

a) Term Loan from bank ₹ 674.25 million (₹ Nil) is secured by way of first hypothecation charge on entire movable fixed assets except vehicles, carries interest @ 12% p.a. payable monthly and repayable in 14 quarterly installments commencing from October 2015.

b) Term Loan from bank ₹ Nil (₹ 170.00 million) is secured by way of first hypothecation charge on entire movable fixed assets except vehicles, carries interest @ 12.95% to 13.05% p.a. payable monthly. The loan is fully repaid in the current year.

c) Vehicle Loans from Banks and Others are secured by way of hypothecation of vehicles, carries interest ranging from 7.50% to 12.25% p.a. and repayable upto September 2016.

6. Provisions

₹ million

	Long-Term		Short-Term	
	2014	2013	2014	2013
Provision for employee benefits:				
- Gratuity	69.36	62.03	5.47	1.48
- Leave benefits	37.63	32.91	4.62	1.13
Total	106.99	94.94	10.09	2.61

7. Short-Term Borrowings - Secured

₹ million

	2014	2013
Cash Credit from Bank	431.86	482.54
Total	**431.86**	**482.54**

Cash Credit loan from bank is secured by way of hypothecation charge on entire current assets and collaterally secured by first hypothecation charge on entire movable fixed assets except vehicles.

8. Current Liabilities

₹ million

	2014	2013
Trade Payables	140.22	81.06
	140.22	**81.06**
Other Current Liabilities		
Current maturities of long-term borrowings (Refer 'Note 5')	3.93	177.85
Interest accrued but not due on borrowings	6.04	1.94
Unearned Revenue	54.57	33.45
Advance received from customers	37.57	23.48
Deposits received from distributors	**6.08**	**3.43**
Creditors for Capital expenditure	42.63	38.24
Unclaimed Dividends ^	0.68	0.68
Statutory dues payable	56.24	38.99
Other Payables	460.15	426.11
	667.89	**744.17**
Total	**808.11**	**825.23**

^ There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2014.

9. Fixed Assets

₹ million

Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 1, 2013	Additions	Deductions	As at March 31, 2014	Upto March 31, 2013	For the year	Deductions	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets										
Plant and Machinery	1,024.05	578.80	133.92	1,468.93	361.80	96.53	73.82	384.51	1,084.42	662.25
Equipments	61.65	14.31	4.23	71.73	13.21	3.09	1.15	15.15	56.58	48.44
Computers	92.05	39.13	4.55	126.63	38.93	16.39	3.64	51.68	74.95	53.12
Furniture and Fixtures	30.85	2.98	3.77	30.06	13.10	3.38	1.77	14.71	15.35	17.76
Vehicles	60.83	1.55	1.43	60.95	12.48	5.71	0.95	17.24	43.71	48.34
Leasehold Improvements	22.12	17.89	-	40.01	12.22	5.30	-	17.52	22.49	9.90
Total	**1,291.55**	**654.66**	**147.90**	**1,798.31**	**451.74**	**130.40**	**81.33**	**500.81**	**1,297.50**	**839.81**
Previous Year	1,193.90	176.54	78.89	1,291.55	387.14	106.01	41.41	451.74	839.81	
Intangible Assets										
Computer Software	101.18	91.56	3.02	189.72	81.64	30.31	3.03	108.92	80.80	19.54
Total	**101.18**	**91.56**	**3.02**	**189.72**	**81.64**	**30.31**	**3.03**	**108.92**	**80.80**	**19.54**
Previous Year	92.14	9.04	-	101.18	68.17	13.47	-	81.64	19.54	
Capital Work-in-Progress									**27.28**	**44.44**

Note:

Current year deductions in gross block of Plant and Machinery includes ₹ 7.13 million (₹ NIL) and depreciation for the year is net of ₹ 0.38 million (₹ NIL) being Cenvat Credit availed during the current year for assets capitalised in the previous year ended March 31, 2013.

10. **Non-Current Investments** (valued at cost unless otherwise stated)

₹ million

	2014	2013
Trade Investments (Equity shares of ₹ 10 each, fully paid up) - Unquoted		
In Associate		
8,380,241 (Nil) of Maurya TV Private Limited (extent of holding 37.87%) (includes unamortised goodwill of ₹ 22.51 million)	39.00	-
In Others		
435,000 (435,000) of Akash Bangla Private Limited (extent of holding 11.93%)	60.90	60.90
Less: Provision for diminution in value of investment	60.90	60.90
	-	-
Total	**39.00**	**-**
Aggregate amount of unquoted Investments	99.90	60.90
Diminution in value of investments	60.90	60.90

11. **Deferred Tax Assets (net)**

₹ million

	2014	2013
Deferred Tax Assets		
Arising on account of timing difference in employee retirement benefits	39.79	33.16
Allowable on payment basis	57.13	41.68
Provision for doubtful debts and advances	15.97	11.94
Preliminary expenses	-	0.43
	112.89	**87.21**
Deferred Tax Liabilities		
Depreciation	69.44	60.69
	69.44	**60.69**
Deferred Tax Assets (net)	**43.45**	**26.52**

12. **Loans and Advances** (unsecured, considered good unless otherwise stated)

₹ million

	Long-Term		Short-Term	
	2014	2013	2014	2013
Capital Advances				
Related Parties	1.89	-	-	-
Others (Refer 'Note 29')	334.44	4.36	-	-
	336.33	4.36	-	-
Deposits				
Related Parties	19.36	-	-	-
Others	60.44	37.57	3.00	2.50
	79.80	37.57	3.00	2.50

₹ million

	Long-Term		Short-Term	
	2014	2013	2014	2013
Loans and Advances to Related Parties				
Loans	-	-	1,100.00	1,250.00
Other Advances	-	-	5.05	76.85
	-	-	1,105.05	1326.85
Advance Share Application Money	-	-	-	105.84
Less: Provision for doubtful advance	-	-	-	59.88
	-	-	-	45.96
Other Loans and Advances				
Loan to Employee	8.86	13.79	5.06	4.41
Advances				
- considered good	-	-	90.05	30.52
- considered doubtful	-	-	0.87	0.87
	8.86	13.79	95.98	35.80
Less: Provision for doubtful advances	-	-	0.87	0.87
	8.86	13.79	95.11	34.93
Prepaid expenses	2.53	0.22	10.63	11.84
Balances with Government authorities				
Advance direct tax (net of provisions)	118.66	33.57	12.46	8.19
Advance indirect taxes	-	-	92.94	30.92
Total	546.18	89.51	1,319.19	1,461.19

13. Other Assets

₹ million

	Non-Current		Current	
	2014	2013	2014	2013
Balances with bank in deposit accounts* (Refer 'Note 16')	4.35	4.35	-	-
Interest accrued on - Bank deposits	0.15	-	0.61	3.63
- Loan to related parties	-	-	39.57	138.14
- Other advances	-	-	16.01	-
Other receivables	-	-	9.40	15.30
Total	4.50	4.35	65.59	157.07

* Pledged with Statutory Authorities.

14. Inventories

₹ million

	2014	2013
Raw Stock - Tapes	1.59	1.90
Total	1.59	1.90

15. Trade Receivables (unsecured)

₹ million

	2014	2013
Over six months		
considered good	41.23	62.66
considered doubtful	46.97	35.12
Others		
considered good	834.53	824.98
considered doubtful	-	-
	922.73	922.76
Less: Provision for doubtful debts	46.97	35.12
Total	875.76	887.64

16. Cash and Bank Balances

₹ million

	Non-Current		Current	
	2014	2013	2014	2013
Cash and Cash Equivalents				
Balances with Banks - in Current accounts	-	-	141.45	57.13
- in Deposit accounts	-	-	20.00	-
Cash in Hand	-	-	0.66	0.52
	-	-	162.11	57.65
Other Bank Balances				
Balances with Banks				
Fixed Deposits with maturity for more than 3 months but less than 12 months	-	-	-	70.00
Fixed Deposits with maturity more than 12 months	4.35	4.35	-	-
In Unclaimed dividend accounts	-	-	0.68	0.68
	4.35	4.35	0.68	70.68
Less: Amount disclosed under the head "Other Assets" (Refer 'Note 13')	4.35	4.35	-	-
	-	-	0.68	70.68
Total	-	-	162.79	128.33

17. Revenue from Operations

₹ million

	2014	2013
Services - Broadcasting Revenue		
Advertisement	2,205.16	2,019.91
Subscription	999.00	842.65
Sales -		
Television Programs	143.36	115.07
Franchise Fee Revenue	-	30.49
Other Operating Income	4.11	30.07
Total	3,351.63	3,038.19

18. Other Income

₹ million

	2014	2013
Interest Income		
from Bank Deposits	1.70	6.25
from Loans	172.17	153.49
from Others	17.90	0.96
Dividend Income		
from Current Investments	-	0.65
Liabilities / Excess provisions written back	43.30	33.28
Miscellaneous Income	0.73	13.43
Total	235.80	208.06

19. Operational Cost

₹ million

	2014	2013
a) Television Programs		
Opening	-	6.89
	-	6.89
Add: Production/ Acquisition Cost		
Program Purchased	28.41	-
Raw tapes consumed	2.59	2.93
Consultancy and Professional charges	161.74	125.27
News Subscription fees	41.97	37.89
Vehicle running, maintenance and Hire charges	72.37	59.30
Travelling and Conveyance expenses	21.36	21.58
Lease-line and V-Sat expenses	60.74	51.33
Other Production expenses	104.44	100.63
	493.62	398.93
Less: Closing	-	-
	-	-
	493.62	405.82
b) Telecast cost	145.13	123.77
c) Loss on Channel Management (Refer 'Note 30')	22.50	-
Total	661.25	529.59

20. Employee benefits expense

₹ million

	2014	2013
Salaries and allowances	866.48	770.54
Contribution to provident and other funds	51.59	45.34
Staff welfare expenses	68.90	60.68
Staff recruitment and training expenses	3.99	0.54
Total	990.96	877.10

21. Finance costs

₹ million

	2014	2013
Interest - on Loans	90.22	78.60
- on Others	0.23	7.13
Bank and other financial charges	12.93	2.17
Total	103.38	87.90

22. Depreciation and amortisation expense

₹ million

	2014	2013
Depreciation on tangible assets	130.40	106.01
Amortisation on intangible assets	30.31	13.47
Total	160.71	119.48

23. Other expenses

₹ million

	2014	2013
Rent	82.39	66.67
Rates and Taxes	5.99	5.11
Repairs and Maintenance - Building	3.16	10.81
- Plant and Machinery	40.95	20.21
- Other	25.52	28.51
Insurance	3.49	2.74
Electricity and water charges	82.47	65.92
Communication charges	30.02	20.57
Printing and Stationary expenses	7.96	5.21
Travelling and Conveyance expenses	97.87	74.48
Legal and Professional charges	163.47	89.78
Payment to Auditors (Refer 'Note 35')	2.82	2.57
Donation	1.40	1.45
Hire and Service Charges	38.32	35.59
Miscellaneous expenses	19.57	13.46
Marketing, distribution, business promotion expenses	616.47	656.76
Advertisement and Publicity expenses	108.81	77.75
Commission/ Discount on services	29.28	35.57
Provision for doubtful debts and advances	11.85	2.57
Bad debts / advances written off (₹ 2,899 in current year)	-	5.65
Loss on sale/discard of fixed assets (net)	57.45	31.52
Loss on exchange difference (net)	5.32	1.50
Preliminary expenses	-	1.73
Loss on sale of subsidiary	10.05	-
Total	1,444.63	1,256.13

24. Exceptional items

₹ million

	2014	2013
Provision for doubtful share application money written back	59.89	45.96
Total	59.89	45.96

25. Operating Lease

The Group has taken office premises, 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 period is generally for 11 to 120 months.

₹ million

	2014	2013
Lease rental charges for the year	165.48	129.58
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	83.05	74.78
Later than one year but not later than five years	33.93	93.12
Later than five years	-	-

26. Contingent Liabilities not provided for

₹ million

	2014	2013
Custom Duty pending export obligations	18.18	18.18
Disputed Direct Taxes	362.69	9.31
Disputed Indirect Taxes	142.63	-
Corporate Guarantee given	2,540.00	-
Legal cases against the Company *	Not Ascertainable	Not Ascertainable

*The Group has received legal notices of claims / law suits filed against it relating to infringement of copy rights, defamation suits etc. in relation to programs telecasted / other matters. In the opinion of the management, no material liability is likely to arise on account of such claims / law suits.

27. Capital and Other Commitments

(a) Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ 57.88 million (₹ 53.21 million).

(b) The Company has entered into a share purchase agreement for acquiring equity shares of Maurya TV Private Limited subject to necessary approval from regulatory authorities. Pursuant to the agreement, the Company has acquired certain shares and balance commitment as at balance sheet date is ₹ 38.92 million.

28. Foreign Exchange

Foreign currency exposures that are not hedged by derivative instruments as at March 31, are as under:

₹ million

	2014	2013
Payables	33.11	58.67
Receivables	113.28	121.90

29. During the year, the Group has given advances of ₹ 246.25 million to certain parties for purchase of fixed assets. However, the contracts could not be executed and accordingly the capital advances have been received back subsequent to the balance sheet date.

30. The Company has entered into a channel management agreement i.e. operation and management of channel owned by a party. As per the agreed terms, the Company has agreed to bear all costs / expenses and losses that may be incurred in the operation of the channel and in case of net surplus after recovering of costs / expenses, share the surplus with the said party in the agreed ratio.

31. **Managerial Remuneration**

(a) Details of remuneration paid to Whole-time Director is as under:

₹ million

	2014	2013
Salaries, allowances and perquisites*	10.14	-
Contribution to provident and other funds	0.66	-
Total	10.80	-

* Excludes leave encashment and gratuity provided on the basis of actuarial valuation on an overall Company basis.

Mr. Alok Agrawal is appointed as a Whole-time Director of the Company w.e.f. July 30, 2013 for a period of 3 years subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company. Remuneration paid to the Whole-time Director during the period from July 30, 2013 to March 31, 2014 amounting to ₹ 10.80 million is subject to shareholders' approval. Mr. Alok Agrawal resigned as Whole-time Director with effect from close of business on May 12, 2014.

(b) Commission payable to Non Executive Directors of ₹ 1.20 million (₹ 1.60 million) based on profits for the year ended March 31, 2014 is included in 'Miscellaneous expenses' under Note 23 "Other expenses".

32. Related Party Transactions

(i) List of Parties where control exists:

Holding Company:

25 FPS Media Private Limited (Holding 53.34%)

Ultimate Holding Company:

- 25 FPS Media Private Limited held by Essel Corporate Resources Private Limited (upto June 10, 2013)
- Essel Corporate Resources Private Limited held by Prime Publishing Private Limited (upto June 10, 2013)
- 25 FPS Media Private Limited held by Prime Publishing Private Limited (w.e.f. June 11, 2013)
- Prime Publishing Private Limited held by Sprit Textiles Private Limited (w.e.f. October 1, 2012)

Fellow Subsidiaries:

Bioscope Cinemas Private Limited, Direct Media Distribution Ventures Private Limited, Mediavest India Private Limited, Pri - Media Services Private Limited, Diligent Media Corporation Limited.

Associate:

Maurya TV Private Limited (extent of holding 37.87% w.e.f. October 7, 2013)

(ii) Other Related Parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year:

Asia Today Limited, Cyquator Media Services Private Limited, Dish TV India Limited, Digital Subscriber management & Consultancy Services Private Limited (Formerly known as Buddha Films Private Limited), Digital Ventures Private Limited, Essel International Limited, Essel Publishers Private Limited, Essel Shyam Communication Limited, India Webportal Private Limited, Media Pro Enterprise India Private Limited, Pan India Network Limited, Procall Private Limited, Rama Associates Limited, Siti Cable Network Limited, Smart Wireless Private Limited, Taj Television (India) Private Limited, Zee Entertainment Enterprises Limited, Zee Foundation, Zee Learn Limited, Zee Sports Limited, Zee Telefilms Middle East FZ LLC, Zee Turner Limited.

Key Management Personnel

Dr. Subhash Chandra (Non-Executive Chairman), Shri Punit Goenka (up to September 27, 2013), Shri Alok Agrawal (w.e.f. July 30, 2013)

(iii) Transactions with Related Parties:

₹ in million

	2014	2013
(A Transactions :		
(i) With Holding Company		
- Essel Corporate Resources Private Limited		
- Legal and Professional charges	3.12	15.60
(ii) With Fellow Subsidiary Company		
- Diligent Media Corporation Limited		
- Loans, Advances and Deposits given	260.00	1,250.00
- Loans, Advances and Deposits repayment received	1,510.00	-
- Revenue from Broadcasting services	-	0.53
- Interest income	111.31	4.62
- Rent paid	6.00	-
- Advertisement and Publicity expenses	0.86	-
- Printing and stationery expenses	1.26	-
- Pri - Media Services Private Limited		
- Corporate guarantee given	2,540.00	-
(iii) With Associate		
- Maurya TV Private Limited		
- Investment in equity shares	21.32	-
- Security deposit given	19.36	-
- Channel management fee paid	22.50	-
- Subscription fee paid	7.76	-
(iv) With Other Related Parties:		
• Revenue from Broadcasting services	1,042.76	874.51
Media Pro Enterprise India Private Limited	999.00	840.00
Other Related Parties	43.76	34.51
• Sale of Television programs	143.37	115.07
Asia Today Limited	143.37	115.07
• Other operating income	0.34	5.89
Zee Entertainment Enterprises Limited	0.34	5.89
• Interest income	43.96	148.87
Essel Publishers Private Limited	43.96	-
Essel International Limited	-	148.87
• Purchase of fixed assets / capital work in progress	2.43	3.21
Zee Entertainment Enterprises Limited	-	3.21
Dish TV India Limited	2.43	-
• Purchase of services		
• Lease-line & V-Sat expenses	44.19	41.88
Dish TV India Limited	25.36	23.05
Essel Shyam Communication Limited	18.83	18.83
• Telecast cost	64.85	59.96
Dish TV India Limited	41.55	34.12
Zee Entertainment Enterprises Limited	23.30	25.84
• Rent	34.34	26.81
Zee Entertainment Enterprises Limited	34.34	26.81
• Marketing, distribution, business promotion expenses	51.06	55.45
Siti Cable Network Limited	51.06	55.45

₹ in million

	2014	2013
• **Advertisement and publicity expenses**	**8.62**	**-**
Dish TV India Limited	1.15	-
Zee Entertainment Enterprises Limited	7.47	-
• **Other services**	**74.96**	**39.17**
Zee Entertainment Enterprises Limited	58.33	37.59
Essel Corporate Resources Private Limited	15.61	-
Other Related Parties	1.02	1.58
• **Managerial remuneration**		
• **Directors / Key management personnel**	**11.20**	**0.40**
Dr. Subhash Chandra	0.40	0.40
Shri Alok Agrawal	10.80	-
• **Loans, Advances and Deposits given**	**1,101.89**	**575.00**
Essel Publishers Private Limited	1,100.00	-
Essel International Limited	-	500.00
Digital Ventures Private Limited	-	75.00
Other Related Parties	1.89	-
• **Loans, Advances and Deposits repayment received**	**75.00**	**1,214.59**
Essel International Limited	-	1,200.00
Digital Ventures Private Limited	75.00	-
Other Related Parties	-	14.59
• **Balances written back**	**0.01**	**0.70**
Zee Turner Limited	-	0.70
Zee Learn Limited	0.01	-
• **Donation**	**1.30**	**1.00**
Zee Foundation	1.30	1.00
(B) Balances at the end of the year:		
(i) Holding Company		
- **Essel Corporate Resources Private Limited**		
- Other Payables	-	1.45
(ii) With Fellow Subsidiary Company		
- **Diligent Media Corporation Limited**		
- Loans, Advances and Deposits given	-	1,250.00
- Trade receivables	1.02	-
- Interest receivable	-	4.16
- Other payables	2.05	0.08
- **Pri - Media Services Private Limited**		
- Corporate guarantee given	2,540.00	-
(iii) With Associate		
- **Maurya TV Private Limited**		
- Investment in equity shares	39.00	-
- Security deposit given	19.36	-
- Trade payables	7.76	-

	2014	2013
(iv) Other Related Parties		
• **Trade Receivables**	**370.62**	**359.16**
Media Pro Enterprise India Private Limited	251.76	224.50
Asia Today Limited	97.26	119.31
Other Related Parties	21.60	15.35
• **Loans, Advances and Deposits given**	**1,106.94**	**76.85**
Essel Publishers Private Limited	1,100.00	-
Digital Ventures Private Limited	-	75.00
- Other Related Parties	6.94	1.85
• **Interest Receivable**	**39.57**	**133.98**
Essel Publishers Private Limited	39.57	-
Essel International Limited	-	133.98
• **Trade Payables / Other Payables**	**159.22**	**70.55**
Dish TV India Limited	60.30	31.41
Asia Today Limited	29.16	21.71
Zee Entertainment Enterprises Limited	51.78	12.03
Other Related Parties	17.98	5.40
• **Advances and Deposits received**	**0.07**	**0.07**
Pan India Network Limited	0.07	0.06
Zee Learn Limited	-	0.01

₹ in million

Note :

Parties with transactions less than 10% of the group total are grouped under the head "Other Related Parties".

33. **Prior period items**

Other operating income includes prior period income of ₹ 0.26 million (₹ Nil).

34. Segment Reporting

The Group is engaged in the business of "Production and Broadcasting of Television software" which in the context of AS 17 "Segment Reporting" is considered as the only reportable business segment. The geographical segment is not relevant as exports are insignificant.

35. Payment to Auditors

For Standalone

₹ million

	2014	2013
Audit Fees	1.00	0.80
Tax Audit Fees	0.25	0.25
Certification work (including limited reviews)	1.01	0.74
Tax Representation and other matters	0.17	0.44
Reimbursement of expenses	0.03	0.02
Total	**2.46**	**2.25**

For Subsidiaries

₹ million

	2014	2013
Audit Fees	0.23	0.21
Tax Audit Fees	0.07	0.06
Reimbursement of expenses	0.06	0.05
Total	**0.36**	**0.32**

36. 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 March 31, 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.

37. **Scheme of Amalgamation**

The Scheme of Amalgamation for merger of Essel Publishers Private Limited ("EPPL") with the Company as approved by the Members at the Court convened General Meeting held on October 19, 2013 was approved by Hon'ble High Court of Judicature at Mumbai vide Order dated May 2, 2014, with Appointed Date being April 1, 2014. The Scheme shall be made effective upon filing of the Order with the Registrar of Companies.

38. Earnings per share (EPS)

		2014	2013
a	Profit after tax after exceptional items (₹ million)	189.32	241.68
	Adjustments for :		
	Provision for doubtful share application money written back (₹ million)	(59.89)	(45.96)
b	Profit after tax before exceptional items (₹ million)	129.43	195.72
c	Weighted average number of equity shares for Basic and Diluted EPS (Numbers)	23,97,63,956	23,97,63,956
	Nominal value of each equity share (₹)	1	1
d	Basic and Diluted EPS before Exceptional Items (₹)	0.54	0.82
e	Basic and Diluted EPS after Exceptional Items (₹)	0.79	1.01

CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31,

₹ million

			2014	2013
A.	**Cash flow from Operating activities**			
	Profit before Tax		286.39	422.01
	Adjustments for:			
	Depreciation and amortisation expense		160.71	119.48
	Loss on sale/discard of fixed assets (net)		57.46	31.52
	Loss on sale of Investment		10.05	-
	Interest expense		90.45	85.73
	Interest income		(191.77)	(160.70)
	Dividend income		-	(0.65)
	Liabilities/excess provisions written back		(43.29)	(33.28)
	Provision for doubtful share application money written back		(59.89)	(45.96)
	Provision for doubtful debts and advances		11.85	(0.04)
	Unrealised foreign exchange loss (net)		11.75	3.13
	Operating Profit before working capital changes		**333.71**	**421.24**
	Adjustments for:			
	(Increase)/Decrease in inventories		0.32	8.06
	(Increase)/Decrease in trade and other receivables		(80.23)	478.60
	Increase/(Decrease) in trade and other payables		205.24	63.44
	Cash generated from Operations		**459.04**	**971.34**
	Direct taxes paid (net)		(174.45)	(175.98)
	Net cash flow from/(used in) Operating activities	(A)	**284.59**	**795.36**
B.	**Cash flow from Investing activities**			
	Purchase of fixed assets, including capital advances		(1,056.77)	(176.38)
	Sale of fixed assets		2.00	5.96
	Loan given to others		(1,560.00)	(1,750.00)
	Loan repaid by others		1,510.00	1,200.00
	Refund of share application money given to others		105.84	-
	Decrease in minority interest		(28.08)	(37.19)
	Sale of investment in Subsidiary		200.50	-
	Investment in Associate		(39.00)	-
	Deposits with banks (net)		70.00	20.00
	Interest received		260.31	27.80
	Dividend received		-	0.65
	Net cash flow from/(used in) Investing activities	(B)	**(535.20)**	**(709.16)**
C.	**Cash flow from Financing activities**			
	Proceeds from long-term borrowings		674.25	-
	Repayment of long-term borrowings		(170.00)	(180.00)
	Proceeds from working capital loan		200.00	1,200.00
	Repayment of working capital loan		(200.00)	(1,600.00)
	Proceeds from cash credit (net)		(50.68)	469.78
	Proceeds from vehicle loans		-	8.18
	Repayment of vehicle loans		(5.58)	(11.35)

₹ million

			2014	2013
	Interest paid		(86.35)	(91.81)
	Dividend tax paid		(6.12)	(7.78)
	Net cash flow from/(used in) Financing activities	(C)	**355.52**	**(212.98)**
	Net Cash flow / (outflow) during the year	(A+B+C)	**104.91**	**(126.78)**
	Cash and Cash equivalents at the beginning of the year		57.65	184.43
	Cash and Cash equivalents transferred on sale of subsidiary		(0.45)	-
	Cash and Cash equivalents at the end of the year		**162.11**	**57.65**
	Add: Balances earmarked		0.68	70.68
	Cash and Bank balances at the end of the year		**162.79**	**128.33**

Note:
Previous year's figures are regrouped, rearranged or recast, wherever considered necessary to conform to this year's classification.

As per our attached report of even date

For and on behalf of the Board

For MGB & Co
Chartered Accountants

Dr. Subhash Chandra
Non-Executive Chairman

Surjit Banga
Director

Hitendra Bhandari
Partner

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

Place: Mumbai
Date: May 21, 2014

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANY FOR THE YEAR ENDED MARCH 31, 2014

(₹ million)

Particulars	Zee Akaash News Pvt Ltd
Summary Balance Sheet	
Share Capital	40.00
Reserves & Surplus	251.59
Total Assets	366.33
Total Liabilities	74.75
Investments (excluding subsidiaries)	-
Summary Statement of Profit & Loss	
Total Revenues	325.21
Profit before tax	89.77
Tax expense	30.05
Profit after tax	59.73

ZEE MEDIA CORPORATION LIMITED

(Formerly Zee News Limited)

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018,
Tel: -91-22-24831234, **Fax** :-91-22-24955974, **CIN:** L92100MH1999PLC121506 | **Website:** www.zeenews.india.com

ATTENDANCE SLIP

15th Annual General Meeting

I/We hereby record my presence at the 15th Annual General Meeting of the Company at The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Thursday the 7th day of August 2014 at 11.00 a.m.

_____ _____

Name of Shareholder/Proxy: (IN BLOCK LETTERS) Signature of Shareholder/Proxy

Folio No. _____

Client ID# _____

D.P. ID# _____

No. of Shares: _____

(Applicable for shareholders holding shares in dematerialized form)

ZEE MEDIA CORPORATION LIMITED

(Formerly Zee News Limited)

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018,
Tel: -91-22-24831234, **Fax** :-91-22-24955974, **CIN:** L92100MH1999PLC121506 | **Website:** www.zeenews.india.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management Administration) Rules, 2014)

Name of Member(s) :_____
Registered address:_____
E-mail Id :_____
Folio No./ Client ID No.:_____

1/We, being the member(s) of_____ Shares of Zee Media Corporation 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 15th Annual General Meeting of the Company to be held on Thursday, August 7, 2014 at 11.00 a.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below

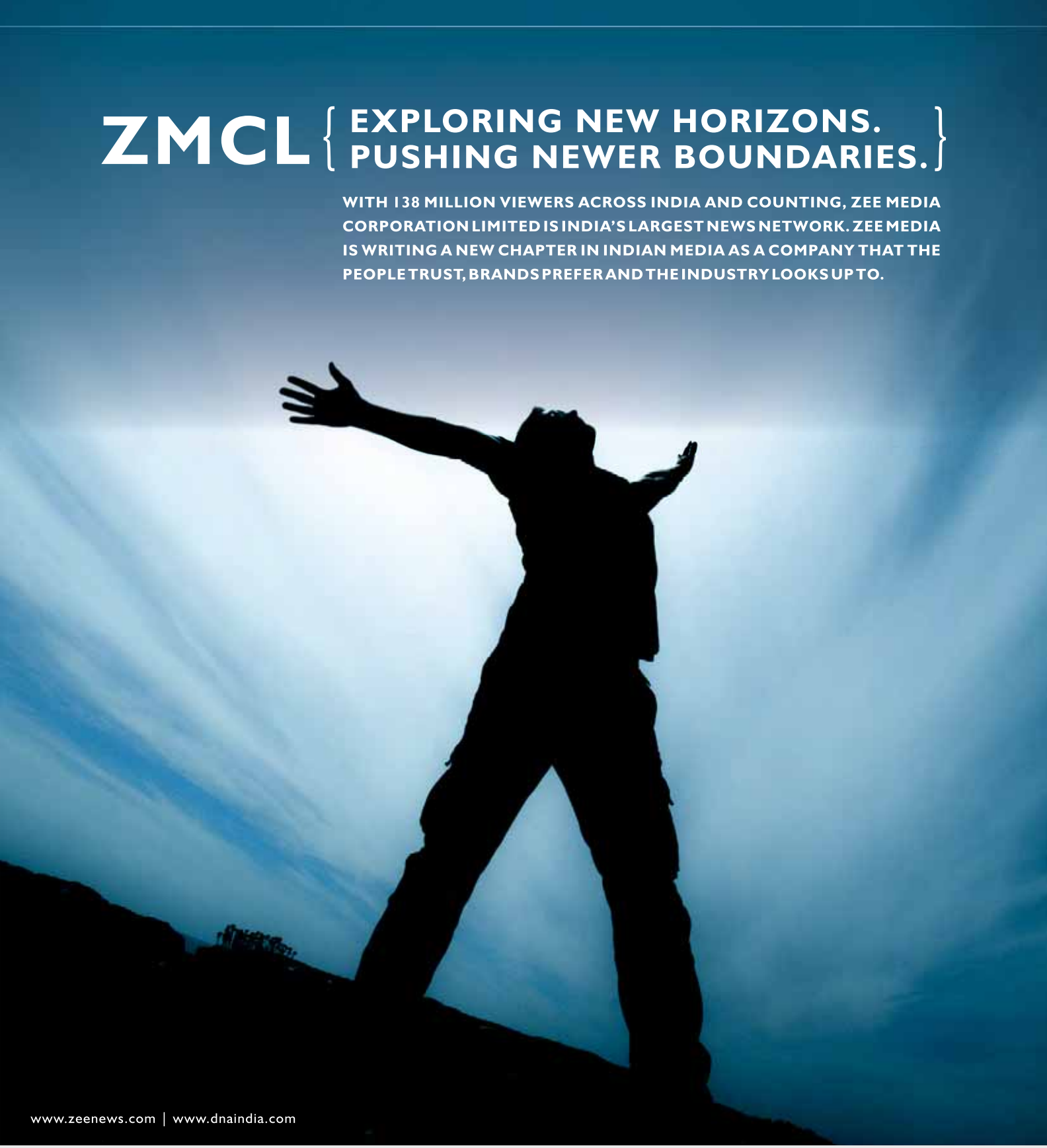
Resolutions		For	Against
1.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2014		
2.	Re-appointment of Dr Subhash Chandra as a Director of the Company		
3.	Re-appointment of Auditors		
4.	Appointment of Mr. Vinod Kumar Bakshi as Independent Director		
5.	Appointment of Mr. Surjit Banga as Independent Director		
6.	Approval for appointment of and payment of remuneration to Mr. Alok Agrawal as Whole-time Director of the Company		
7.	Authorising Board of Directors to Borrow in accordance with Section 180(1)(c) of the Companies Act, 2013		

Signed this _____day of _____2014

Affix Revenue Stamp

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.


ZMCL { EXPLORING NEW HORIZONS. PUSHING NEWER BOUNDARIES. }
WITH 138 MILLION VIEWERS ACROSS INDIA AND COUNTING, ZEE MEDIA CORPORATION LIMITED IS INDIA'S LARGEST NEWS NETWORK. ZEE MEDIA IS WRITING A NEW CHAPTER IN INDIAN MEDIA AS A COMPANY THAT THE PEOPLE TRUST, BRANDS PREFER AND THE INDUSTRY LOOKS UP TO.
www.zeenews.com | www.dnaindia.com

INDIA'S LARGEST NEWS NETWORK

ZEE MEDIA
Vasudhaiva Kutumbakam
THE WORLD IS MY FAMILY

dna
YOUR CODE OF THOUGHT

ZEE MEDIA CORPORATION LIMITED
(Formerly Zee News Limited)
CIN: L92100MH1999PLC121506

Registered Office
Continental Building, 135, Dr. Annie Besant Road, Worli,
Mumbai - 400018, Maharashtra - India, Phone: 022 - 24831234

Corporate Office
Essel Studio, FC-19, Sector 16 A, NOIDA - 201301,
Uttar Pradesh - India, Phone: 0120 - 2511064

Website: www.zeenews.com

INDIA'S LARGEST NEWS NETWORK

ZEE MEDIA
|| Vasudhaiva Kutumbakam ||
THE WORLD IS MY FAMILY

dna
YOUR CODE OF THOUGHT

FORM A

Covering letter of the Annual Audit Report to be filed with the stock exchanges
(As per Clause 31 of Listing Agreement)

1	Name of the Company	Zee Media Corporation Limited BSE Code – 532794 NSE Code – ZEEMEDIA-EQ
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit observation	None
4	Frequency of observation	Not Applicable

Subhash Chandra
Non-Executive Chairman

Surjit Banga
Independent Director
& Chairman –Audit Committee

Dinesh Garg
Chief Financial Officer

Hitendra Bhandari
Partner – MGB &Co., Chartered Accountants
Firm Registration No. 101169W
Membership No. 107832

Mumbai, dated May 21, 2014