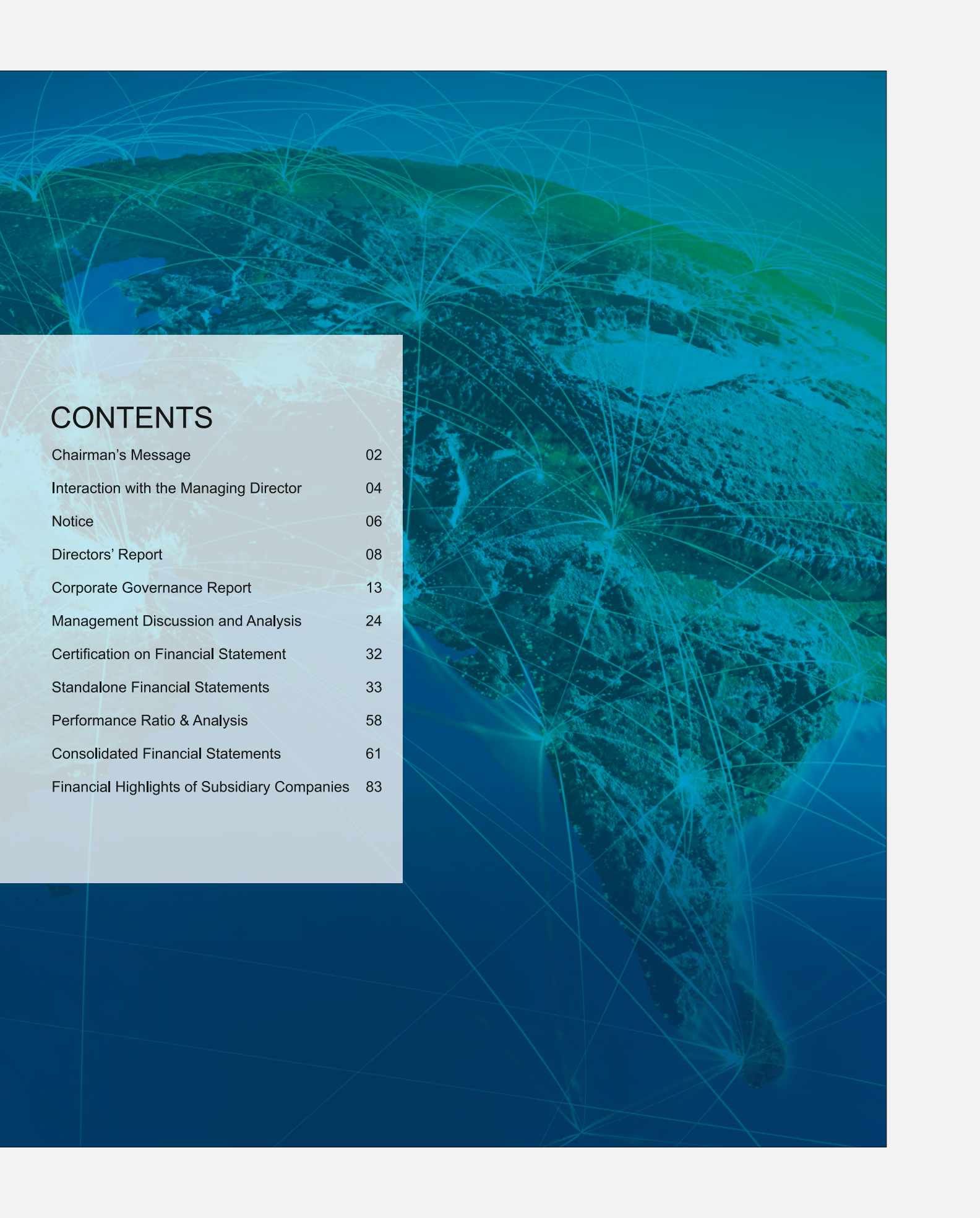


REACHING OUT TO THE WORLD



ZEE NEWS *Ltd.*
Engage, Inform, Empower

ANNUAL REPORT 2012-13



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Subhash Chandra
Non-Executive Chairman

Surjit Banga
Independent Director

Vinod Bakshi
Independent Director

Punit Goenka
Managing Director

SENIOR MANAGEMENT

Bhaskar Das
Group CEO - News Cluster

Alok Agrawal
Chief Executive Officer

Jitesh Rajdeo
Chief Sales Officer

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 - Zee News UP/Uttarakhand

Uday Nirgudkar
Editor - Zee 24 Taas

Sanjay Vohra
Editor - Zee Punjabi

Rohit Kumar
Vice President (Marketing Zee News)

Pushpal Sanghavi
Company Secretary

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 Gantalu

6-2-935/2, Savitri Nilayam
Khairtabad
Hyderabad - 500 004
Andhra Pradesh

Zee 24 Taas

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

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,

It is my pleasure to address you all at this juncture where your Company has achieved the feat of becoming India's largest news network reaching over 100 million viewers, amidst a difficult year for the economy.

India's GDP growth though lowest in 10 years was higher than most countries around the world. The economic reforms and monetary measures undertaken in the year gone by are likely to restore the growth and business sentiments going forward.

“

Your Company became India's largest news network to reach over 100 million viewers across regions and languages

”

2012 has been a year of macro challenges, industry transformation and opportunity unveiling for Indian Media & Entertainment (M&E) sector. While M&E sector grew by 12.6%, the advertisement revenues were at a more modest 9.1%. The sector faced challenges like low advertising spends, patchy implementation of cable digitization and stand-off on Government advertising rates. However, the sector has been opened up to immense growth opportunities with improved quality for the viewer and higher subscription revenues.

Your Company became India's largest news network to reach over 100 million viewers across regions and languages. We launched our Hindi news and infotainment channel for central India – Zee Madhya Pradesh/Chhattisgarh taking our bouquet of channels to eight - two national and six regional. During the year, we prepared ourselves for the future of News. We sharpened our strategic edge by creating path-breaking synergistic tie-ups with the Group's Print (DNA) and Digital (India.com) businesses. This would provide us with a competitive advantage through integrated content delivery to our young, diverse and dynamic consumers. In line with our strategy to widen our content mix beyond news, compliance process for change of Company's name to Zee Media Corporation Limited has been initiated.

We continued to remain a strong and responsible fourth pillar of our democracy. We are going to further consolidate our leadership position in Indian TV news & infotainment

domain by launching news and infotainment channels in Rajasthan and Bihar/Jharkhand in FY14 - to become even stronger in regional markets and changing content mix to strengthen and further grow our existing viewer base. Our strategy to synergize with our Group's digital and print businesses will help us keep pace with changing viewer profile and consumption needs. Considering the business synergies in Print and Electronic Media business, your Board has accorded its in-principle approval for combination of Print Media Business of the Group 'DNA' and News Broadcasting business of the Company.

With continued support and trust of our viewers, shareholders, bankers, employees, partners and the exchequer, we have scaled many new heights. Our programs 'Apka Vote Aapki Taqat' during recent elections, 'My Earth My Duty' on environment and our annual CSR award event 'Ananya Samman' among others went on to win national and international laurels.

I am looking forward to your continued support in our even more exciting and promising journey ahead.

Sincerely yours

Subhash Chandra
Chairman

INTERACTION WITH THE MANAGING DIRECTOR



Puneet Goenka
Managing Director

What are your views on industry developments?

FY13 was the year of beginning of transformation for Indian Media & Entertainment industry and posed challenges and opportunities alike.

India witnessed second consecutive year of declining economic growth having visible impact on Indian Media & Entertainment sector. While the M&E segment grew by 12.6% in 2012 over the previous year, advertising revenues recorded a moderate 9.1% growth, lowest in the last three years. In television, advertising revenues grew by a moderate 7.8% and subscription revenues recorded 14.5% growth.

The phased digitization of Cable TV distribution in India was finally rolled out in FY13 even as Kolkata and Chennai did not get digitized by the deadline as didn't several cities in Phase 2. We hope that in addition to improved viewing experience for customers, the revenue opportunities from distribution will percolate down to the broadcasting channels in terms of subscription revenue gains.

While traditional media like TV and Print contributed the highest to media revenues, the rise of New Media has been creating quite a buzz. Its growth is being fuelled by consistent growth of internet, mobile internet and Wi-Fi connections. New media contributed 6.6% to Indian advertising revenues in 2012 compared to 5.1% in 2011. We are well positioned to take advantage of these trends and look to bolster our Digital revenues.

Another significant development is the ad inventory restrictions which come into play starting the second half of FY14. However, we view these ad inventory restrictions as a means of getting fair valuation of the premium audiences, watching our Network, from our advertisers.

How has been the performance of Zee News in FY13?

Amidst this challenging business environment, we recorded total revenues of ₹ 3,038.2 million in FY13. EBITDA was ₹ 375.4 million and Net Profit before Tax and Exceptional Items was ₹ 376.0 million this year. We checked our total expenses increase at 5.0% over previous year and Finance Expenses recorded a 17.5% decrease, from ₹ 106.6 million in FY12 to ₹ 87.9 million in FY13.

Please share your view on what were the highlights of Zee News Limited performance for FY13?

It was quite an eventful year, to be precise! We became India's largest news network that reaches 100 million viewers. I thank our viewers for their unwavering trust on our news network. I also acknowledge the consistent efforts of our team to make it happen.

We launched Zee Madhya Pradesh/Chhattisgarh to build further upon our strong regional presence. We hope to benefit from the growth potential in regional markets having strong demand for regional content. Phases 2, 3 and 4 of digitization shall also, hopefully, act as catalyst for regional market growth.

During the year, Zee News formed strategic tie-up with the Group's Digital and Print arms to deliver path-breaking, real time and dynamic content. The move is to keep pace with changing viewer profile and media consumption. While we already have done several special projects with DNA, the Group's Print business, we will integrate the content from India.com, Group's Digital media business to deliver superior quality and real time content.

We have initiated the process to alter our content-mix from pure news to include current affairs impacting different aspects of our viewers. The change is already being implemented in our new channel – Zee Madhya Pradesh/Chhattisgarh besides changes existing channels of Zee Punjab, Haryana & Himachal and Zee

Uttar Pradesh/Uttarakhand.

We remained focused on our experiential content delivery through events and special content properties to maximize advertisement growth revenue. During FY13 we executed several initiatives like Ananya Samman, My City - My Voice, Emerging Business Forum, Hunt For India's Smart Investor to name a few. We received National Award from Election Commission of India for 'Apka Vote Aapki Taqat' program. 'My Earth My Duty' program represented India at the Earth Summit 2012 in Brazil. Truly, we lived up to our Brand promise of 'Engage, Inform and Empower'. Our news website performed exceedingly well and, for the second consecutive year, was the fastest growing website in India in the news web space.

Your views on future course for Zee News Ltd?

We have seen back-to-back two turbulent years for the Indian economy and M&E sector. The direct impact of macro-economic headwinds was strong on Indian M&E sector resulting in slower growth. In this backdrop, we are embracing ourselves for a more sustainable and impactful viewership for our Network. In order to move towards providing better quality, real time and relevant news content for the new age viewer, the Board has accorded its in-principle approval for combination of Print Media Business of the Group 'DNA' and News Broadcasting business of the Company. Recent launches and pipeline of new regional channels shall give us the advantage to maximize from future growth hot spots of our economy and industry too. Our new content-mix is also going to make our viewer reach grow wider and maximize on advertising revenues.

Considering our strong fundamentals, well articulated strategies and strong infrastructure, we are confident of a much promising future. The digitization impetus on higher subscription revenues and digital addressability in television ecosystem is also going to bring in significant positive changes for the industry and for our company.

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Members of **Zee News Limited** will be held on Tuesday, 30 July, 2013 at 11.00 a.m. at The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai – 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31 March, 2013, Statement of Profit and Loss of the Company for the year ended on that date on a standalone and consolidated basis, together with the report of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Subhash Chandra, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s MGB & Co, Chartered Accountants, Mumbai, having Firm Registration No. 101169W, as the Statutory Auditors of the Company to hold 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 Ordinary Resolution:

"RESOLVED THAT Mr. Surjit Banga, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 23 January, 2013 and who holds office upto the conclusion of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect to whom the Company has received a notice in writing from a Member under Section 257 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company in terms of Section 255 of the Companies Act, liable to retire by rotation."

By order of the Board

Place: Mumbai
Date : 23 May, 2013

Pushpal Sanghavi
Company Secretary

Registered Office:
Continental Building,
Dr. Annie Besant Road,
135, Worli, Mumbai – 400 018

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be deposited with 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 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, 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, 20 July, 2013 to Friday, 26 July, 2013 (both days inclusive) for the purpose of Annual General Meeting.
5. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary at the registered office, seven days in advance of the meeting 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 seeking re-appointment at the Annual General Meeting is given in the Report on Corporate Governance, which forms part of the Annual Report.
7. Recognizing the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company will be sending Annual report and other documents/notices to shareholders to the email address provided to the Depository. Shareholders are requested to register and /or update email address with the respective Depository Participant or the Company, to ensure that documents from the Company reach their preferred email address.
8. Members who are holding Company's shares in dematerialized mode are requested to bring details of their Beneficiary Account Number for identification.
9. Members are requested to register their email address and also notify immediately about any change in their address / email address / mandate / bank details to their Depository Participant 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.

10. Under Section 109A of the Companies Act, 1956, members are entitled to make nomination in respect of shares held by them in physical mode. Members desirous of making nominations are requested to send their request in Form 2B, in duplicate (which will be made available on request) to the Company's Registrar and Share Transfer Agent at above addresses.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 4

Mr. Surjit Banga was appointed as an Additional Director of the Company by the Board with effect from 23 January, 2013. Pursuant to provisions of Section 260 of the Companies Act, 1956, Mr. Surjit Banga vacates his office at the conclusion of

this Annual General Meeting. Due notice under Section 257 of the Companies Act, 1956, has been received from a Member proposing the appointment of Mr. Surjit Banga as a Director of the Company. Requisite consent has been filed by Mr. Surjit Banga, pursuant to the provisions of Section 264 of the Act, to act as a Director, if appointed.

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

Your Board recommends resolution No. 4 for your approval by way of Ordinary Resolution.

None of the Directors of the Company, except Mr. Surjit Banga, is interested in this resolution.

By order of the Board

Place: Mumbai
Dated: 23 May, 2013

Pushpal Sanghavi
Company Secretary

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018

DIRECTORS' REPORT

To the Members

Your Directors take pleasure in presenting the 14th Annual Report of your Company together with Audited Statement of Accounts for the year ended 31 March, 2013.

FINANCIAL PERFORMANCE

The financial performance of standalone operations of your Company during the Financial Year 2012-13 is summarized in the following table:

(₹ million)

Particulars	For the year ended	
	31 March, 2013	31 March, 2012
Total revenue	2,919.20	2,878.34
Total expenses	2,612.86	2,538.81
Profit before exceptional items and tax	306.34	339.53
Exceptional items	45.96	(166.74)
Profit before tax	352.30	172.79
Provision for tax expenses	109.31	110.79
Profit after tax	242.99	62.00

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

During the year, the sluggish economy which had relatively lower GDP growth and high inflation along with supply side constraints continued to affect the overall industry. In particular, spends to news genre were affected and the advertisement revenue growth for the Hindi and Regional News genres was in the region of only 2% (Source: Estimates basis Adex secondages). News channels also faced significant loss of revenues from the government, which contributes to about 10% of advertisement revenues and degrowing by almost 60% as compared to last year as there was a rate stand-off for better part of the financial year.

Your company also took a significant step of reducing the inventory of the flagship channel, Zee News in order to improve the viewer experience, increase the yield of the channel as well as preparation for the upcoming curbs for advertisement inventory. Events and Special properties continued to be the cornerstone of your Company's advertisement revenue growth strategy and your Company had executed several initiatives like Ananya

Samman, My City - My Voice, Emerging Business Forum, Hunt For India's Smart Investor, etc. and has conducted over 100 events across India.

Your Company has made further inroads into the Hindi heartland, after Zee News Uttar Pradesh Uttarakhand, through the launch of our second offering, Zee Madhya Pradesh Chhattisgarh and slating to launch regional channels in Rajasthan and Bihar-Jharkhand. In order to provide richer as well as real time news content to the viewers, your Company has begun the process of integrating the content from Diligent Media Corporation Limited (DMCL), an Essel Group Company engaged in printing and publication of daily news paper 'DNA (Daily News & Analysis)', as well as in Digital through india.com owned by India WebPortal Pvt. Ltd., another Essel Group Company. Such a synergy is expected to provide additional depth to our coverage and analysis in addition to addressing the needs of the youth better. Considering the business synergies in print and electronic media, your Board has approved in-principle combination of News Publication Business of DMCL with News Broadcasting business of the Company.

Your Company's Subscription revenues increased on the basis of higher demand for the channels even as overall digitization was delayed in Phase 1 and has been patchy in Phase 2. Our Network and individual channels have been steaming ahead in marketing and viewership initiatives. Your company continues to be the largest News Network in the country and yet again registered the highest relative share of 27.5% for the premium target audience, CS 25+ M ABC, among the major news networks in the top 6 metros (Source: TAM, FY 2012-13, CS 25+, SEC ABC, 8 Metros).

Zee News had the second highest reach of 3.1 million among the Hindi News channels in 8 metros among premium audience (Source: TAM, FY 2012-13, CS 25+ ABC, 8 metros).

Zee Business, India's first 24-hour Hindi business channel, has been consistently outperforming its major competitors and has been no. 2 in reach at 20 million It also dominated the last quarter of the fiscal by being the leader in 6 of 13 weeks in the fourth quarter (Source: TAM, FY 2012-13 and Q4, TG: CS 25+ M AB, HSM).

24 Ghanta, our Bengali news offering, was also no. 1 in 23 weeks round the year with average of 29% market share (Source: TAM, FY 2012-13, TG: CS 15+, WB) and no. 1 in reaching audiences in West Bengal among all Bengali news channels and reached over 5.6 million audiences even though DAS Phase I implementation in Kolkata met many roadblocks.

Zee 24 Taas continued to be No. 2 in reach across Maharashtra with its incisive news coverage leading to a high reach of 9.9 million viewers (Source: TAM, FY 2012-13, CS 15+, Mah).

Zee News UP/Uttarakhand was the leader for over 19 weeks in the year and had an average of 32% channel share (Source: TAM, FY 2012-13, CS 15+, UP).

Zeeneews.com continued to be the fastest growing website in the Indian news web space second year in a row. The website received 70.2 million unique visitors and 310.1 million page views. Unique visitors for increased by 176.1% and page views by 86.6%. The referral traffic also increased by 191.2% (Source – Google Analytics). The regional news websites too have shown a significant growth in visitors and page views.

Under the tough operating advertisement environment as well as loss of government advertisement revenues due to rate standoff, the overall revenues of your company were at ₹ 3,246.3 million in 2012-13 as compared to ₹ 3,227.7 million in 2011-12. The EBITDA was ₹ 583.4 million in 2012-13 as compared to ₹ 689.0 million in 2011-12.

CHANGE OF NAME OF THE COMPANY

As a part of future business strategy of your Company, with a view to meeting changing viewer preferences, your Company has commenced the process of changing the content architecture of all its television channels, whereby, in addition to News, the channels of your Company shall cover entire gamut of life of present and potential viewers. In line with this strategy, to reflect this wider gamut of Media contents, in which your Company proposes to transcend, a proposal for change of name of the Company to **Zee Media Corporation Limited** has been sent to the Members seeking their approval to the said proposal by passing a Special Resolution by Postal Ballot Process.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or 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 has imbibed Corporate Social Responsibility (CSR) as a key part of its growth philosophy. With an objective to positively transform our society, your Company executes several on air and on ground campaigns.

One such programme is Zee Helpline which takes up the cause of common man and helps them resolve their problems that may arise out of apathy of the administration or red tape. The Company also seeks 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.

Your Company also understands the importance of conserving

our environment. Our green campaign, 'My Earth My Duty', is an attempt by your Company to highlight the environment cause in the country. As one of the largest climate awareness campaigns in the country, this 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 and the Company has set a record of planting over 1.4 crore trees across India, reached out to 2.5 lakh villages and 100 cities and also encouraged over 50 million youth to act.

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 had the support of the Election Commission of India and the channel. Zee News was 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.

Apart from these, your Company, as part of the Essel Group of Companies, has at a unified and centralized level, put in place a CSR policy. During the year under review, Essel Group continued to support the cause of Ekal Vidyalaya Foundation, an NGO that works to bring about basic literacy and health awareness amongst the tribal and rural population of India and Global Vipassana Foundation which helps propagate Vipassana, the non-sectarian rational process of self-purification with the aim of bringing about peace both within the individual and the society in general.

EMPLOYEES STOCK OPTION SCHEME

Till date of this report your Company had not granted any Stock Options either to its employees or Directors under 'ZNL ESOP Scheme 2009' approved by the Members at the 10th Annual General Meeting held on 18 August, 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 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 Governance 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

Your Board had appointed Mr. Surjit Banga, as an Additional Director in the capacity of Independent Director of Company with effect from 23 January, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Surjit Banga holds office till the conclusion of the ensuing Annual General Meeting of the Company. The Company has received notice under Section 257 of the Companies Act, 1956 along with requisite deposit, proposing appointment of Mr. Surjit Banga as a Director of the Company. Resolution, seeking your approval for appointment of Mr. Surjit Banga as Director, who will be liable to retire by rotation, has been incorporated in the Notice of the forthcoming Annual General Meeting.

During the year under review, Mr. Naresh Kumar Bajaj and Mr. K U Rao, Independent Directors resigned due to their other pre-occupations, with effect from 28 January, 2013 and 22 March, 2013 respectively. Your Board places on record its deep appreciation for the contributions made by Mr. Naresh Kumar Bajaj and Mr. K U Rao during their tenure as Independent Directors of the Company.

Mr. 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 his re-appointment.

SUBSIDIARY COMPANY

Your Company continues to hold 60% equity stake in its Subsidiary, Zee Akaash News Private Limited. Additionally during the year under review, with a view to house the Broadcasting Business of Telugu News Channel, your Company has formed a wholly owned subsidiary in the name of 24 Ghantalu News Limited.

Statement pursuant to Section 212 of the Companies Act, 1956 in connection with Zee Akaash News Private Limited & 24 Ghantalu News 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 & 24 Ghantalu News Limited for the financial year ended 31 March, 2013 are not being attached with this Annual Report. Requisite financial highlights of the said subsidiaries forms part of this Report. The audited Annual Accounts and related information of these subsidiaries 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, having Firm Registration No. 101169W, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received communication from the Statutory Auditors confirming that (i) their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956; (ii) they are not disqualified for re-appointment within the meaning of Section 226 of the said Act; and (iii) they have been provided a valid certificate from the Peer Review Board of the Institute of Chartered Accountants of India.

In compliance with Cost Accounting Records (Telecommunication Industry) Rules, 2011, M/s. Chandra Wadhwa & Co., Cost Accountants, New Delhi, holding Firm Membership No. 0239 were appointed as Cost Auditor of the Company for Financial Year 2012-13.

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

Your Company is into the business of Broadcasting of News & Current Affairs 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

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 Act, 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 the requirement of 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 31 March, 2013, 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 31 March, 2013;
- (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 and other stakeholders including bankers, financial Institutions, viewers, vendors and service providers.

For and on behalf of the Board

Punit Goenka	Surjit Banga
Managing Director	Director

Place: Mumbai
Date : 23 May, 2013

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	24 Ghantalu News Ltd
1	The Financial year of the subsidiary company ended on	31 March, 2013	
2	Holding Company	Zee News Limited	
3	Extent of holding Company's interest	60%	100%
4	Face value per equity share	₹ 10	₹ 10
5	No. of Equity shares held by the holding company	2,400,002	500,000
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 31 March, 2013 ii) For the previous financial years of the subsidiaries since it became a subsidiary	NIL NIL	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 31 March, 2013 (₹ million) ii) For the previous financial years of the subsidiaries since it became a subsidiary (₹ million)	48.00 153.74	(1.32) NA

For and on behalf of the Board

Place: Mumbai
Date: 23 May, 2013

Punit Goenka
Managing Director

Surjit Banga
Director

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance philosophy of Zee News 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 News Limited 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 MEETINGS AND PROCEDURE

During the financial year under review five (5) meetings of the Board of Directors were held on 16 May, 2012, 19 July, 2012, 18 October, 2012, 29 January, 2013 and 25 March, 2013. 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 2012-13 and also their other directorships in Public Companies (excluding Foreign Companies and Section 25 Companies) & membership of Audit & Share Transfer Committees of other Companies at 31 March, 2013 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 5 Meetings)	13 th AGM held on 19.07.2012	Member	Chairman	Member	Chairman
Non-Executive Independent						
Naresh Kumar Bajaj*	2	Yes	N.A.	N.A.	N.A.	N.A.
Vinod Bakshi	5	Yes	2	-	2	-
K U Rao**	4	Yes	N.A.	N.A.	N.A.	N.A.
Surjit Banga#	2	N.A.	2	-	1	3
Promoter Non-Executive						
Subhash Chandra	3	Yes	1	4	-	-
Executive						
Punit Goenka	4	Yes	9	-	2	2

* Resigned as Director with effect from 28 January, 2013

** Resigned as Director with effect from 22 March, 2013

Appointed as Additional Director with effect from 23 January, 2013

BOARD OF DIRECTORS

Composition & Category of Directors

Your Company is in strict compliance of Board composition requirements including of the Listing Agreement. The day-to-day management of the Company is entrusted to its key management personnel led by the Managing Director who operates under the superintendence, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the management to ensure that the long-term objective of enhancing stakeholder's value is met.

Composition of the Board as on 31 March, 2013

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 Directors	1	25.00
Total	4	100.00

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

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, Chief Executive Officer 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 compliance reports in respect of various laws and regulations applicable to the Company.

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

Subhash Chandra, 62, 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, Mr. Chandra has consistently demonstrated his ability to identify new businesses and lead them on the path to success.

Mr. Chandra who is referred to as the Media Moghul of India, revolutionised the television industry by launching the country's first satellite Hindi channel Zee TV in 1992 and later the first private news channel, Zee News. The ZEE Network today has over 670 million viewers in 169 countries. His bouquet of businesses includes television networks (ZEE & ZNL), a newspaper chain (DNA), cable systems (Siti cable), Direct-to-Home (Dish TV), Satellite Communications (Agrani and Procall), Theme parks (EsselWorld and Water kingdom), Online gaming (Playwin), Education (Zee Learn), Flexible packaging (Essel Propack), Infrastructure development (Essel Infraprojects) and Family Entertainment centres (Fun Cinemas). Credited with tremendous business astuteness, Mr. Chandra has charted a course of growth and success, unparalleled in business history. All of Mr. Chandra's ventures are path-breaking in nature, be it the Essel Propack, which is the largest speciality packaging company in the world; Asia's largest amusement park Essel World; or the first satellite television in India (Zee TV).

Mr. 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)

Mr. 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, Mr. Chandra holds directorship in 5 other Indian Public Companies viz., Essel Propack Limited, Essel Infraprojects Limited, Dish TV India Ltd., Siti Cable Network Limited and Zee Entertainment Enterprises Limited.

Mr. Chandra does not hold any shares of the Company in his name as at 31 March, 2013.

Mr. Surjit Banga, 72, 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 career in Banking. He is Graduate in Sociology, fellow of All India Management Association and is a Certified Associate of Indian Institute of Bankers. Mr. Banga has been associated with Essel Group as Independent Director from last over 9 years, previously as Independent Director of ETC Networks Ltd., till it merged with Zee Entertainment Enterprises Limited and currently as an independent Director of Zee Learn Limited, a listed entity of the group.

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

Mr. Surjit Banga does not hold any shares in the Company as at 31 March, 2013.

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 31 March, 2013.

Punit Goenka
Managing Director
Mumbai, 23 May, 2013

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, Remuneration Committee and Share Transfer & Investors Grievances Committee, your Board has constituted a 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, Remuneration Committee and Share Transfer and Investors Grievances 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 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 companies.

- Recommend to the Board the appointment, re-appointment and removal of the statutory &/or Internal auditor and 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

The Audit Committee currently comprises of three (3) Directors and is chaired by Mr. Surjit Banga an Independent Director. During the year under review, Audit Committee met for five (5) times on 16 May, 2012, 18 July, 2012, 18 October, 2012, 29 January, 2013 and 25 March, 2013.

The details of composition of the Audit Committee, which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement(s), along with attendance of the Committee members at the meetings held during financial year 2012-13 are as detailed hereunder:

Name of Committee Member	Category	No. of meetings attended during the year under review
Naresh Kumar Bajaj*	Independent Director	2
Vinod Bakshi	Independent Director	5
K. U. Rao**	Independent Director	4
Surjit Banga#	Independent Director	2
Punit Goenka@	Executive Director	-

* Resigned with effect from 28 January, 2013

** Resigned with effect from 22 March, 2013

Appointed with effect from 23 January, 2013

@ Appointed with effect from 23 March, 2013

Audit Committee meetings are generally attended by the Managing Director, Group CEO-News, Chief Executive Officer, 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.

Remuneration Committee & Policy

Terms of reference

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

Constitution

The Remuneration Committee currently comprises of Mr. Vinod Bakshi, Independent Director as Chairman, Mr. Subhash Chandra, Non-Executive Director as Member and Mr. Surjit Banga, Independent Director who was appointed as Member of the Committee with effect from 23 January, 2013. Mr. K. U. Rao one of the Members of the Committee resigned with effect from 22 March, 2013. The Company Secretary is the Secretary of the Committee.

During the year under review, Remuneration Committee met once, on 25 March, 2013 and the said meeting was attended by all Members.

Details of Remuneration Paid

During the year under review, no remuneration was paid to Mr. Punit Goenka, Managing Director of the Company.

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 19 July, 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 ₹ 4,00,000/- for each Non-Executive Director on pro rata basis for the financial year 2012-13.

Particulars of sitting fees paid and commission payable to Non-Executive Directors of the Company for Financial Year 2012-13 is as under:

(₹ million)

Name of Director	Sitting Fees	Commission	Total
Subhash Chandra	0.08	0.40	0.48
Naresh Kumar Bajaj*	0.08	0.33	0.41
Vinod Bakshi	0.22	0.40	0.62
K.U.Rao**	0.16	0.39	0.55
Surjit Banga#	0.10	0.08	0.18
Total	0.64	1.60	2.24

* Resigned with effect from 28 January, 2013

** Resigned with effect from 22 March, 2013

Appointed as a Director with effect from 23 January, 2013

Share Transfer & Investor Grievance Committee

Terms of reference

Main function of Share Transfer & Investor Grievance 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 Share Transfer & Investor Grievance Committee.

Constitution

The Share Transfer & Investor Grievance Committee currently comprises of Mr. Surjit Banga, Independent Director as Chairman and Mr. Punit Goenka, Managing Director as Member. Mr. Naresh Kumar Bajaj and Mr. K.U. Rao, resigned as Members of the Committee with effect from 23 January, 2013 and 22 March, 2013 respectively. The Company Secretary is the Secretary of the Committee.

During the year under review the Committee met four (4) times on 23 April, 2012, 19 July, 2012, 18 October, 2012 and 4 January, 2013.

Details of number of complaints received and resolved during the year ended 31 March, 2013 are as under:

Nature of Correspondence	Received	Replied / Resolved	Pending
Non-receipt of Dividend	11	11	-
Non-receipt of Share Certificate	1	1	-
Non-receipt of Annual Report	4	4	-
Letter from Stock Exchanges / SEBI	2	2	-
Total	18	18	-

GENERAL BODY MEETINGS

The 14th Annual General Meeting of the Company for the year 2012-13 will be held on Tuesday, the 30th day of July 2013 at 11.00 a.m. at The Hall of Harmony, 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
2011-12	19.07.2012 - 11.00 a.m.	Payment of Commission to Non-Executive Directors of the Company	The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai- 18
2010-11	25.07.2011 - 11.00a.m.	None	The Hall of Culture, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai –18
2009-10	31.08.2010 - 11.00 a.m.	Alteration of Articles of Association of Company	

All the above resolutions were passed with requisite majority.

No ordinary or special resolutions were passed through Postal Ballot during the Financial Year 2012-13. None of the resolution(s) proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot.

Subsequent to the year ended 31 March, 2013, a Notice dated 13 May, 2013, seeking Members approval for change of name of the Company to Zee Media Corporation Limited, by passing a Special Resolution by Postal Ballot has been despatched to Members. The results of Postal Ballot will be announced on 25 June, 2013

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 has 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.

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 'Daily News & Analysis (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). The financial and other information filed by the Company with Stock Exchanges from time to time are also available on the Corporate Filing and Dissemination System maintained by BSE and NSE and can be accessed on www.corpfiling.co.in

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

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

GENERAL SHAREHOLDER INFORMATION

The required information is provided in Shareholders Information Section.

AUDITORS' CERTIFICATE

To
The Members
Zee News Limited

We have examined the compliance of conditions of Corporate Governance by **Zee News Limited** ('the Company'), for the year ended 31 March, 2013 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, 23 May, 2013

SHAREHOLDERS' INFORMATION

- 1 **Date, Time and Venue of Shareholder's Meeting** Meeting : Annual General Meeting
Day & Date : Tuesday, 30 July, 2013
Time : 11.00 a.m.
Venue : Hall of Harmony
Nehru Centre,
Dr Annie Besant Road,
Worli, Mumbai 400 018
- 2 **Financial Year** 1 April, 2012 to 31 March, 2013
- 3 **Date of Book Closure** Saturday, 20 July, 2013 to
Friday, 26 July, 2013
(both days inclusive)
- 4 **Registered office** Continental Building,
135, Dr. Annie Besant Road, Worli,
Mumbai-400 018, India
Tel: +91-22-2483 1234
Fax: +91-22-2490 0302/ 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- ZEENEWS-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: +91-22-2490 0302/2495 5974
E-mail: sanghavip@zeenetwork.com

12. Dividend

During the year 2012-13, the Board of Directors have not recommended payment of any dividend.

Members who have not encashed their dividend warrant(s) for past financial years, are requested to seek issue 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.

Members holding equity share(s) in dematerialised form are requested to notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP).

The Ministry of Corporate Affairs vide circular nos. 17/2011 and 18/2011 dated 21 April, 2011 and 29 April, 2011 respectively (the said Circulars) has clarified that a company will be deemed to have complied with the provisions of Section 53 and 291 (1) of the Companies Act, 1956, in case documents like notice, annual report etc are sent in electronic form to its shareholders subject to compliance with the conditions stated therein.

The Company has intimated the adoption of the said initiative to the members who hold equity shares in electronic form and whose email address have been made available to the Company by the Depositories. The Company will be sending the notice and annual report for the financial year 2012-13 in electronic form to the said members, in terms of the said circulars.

Members holding shares in electronic form but who have not registered their email address with their DP and members holding shares in physical form are requested to endeavour to register their email address with their DP/ Company, as the case may be.

Members who have registered their email address with their DP/the Company but wish to receive the said documents in physical form are requested to write to shareservice@zee.esselgroup.com duly quoting their DP ID and Client ID/Folio No., as the case may be, to enable the Company to record their decision.

Please note that a shareholder of the Company is entitled to receive on request, a copy of the said documents, free of cost in accordance with the provisions of the Companies Act, 1956.

14. Unclaimed Shares

As per Clause 5A of the Listing Agreement inserted as per SEBI notification no. CIR/CSD/DIL/10/2010 dated 16 December, 2010, 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 1 April, 2012	95	51,223
Number of shareholders who approached the Company for transfer of shares from Suspense account till 31 March, 2013	5	3,390
Number of shareholders to whom shares were transferred from the Suspense account till 31 March, 2013	5	3,390
Aggregate number of shareholders and the outstanding shares in the Suspense account lying as on 31 March, 2013	90	47,833

The voting rights on the shares outstanding in the suspense account as on 31 March, 2013 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into one folio in the name of 'Unclaimed Suspense Account' in due course.

15. Share Transfer System

Equity Shares sent for physical transfer or for dematerialization are generally registered and returned within a period of 15 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 31 March, 2013, 99.84% of the total issued and paid-up Equity Share capital of the company were held by 110,913 shareholders in dematerialized form and the balance 0.16% were held by 733 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 please 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

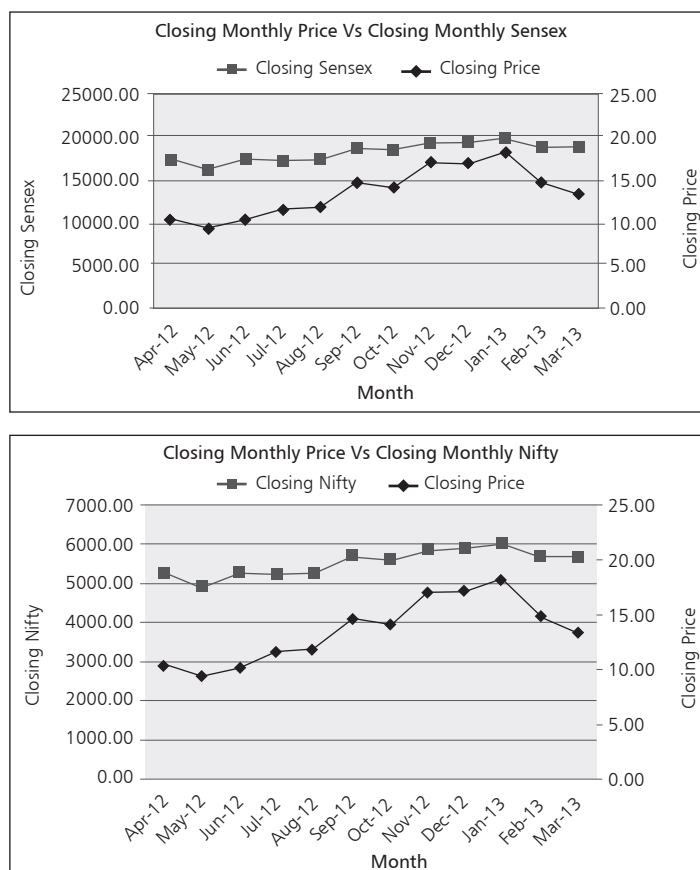
Particulars	No. of shares issued	Date of issue
Issued to Subscribers	70	28.08.99
Preferential Issue	1,000,000	26.11.99
Preferential Issue	8,749,930	13.09.05
Preferential Issue	850,000	28.09.05
Preferential Issue	5,250,000	28.09.05
Rights Issue	4,000,000	29.11.05
Cancellation of shareholding of Zee Entertainment 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 31.03.2013	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 2012-2013 are:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2012	11.75	10.17	2,023,580	12.00	10.15	5,102,626
May 2012	10.65	9.20	1,890,638	10.70	9.20	4,345,866
June 2012	10.55	9.15	2,942,962	10.55	9.10	4,753,267
July 2012	13.85	10.10	11,494,914	13.85	10.05	21,280,756
August 2012	13.00	11.05	2,870,150	13.00	11.00	3,975,400
September 2012	14.72	11.25	4,246,250	14.65	11.20	8,733,731
October 2012	17.05	13.00	11,077,858	17.05	12.90	22,436,065
November 2012	19.30	13.85	6,216,720	19.05	13.35	9,856,327
December 2012	19.60	16.35	2,953,313	19.65	16.30	6,309,517
January, 2013	19.40	16.95	3,235,877	19.50	16.90	6,770,572
February 2013	18.80	14.50	1,615,875	18.60	14.55	2,374,928
March 2013	15.90	12.50	1,331,367	15.80	12.45	3,306,819

20. Relative Performance of Zee News Shares Vs. BSE Sensex & Nifty Index

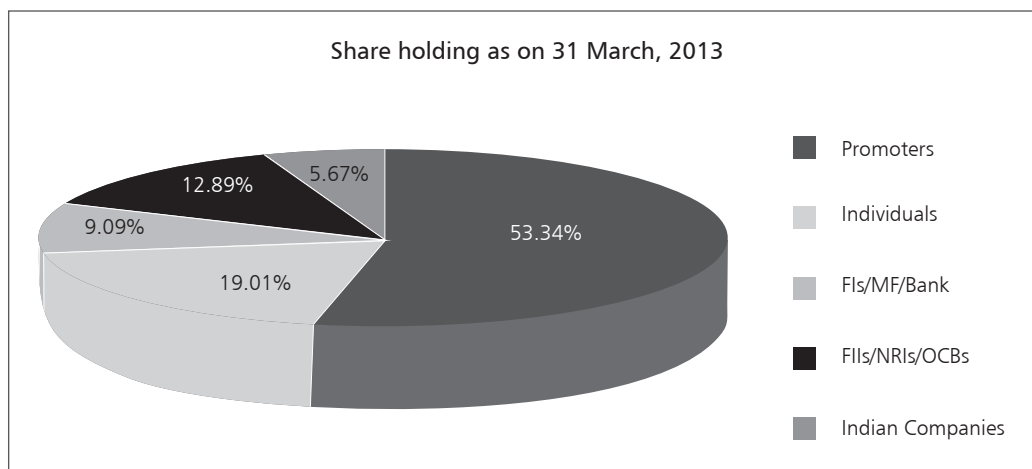


21. Distribution of Shareholding as on 31 March, 2013

No. of Equity Shares	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	110,638	99.10%	27,644,217	11.53%
5001 – 10000	514	0.46%	3,971,782	1.66%
10001-20000	234	0.21%	3,451,663	1.44%
20001-30000	78	0.07%	2,008,159	0.84%
30001-40000	29	0.03%	1,011,891	0.42%
40001-50000	42	0.03%	2,008,212	0.84%
50001-100000	46	0.04%	3,552,881	1.48%
100001 and Above	65	0.06%	196,115,151	81.79%
Total	111,646	100.00%	239,763,956	100.00%

22. Categories of Shareholders as on 31 March, 2013

Category	% of shareholding	No. of shares held
Promoters	53.34%	127,899,010
Individuals	19.01%	45,583,825
Domestic Companies	5.67%	13,595,560
FIs, Mutual funds and Banks	9.09%	21,792,498
FIIs, OCBs & NRI	12.89%	30,893,063
Total	100.00%	239,763,956



23. Particulars of Shareholding

a) Promoter Shareholding as on 31 March, 2013

Sr.	Name of Shareholder	No of Shares held	% of shareholding
1	25 FPS Media Private Ltd	127,898,710	53.34%
2	Churu Trading Co Pvt. Ltd	100	0.00%
3	Essel Infraprojects Ltd	100	0.00%
4	Prajatma Trading Co. Pvt. Ltd	100	0.00%
	Total	127,899,010	53.34%

b) Top Ten (10) Public Shareholding as on 31 March, 2013

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	HDFC Trustee Co. Ltd – HDFC Core and Satellite Fund	3,414,578	1.42%
5	Acacia Institutional Partners LP	3,388,000	1.41%
6	Acacia Conservation Fund LP	2,772,000	1.16%
7	Teen Lok Advisory Services Pvt. Ltd.	2,699,900	1.13%
8	Acacia Banyan Partners	2,597,900	1.08%
9	Amit Goela	2,200,000	0.92%
10	Asia Advantage Fund	1,662,410	0.69%
	Total	54,125,217	22.57%

MANAGEMENT DISCUSSION AND ANALYSIS

The figures have been stated in ₹ million 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 thereon.

COMPANY OVERVIEW

Zee News Limited (ZNL) is India's leading news television organization with interests in national as well as regional channels. ZNL is listed on the Bombay Stock Exchange (Code: 532794) and the National Stock Exchange (Code: Zee News eq.). The Company was incorporated as Zee Sports Limited on Aug 27, 1999. The name of the Company was changed to Zee News Limited on 27 May, 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, further, ZEEL transferred its regional entertainment channels to ZNL by way of a de-merger scheme approved by the Hon'ble High Court of Bombay on 17 November, 2006 effective from 31 March, 2006. Thereafter, the Company got listed at Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange in January 2007, which was subsequently delisted from Calcutta Stock Exchange in 2009.

Further, to strengthen the focus on its core business of news gathering operations and launch various (24X7) regional news channels in different regions of the country, the Company went into another demerger and transferred its Regional General Entertainment Channel (RGEN) business to ZEEL w.e.f. January 1, 2010.

ZNL also runs a Bengali news channel '24 Ghanta' through a JV 'M/s Zee Akaash News Pvt. Ltd.' wherein it holds 60% equity stake while another JV partner is M/s Sky B (Bangla) Pvt. Ltd. holds the remaining 40% stake.

The Company runs news channels in the following domains:

- i. Hindi General News: Zee News
- ii. Hindi Business News: Zee Business
- iii. Marathi News: Zee 24 Taas
- iv. Telugu News: Zee 24 Gantalu
- v. Uttar Pradesh and Uttarakhand News: Zee News UP
- vi. Punjabi: Zee Punjabi

vii. Bengali News: 24 Ghanta

viii. Madhya Pradesh and Chhattisgarh: Zee Madhya Pradesh Chhattisgarh

MEDIA AND ENTERTAINMENT INDUSTRY

Even as India's GDP grew at 5% in the fiscal 2012-13, the slowest in the last decade, the Media and Entertainment (M&E) industry in the country showed stiff resilience. The industry posted a 12.6% growth in 2012 over 2011 despite the macroeconomic uncertainty leading to cuts in advertising spends, according to a study done by FICCI-KPMG. As the economy is expected to make a robust recovery in 2013-14, M&E industry is likely to grow by 11.7% this calendar year, according to the study. The growth in the sector will be aided by successful rollout of the digitization regime, forthcoming state and Lok Sabha elections and the rapid rise of regional media. The sector is projected to grow at a healthy CAGR of 15.2% to reach ₹ 1,661 billion over the next five years. In line with the sector's growth, television, which has a lion's share in M&E industry, is estimated at ₹ 370 billion in 2012, and is expected to grow at a CAGR of 18% over 2012-17, to reach ₹ 848 billion in 2017.

Overall Hindi, Regional News and Business News genre ad revenues stayed flat or in lower single digits. This was due to the adverse economic environment wherein the advertisers sought to tighten the ad spends. Additionally, the major news broadcasters had a rate stand-off with the key government advertising agency on the rates. This resulted in significant loss of revenues in the year. Also, apart from Karnataka, there were no other states which had elections thus not having additional revenue generating opportunity.

BUSINESS OPERATIONS

Broadcasting

The Company has the largest network of news bureaus & correspondents with a pan-India presence for newsgathering. 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 ('Media Pro'), which is a joint venture between Zee Turner and Star Den, to distribute its pay channels bouquet in India and neighbouring countries together with the Company's bouquet of pay channels on various DTH platforms. The financial results for FY13 include Subscription Revenue received from Media Pro, which is net of expenses incurred by Media Pro. As a result, the recognition of revenue from domestic subscription business is now being done net of expenses as compared to the earlier years, which was then accounted for on a gross basis.

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 from the competent Government authority for up-linking of TV channels.

Business Overview

The Network continued to churn out a number of path breaking editorial and marketing initiatives. These initiatives engaged with our audiences and reinforced the perception of the Network being relevant and connected with the viewer on the issues affecting him.

The Network's flagship Channel, Zee News, in its quest to initiate purposeful change in the country, reinvented its brand philosophy from 'Jazba Soch ka' to 'Soch Badlo, Desh Badlo' with an objective to engage viewers in the process of positive transformation.

The channel bagged National Award from the Election Commission of India for its campaign – Aapka Vote, Aapki Taqat – that called on all voters to participate in the electoral process. Zee News also created public awareness on importance of conservation of clean water through Saaf Paani Swasth Bharat campaign, a 2,525km-long water rafting expedition, the longest in India, with support from Indo Tibetan Border Police. It earned praise from Hon. Minister of Environment & Forests as well. Another campaign, Iss Tasveer Ko Badal Dalo, empowered the common man to raise his voice on issues affecting him. We covered the plight of Mumbaikars during Monsoons, which generated tremendous response. It was also during the current year that the channel received 4.5 lakh SMSes on Anna's campaign, one of the largest interactive shows in television history. The channel also successfully executed its flagship awards – Ananya Samman and Swastha Bharat Samman – with wide acclaim from viewers.

The channel held its 3rd edition of India's Best Market Analyst Awards in Mumbai where the President, Shri Pranab Mukherjee, was the Chief Guest. In another pioneering initiative – Hunt For India's Smart Investor –over 900 retail investors attended the grand finale. India's largest SME discussion platform – Emerging Business Forum – covered 13 clusters this year and engaged with over 50 industry associations and more than 4000 entrepreneurs. The channel also rolled out Sensex Ka Sultan, India's first derivatives reality show which tests traders' awareness on derivatives and thus fosters investor knowledge. Good Home Awards held in association with CREDAI and Beyond Mandi, an investor interaction initiative in commodity trading, also received overwhelming response.

In line with its thought provoking activities for the intellectual Bengali, 24 Ghanta conducted The State Summit to discuss development and progress in West Bengal. Former Speaker of Lok Sabha Mr. Somillionath Chatterjee made the inaugural address while many intellectuals were part of the discourse. Yet another important initiative, the Annual Debate was organised with on

the theme of the Bengalis losing touch with their culture and ways to remedy the same. In addition, there was participation of school children in the Annual Book Fair at Kolkata leading to the channel's signature property Sankalpa Awards. Sankalpa Awards are a social connect initiative by the channel for the citizens to acknowledge and pledge their efforts on relevant issues like environment, education, etc. The activity saw a rally with over 3000 students, workshops for the students and culminated in an awards event being attended by who's who of Kolkata. This year also saw Newsmakers Awards being given to the Bengali achievers. Channel's Dashabhuj, a contest in which women are tested on a multitude of skills to bring out the best of female talent in West Bengal, was a huge draw.

The channel felicitated unsung heroes through Ananya Samman and also rolled out a unique initiative – Gao Tithe 24 Taas – to connect with viewers in rural Maharashtra through on ground events and on air programmes. It took up rural issues in the mainstream media and connected villages to their local representatives through this initiative. In addition, the channel continued to make deeper inroads into the Marathi households through Diwali Falal contest. The Second edition of the highly effective multimedia campaign 'Sansanit Kaanakhali' (One Tight Slap) was done with the objective of seeking accountability for the sorry state of Mumbai roads during monsoons. The channel also partnered in an eye donation drive which saw a strong response with over a 1 lakh people pledging to donate their eyes. The channel took up the mantle of highlighting issues related with developing cities of Maharashtra in terms of infrastructure, industries, public utilities, etc. The first edition of the series, Nashik First, was held in the month of May this year. Nashik First facilitated discussion between industrialists and administrative officials on ways to iron out the city's problems.

Zee News Uttar Pradesh Uttarakhand It continued to be a favoured choice amongst the citizens of these two states and has been producing and telecasting innovative and relevant content like Ab Toh Jaago Sarkar, where close to 40 civic and social issues were raised during the campaign. The channel also honoured builders and developers contributing to the growth of Uttar Pradesh and Uttarakhand through its on ground property 'Jewels of Real Estate'. It also continued to churn out new programming on issues for the common man through programmes like Apka Shahar Apki Awaaz, Sehat Ka Sawaal, etc.

Zee Punjabi, one of the most vibrant offerings from the stable of Zee News Ltd, has been creating a niche for itself in the northern states. This year one of its initiatives Zee Himachal Shikhar Samman honouring the unsung heroes of Himachal Pradesh received praise from all quarters.

Zee News Madhya Pradesh / Chhattisgarh has struck the right chord with its viewers within a short span of its launch. It has shown tremendous scope for the thought of initiating a hybrid content of News, Views analysis and features which reflect and represent the varied interests of the people of Central India.

Business Strategy

Your Company's management had anticipated the economy slowing down and leading to pressures on ad revenues. While the headwinds were stronger than expected, your company during the year, prepared itself for the future.

For starters, your company charted out an expansion plan in line with its vision "To be the most respected and relevant news organization in India and the world that connects with every conceivable community and stakeholders across platforms". We plan to expand into the regional markets starting Hindi heartland. While we already were present in Uttar Pradesh and Uttarakhand, we launched the second channel from the Regional Hindi News Cluster, Zee Madhya Pradesh Chhattisgarh in the last month of the financial year. We also would be expanding into Rajasthan and Bihar/Jharkhand. Once these channels are launched, English News and English Business News channels would be next in line.

Your Company, during the year, also began the process of achieving synergy across platforms of television news, print and digital. This is an ongoing process and will help us in becoming more real time and more relevant to our consumers. Your Company also undertook several viewer engagement initiatives through its editorial and marketing campaigns by executing over a 100 events. Lastly, your Company, in the view of increasing inflation and toughening economic conditions also undertook cost containment measures. We expect the above steps to bear fruit in the quarters to come.

Other Company Information

Zee News Limited

1. Internal Control Systems

The Company has adequate internal control systems, commensurate with its size and nature of operations so as to ensure seamless operations and compliance with applicable legislation. The Company has a well-defined system of management reporting and periodic businesses review to ensure timely and effective decision-making. It has an internal audit team with professionally qualified financial personnel, which conducts periodic audits of all businesses to maintain a proper system of checks and control.

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 of Directors (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 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 brings along. 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 31 March, 2013 was 1,147 in comparison to 1,268 as on 31 March, 2012.

RISK FACTORS

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

With increasing number of players entering the Broadcasting Industry, more specifically News Broadcasting, competition is ever increasing. Technological and regulatory 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 News Ltd., most of the news television ventures are not profitable. This might dampen the interest of investors in the news television industry.

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, distribution constraints, 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 66% of the Company's revenues 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:

Deadline for implementation of Phase I of DAS was postponed by a few months even as Kolkata and Chennai were struggling to meet up with the deadlines. The Phase II implementation has been quite uneven with some cities achieving digitization while the others could not even manage 50% levels. We, hence, believe that poor and tardy implementation and expansion of Digital Access System by the cable operators could result in delay for us to achieve the related benefits as envisaged.

Regulatory changes related to Carriage Fees under DAS regime may not fructify:

While Ministry of I&B has mooted removal of Carriage Fees in DAS areas, the implementation of the same is pending. The regulatory change may not take place and Carriage Fees could continue to be charged from the broadcasters leading to increase in expenses and a negative impact on margins.

TRAI guidelines on Ad cap would adversely affect the ad revenues:

TRAI and Ministry of Information & Broadcasting, in a recent development have suggested the channels to stick to 12 minutes per hour of ad and promo inventory and propose to strictly implement the same from second half of 2013-14. Implementation of this policy would affect the overall inventory availability and is likely to lead to reduction in ad revenues. While the company would take steps to ramp up its content quality to continue to engage with its viewers, the advertisers may not agree to increase advertising rates in accordance to the reduction in inventory. Hence, the overall ad revenues may be affected after implementation of the Ad Cap.

Ad revenues may decrease due to inability to service the Government and Ministries ad campaigns due to low ad rates decided by DAVP:

In a recent development, Department of Audio Visual & Publicity (DAVP), the nodal agency releasing the ad campaigns of central ministries and departments, has released effective rates for various television channels. Due to low effective rates it could become difficult to service the ad campaigns with the current inventory utilization levels. This may lead to reduction in ad revenues.

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 31 March, 2013

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

	₹ million			
Profit and Loss Account for the year ended 31 March,	Standalone		Consolidated	
	2013	2012	2013	2012
Revenue				
Revenue from Operations	2,667.9	2,733.3	3,038.2	3,072.2
Other Income	251.3	145.0	208.0	155.5
Total Revenue	2,919.2	2,878.3	3,246.2	3,227.7
Expenses				
Operational Cost	441.6	638.4	529.6	710.3
Employee Benefits Expense	774.5	660.1	877.1	747.0
Other Expenses	1,202.0	1,032.3	1,256.1	1,081.4
Total Expenses	2,418.1	2,330.8	2,662.8	2,538.7
Operating Profit	501.1	547.5	583.4	689.0
Finance Costs	87.9	106.6	87.9	106.6
Depreciation and Amortization Expense	106.9	101.4	119.5	112.1
Profit before Exceptional Items and Tax	306.3	339.5	376.0	470.3
Exceptional Items	(46.0)	166.7	(46.0)	166.7
Profit before Tax and Minority Interest	352.3	172.8	422.0	303.6
Tax Expense	109.3	110.8	148.3	152.5
Profit before Minority Interest	243.0	62.0	273.7	151.1
Minority Interest	-	-	(32.0)	(35.6)
Profit after Tax	243.0	62.0	241.7	115.5

	₹ million			
Balance Sheet as at 31 March,	Standalone		Consolidated	
	2013	2012	2013	2012
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	239.8	239.8	239.8	239.8
Reserves and Surplus	1,791.5	1,548.5	1,888.1	1,654.2
	2,031.3	1,788.3	2,127.9	1,894.0
Minority Interest	-	-	120.8	126.0
Non-current Liabilities				
Long-Term Borrowings	6.2	178.1	6.3	178.2
Long-Term Provisions	84.7	77.2	94.9	85.7
	90.9	255.3	101.2	263.9
Current Liabilities				
Short-Term Borrowings	482.6	412.8	482.5	412.7
Trade Payables	84.6	81.7	81.1	78.7
Other Current Liabilities	717.0	675.3	744.2	704.0
Short-Term Provisions	2.6	3.2	2.6	3.2
	1,286.8	1,173.0	1,310.4	1,198.6
Total	3,409.0	3,216.6	3,660.3	3,482.5

₹ million

Balance Sheet as at 31 March,	Standalone		Consolidated	
	2013	2012	2013	2012
ASSETS				
Non-Current Assets				
Fixed Assets				
Tangible Assets	714.4	686.9	839.8	806.8
Intangible Assets	16.0	22.1	19.5	24.0
Capital work-in-progress	44.5	14.0	44.5	13.9
	774.9	723.0	903.8	844.7
Non-Current Investments	83.8	83.3	-	-
Deferred Tax Assets (net)	38.6	38.7	26.5	27.0
Long-Term Loans and Advances	75.1	35.9	89.5	35.9
Other Non-Current Assets	4.4	4.4	4.4	4.4
	976.8	885.3	1,024.2	912.0
Current Assets				
Inventories	1.6	9.8	1.9	10.0
Trade Receivables	796.3	904.9	887.6	996.4
Cash and Bank Balances	34.7	154.0	128.3	275.1
Short-Term Loans and Advances	1,444.5	1,259.1	1,461.2	1,278.4
Other Current Assets	155.1	3.5	157.1	10.6
	2,432.2	2,331.3	2,636.1	2,570.5
Total	3,409.0	3,216.6	3,660.3	3,482.5

A. Result of Operations

We are pleased to share the Consolidated Financial information for the year ended 31 March, 2013 compared to previous year ended 31 March, 2012. At the close of FY13, Zee News Limited has two Subsidiary Companies i.e., Zee Akaash News Private Limited (ZANPL) with 60% equity holding and 24 Ghantalu News Limited with 100% equity holding. ZANPL operates our 24x7 Bangla News Channel "24 Ghanta" while 24 Ghantalu News Limited was formed in FY13 to house our Telugu news channel (24 Gantalu) business. The analysis of Consolidated Financial Statements has been done after knocking off the effect of services among all the three Companies, if any.

Revenue

Revenue from Operations

Revenue from Operations includes Advertisement Revenue, Subscription Revenue and Other Revenues. Revenue mix of the Company for FY13 was 66%, 28% and 6% respectively for these components. Other Revenues include Syndication Revenue, Franchisee Fees and Other

Operating Revenue. Revenue from Operations decreased by ₹ 34.0 million or 1% from ₹ 3,072.2 million in FY12 to ₹ 3,038.2 million in FY13. 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. Additionally, we had an advertising rate stand-off with the key government advertising agencies. Also, the state elections which gave additional revenue generating opportunity in FY12, were not there in FY13. Given these challenges the Company posted total ad revenue growth of 1% against previous year. Subscription revenue increased by 13%, indicating a strong viewer demand for our channels. Other Revenues witnessed 46% drop reflecting the effect of one time transaction of selling programs and film rights pertaining to Zee Tamil in FY12. Besides, there is an increase of 35% in Other Revenues on a like to like basis.

Other Income

Interest & Other Income grew by 34%, from ₹ 155.5 million in FY12 to ₹ 208.0 million in FY13. The increase was primarily on account of interest income from inter-corporate deposits.

Expenditure

Operational Cost

Operational Cost decreased by ₹ 180.7 million or 25% from ₹ 710.3 million in FY12 to ₹ 529.6 million in FY13. The decrease is mainly due to amortization of Film Rights and exploited programs of Zee Tamil in FY12, besides, an increase of 3% on a like to like basis.

Personnel Cost

Overall Personnel Cost increased by ₹ 130.1 million or 17% from ₹ 747.0 million in FY12 to ₹ 877.1 million in FY13. 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.

Other Expenses

Other Expenses which includes Administrative, Selling and Distribution Expenses, increased by ₹ 174.7 million or 16% from ₹ 1,081.4 million in FY12 to ₹ 1,256.1 million in FY13. The Company is currently into expansion mode, and planning to launch some new regional channels in various parts of the country. The Company has undertaken major repairs/renovations in existing infrastructure to support expansion besides investing in marketing activities to facilitate the upcoming launches.

Finance Cost

Finance cost decreased by ₹ 18.7 million or 18%, from ₹ 106.6 million in FY12 to ₹ 87.9 million in FY13, due to efficient and regular monitoring of working capital requirement and maintaining the Cash Credit utilization at the lowest possible level. The Company had also repaid a part of the term bank loan fell due in the current year.

Depreciation and Amortization

Depreciation increased by ₹ 7.4 million or 7% from ₹ 112.1 million in FY12 to ₹ 119.5 million in FY13, due to additions of software and technology related fixed assets during FY13, having higher rate of depreciation.

Profit before Exceptional Items and Tax

Profit before Exceptional Items and Tax decreased by ₹ 94.3 million or 20%, from ₹ 470.3 million in FY12 to ₹ 376.0 million in FY13. Operating Profits have reduced considerably owing to relatively flat revenues higher expenses due to expansion plans.

Exceptional Items

During the year under review the Company has reversed the provision of ₹ 46.0 million in FY13 which was provided for the ₹ 166.7 million 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 ₹ 4.2 million (3%), from ₹ 152.5 million in FY12 to ₹ 148.3 million in FY13. This was in line with the rates of taxes as per relevant provisions of Income Tax Act.

Profit after Tax

Profit after Tax ₹ 241.7 million in FY13, is increased by 109% as compared to ₹ 115.5 million in FY12, primarily due to the impact of Exceptional Items in ZNL.

B. Financial Position

Equity & Liabilities

Share Capital

Equity Share Capital of ₹ 239.8 million remained same as last year.

Reserves & Surplus

Reserves & Surplus stood at ₹ 1,888.1 million as on 31 March, 2013 as against ₹ 1,654.2 million as on 31 March, 2012. The increase is ₹ 233.9 million which is net of Profit after Tax for the current year and Tax on interim dividend paid.

Long Term Borrowings

Long Term Borrowings stood at ₹ 6.3 million as on 31 March, 2013 against ₹ 178.2 million as on 31 March, 2012. The decrease of ₹ 171.9 million is due to repayment of Secured Term Loan from Bank. ZANPL (subsidiary) has no Long Term Borrowings.

Long Term Provisions

Long Term Provisions increased by ₹ 9.2 million from ₹ 85.7 million as on 31 March, 2012 to ₹ 94.9 million as on 31 March, 2013.

Current Liabilities

Current Liabilities includes Short Term Borrowings, Trade Payables, Other Current Liabilities and Short Term Provisions. Current Liabilities stood at ₹ 1,310.4 million as on 31 March, 2013 as against ₹ 1,198.6 million as on 31 March, 2012. The increase was due to Cash Credit facility availed by the Company.

Assets

Non Current Assets

Fixed Assets

Fixed Assets stood at ₹ 859.3 million as on 31 March, 2013 as against ₹ 830.8 million as on 31 March, 2012.

Capital Work-in-Progress increased by ₹ 30.6 million from ₹ 13.9 million as on 31 March, 2012 to ₹ 44.5 million as on 31 March, 2013.

Investments

Non Current Investments stood to be nil as on 31 March, 2013.

Long Term Loans and Advances

Long Term Loans and Advances increased by ₹ 53.6 million from ₹ 35.9 million as on 31 March, 2012 to ₹ 89.5 million as on 31 March, 2013.

Other Non Current Assets

Other Non Current Assets stood at ₹ 4.4 million as on 31 March, 2013 having no change from previous year.

Current Assets

Inventories

Inventories stood at ₹ 1.9 million as on 31 March, 2013 as against ₹ 10.0 million as on 31 March, 2012. The decrease in Inventory was primarily due to consumption of television programs held in Zee Punjabi as on 31 March, 2012.

Trade Receivables

Trade Receivables stood at ₹ 887.6 million as on 31 March, 2013 as against ₹ 996.4 million as on 31 March, 2012. Average Collection Period stood at 107 days.

Cash & Bank Balances

Cash & Bank Balances stood at ₹ 128.3 million as on 31 March, 2013 as against ₹ 275.1 million as on 31 March, 2012. A few short term deposits got matured during FY12 leading to huge Cash & Bank Balances which were optimally deployed during FY13.

Short Term Loans & Advances

Short Term Loans & Advances stood at ₹ 1,461.2 million as on 31 March, 2013 as against ₹ 1,278.4 million as on 31 March, 2012. Increase in Loans & Advances was due to loans given to related parties out of the surplus Cash & Bank Balance available as on 31 March, 2012.

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

We, Punit Goenka, Managing Director and Dinesh Garg, Chief Financial Officer of Zee News 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 31 March, 2013 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31 March, 2013 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.

Punit Goenka
Managing Director

Dinesh Garg
Chief Financial Officer

Place: Mumbai
Date: 23 May, 2013

INDEPENDENT AUDITORS' REPORT

To
The Members of
Zee News Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Zee News Limited ("the Company") which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and 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"). 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 judgement, 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. 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 31 March 2013;
 - 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:
 - (i) 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;
 - (ii) 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;
 - (iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Act; and
 - (v) On the basis of written representation received from the directors as at 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2013, 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, 23 May 2013

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 fixed assets and sale of television programs (inventory) and services, *however internal control system for purchase of television programs (inventory) 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 31 March, 2013 for a period of more than six months from the date they became payable

(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	A.Y. 2007-2008	Commissioner of Income Tax (Appeals)
		0.31	A.Y. 2008-2009	
		2.69	A.Y. 2010-2011	
The Income Tax Act, 1961	Income Tax- Tax Deducted at Source	2.08	A.Y. 2008-2009	Commissioner of Income Tax (Appeals)
		0.59	A.Y. 2009-2010	

- | | |
|---|---|
| <p>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.</p> <p>11) The Company has not defaulted in repayment of dues to banks. The Company has not borrowed any funds from financial institution or issued debentures during the year.</p> <p>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.</p> <p>13) The Company is not a chit fund or a nidhi / mutual benefit fund / society.</p> <p>14) The Company is not dealing in or trading in shares, securities, debentures and other investments.</p> <p>15) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.</p> <p>16) The Company has raised term loans during the year which have been applied for the purposes for which they were raised.</p> <p>17) According to information and explanations given to us and on an overall examination of the Balance Sheet of the Company,</p> | <p>we are of the opinion that short term funds have not been used for long term investments.</p> <p>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.</p> <p>19) The Company has not issued any secured debentures during the year.</p> <p>20) The Company has not raised any money by public issue during the year.</p> <p>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.</p> <p>For MGB & Co
Chartered Accountants
Firm Registration Number 101169W</p> <p>Hitendra Bhandari
Partner
Membership Number 107832</p> <p>Mumbai, 23 May 2013</p> |
|---|---|

BALANCE SHEET AS AT 31 MARCH, 2013

		₹ million	
	Note	2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	239.76	239.76
Reserves and Surplus	4	1,791.50	1,548.51
		2,031.26	1,788.27
Non-Current Liabilities			
Long-Term Borrowings	5	6.25	178.17
Long-Term Provisions	6	84.69	77.18
		90.94	255.35
Current Liabilities			
Short-Term Borrowings	7	482.54	412.76
Trade Payables	8	84.59	81.71
Other Current Liabilities	8	717.03	675.36
Short-Term Provisions	6	2.61	3.17
		1,286.77	1,173.00
Total		3,408.97	3,216.62
ASSETS			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		714.42	686.90
Intangible Assets		16.04	22.13
Capital work-in-progress		44.44	13.93
		774.90	722.96
Non-Current Investments	10	83.78	83.28
Deferred Tax Assets (net)	11	38.61	38.73
Long-Term Loans and Advances	12	75.12	35.95
Other Non-Current Assets	13	4.35	4.35
		976.76	885.27
Current Assets			
Inventories	14	1.63	9.76
Trade Receivables	15	796.29	904.91
Cash and Bank Balances	16	34.67	154.04
Short-Term Loans and Advances	12	1,444.52	1,259.11
Other Current Assets	13	155.10	3.53
		2,432.21	2,331.35
Total		3,408.97	3,216.62
Notes forming part of the financial statements	1 - 46		

As per our attached report of even date

For and on behalf of the Board

For MGB & Co
Chartered Accountants

Punit Goenka
Managing Director

Surjit Banga
Director

Hitendra Bhandari
Partner

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

Place: Mumbai
Date: 23 May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013

₹ million

	Note	2013	2012
Revenue			
Revenue from Operations	17	2,667.94	2,733.35
Other Income	18	251.26	144.99
Total		2,919.20	2,878.34
Expenses			
Operational cost	19	441.65	638.37
Employee benefits expense	20	774.46	660.14
Finance costs	21	87.86	106.56
Depreciation and amortisation expense	22	106.92	101.42
Other expenses	23	1,201.97	1,032.32
Total		2,612.86	2,538.81
Profit before exceptional items and tax		306.34	339.53
Less : Exceptional Items	24	(45.96)	166.74
Profit before tax		352.30	172.79
Less: Tax expense			
- Current year		105.80	106.70
- Earlier years		3.39	26.88
- Deferred Tax		0.12	(22.79)
Profit after tax		242.99	62.00
Earnings per equity share (face value ₹ 1 each)	45		
- Basic and Diluted before exceptional items		0.82	0.95
- Basic and Diluted after exceptional items		1.01	0.26
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: 23 May, 2013

For and on behalf of the Board

Punit Goenka
Managing Director

Dinesh Garg
Chief Financial Officer

Surjit Banga
Director

Pushpal Sanghavi
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Corporate Information

Zee News Limited ("ZNL" 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.

2. Significant Accounting Policies

A Basis of preparation

The financial statements are prepared under the historical cost convention on going concern basis in accordance with Indian Generally Accepted Accounting Principles (GAAP) and comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). The Company follows the mercantile system of accounting and recognises income and expenditure on accrual.

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 of the year. 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 directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of respective asset. All other borrowing costs are expensed in the year 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 amortised 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 transaction.

- 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 and film rights) 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 principal outstanding and the applicable interest rate.

K Inventories

- a) Inventories of television programs (completed, under production, available for sale) and film rights are stated at lower of cost or net realisable value. Cost includes direct production costs and other allocated production overheads. Where the realisable value on the basis of its estimated useful life is less than its carrying amount, the difference is expensed as impairment. Cost of news / current affairs / chat shows / events etc are fully expensed on telecast.

- 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

	2013	2012
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

	2013		2012	
	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	2013	2012
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	2013		2012	
	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 the five years preceding 31 March, 2013.
- 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 31 March 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 31 March 2013.

4. Reserves and Surplus

	₹ million	
	2013	2012
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	1,285.22	1,223.22
Add: Profit for the year	242.99	62.00
	1,528.21	1,285.22
Total	1,791.50	1,548.51

5. Long-Term Borrowings - Secured

	₹ million			
	Non- Current		Current	
	2013	2012	2013	2012
Term Loan from Bank (Refer (a) below)	-	170.00	170.00	180.00
Vehicle Loans (Refer (b) below)				
- from Banks	2.68	6.43	5.65	7.14
- from Others	3.57	1.74	2.20	1.88
	6.25	178.17	177.85	189.02
Less: Amount disclosed under "Other Current Liabilities" (Refer 'Note 8')	-	-	177.85	189.02
Total	6.25	178.17	-	-

- a) Term Loan from Bank is secured by way of first hypothecation charge on the entire movable fixed assets, except vehicles, both present and future. The loan carries interest @12.95% to 13.50% p.a. and is repayable in 10 quarterly installments commencing April 2011.
- b) Vehicle Loans from Banks and Others are secured by way of hypothecation of vehicles. The aforesaid borrowings carries interest ranging from 7.50% p.a. to 12.25% p.a. and are repayable upto September 2016.

6. Provisions

₹ million

	Long-Term		Short-Term	
	2013	2012	2013	2012
Provision for employee benefits:				
- Gratuity	55.49	48.84	1.48	1.89
- Leave benefits	29.20	28.34	1.13	1.28
Total	84.69	77.18	2.61	3.17

7. Short-Term Borrowings - Secured

₹ million

	2013	2012
Cash Credit from Bank	482.54	12.76
Working Capital Loan from Bank	-	400.00
Total	482.54	412.76

Cash credit / working capital loan from bank is secured by way of first hypothecation charge on entire current assets as well as movable fixed assets, both present and future.

8. Current Liabilities

₹ million

	2013	2012
Trade Payables	84.59	81.71
	84.59	81.71
Other Current Liabilities		
Current maturities of long-term borrowings (Refer 'Note 5')	177.85	189.02
Interest accrued but not due	1.94	8.02
Unearned Revenue	33.45	16.67
Advance received from customers	18.06	51.82
Deposits received from distributors	3.43	1.40
Creditors for Capital expenditure	38.24	4.61
Unclaimed Dividends ^	0.68	0.68
Statutory dues payable	37.38	45.86
Other Payables	406.00	357.28
	717.03	675.36
Total	801.62	757.07

^ There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2013.

9 Fixed Assets

₹ million

Description of Assets	Gross Block			Depreciation/Amortisation				Net Block	
	As at 1 April, 2012	Additions	Deductions	As at 31 March, 2013	Upto 31 March, 2012	For the year	Deductions	Upto 31 March, 2013	As at 31 March, 2013
Tangible Assets									
Plant and Machinery	836.12	110.02	47.48	898.66	282.23	71.42	22.81	330.84	567.83
Equipments	52.90	9.25	3.81	58.34	11.26	2.81	1.20	12.87	45.47
Computers	60.71	23.48	13.96	70.23	26.93	10.77	11.50	26.20	44.03
Furniture and Fixtures	8.42	2.45	0.64	10.23	3.90	1.51	0.44	4.97	5.26
Vehicles	50.99	15.04	13.00	53.03	11.75	4.81	5.47	11.09	41.93
Leasehold Improvements	22.12	-	-	22.12	8.29	3.93	-	12.22	9.90
Total	1,031.26	160.24	78.89	1,112.61	344.36	95.25	41.42	398.19	714.42
Previous Year	1,038.62	80.43	87.79	1,031.26	298.68	82.55	36.87	344.36	686.90
Intangible Assets									
Computer Software	89.57	5.58	-	95.15	67.44	11.67	-	79.11	16.04
Total	89.57	5.58	-	95.15	67.44	11.67	-	79.11	16.04
Previous Year	57.65	31.94	0.02	89.57	48.60	18.87	0.02	67.44	22.13
Capital Work-in-Progress									
									44.44
									13.93

Depreciation for the year includes ₹ Nil (₹0.12 million) pertaining to earlier year

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

₹ million

	2013	2012
Trade Investments (Equity shares of ₹ 10 each, fully paid up) - Unquoted		
In Subsidiary - Wholly owned		
50,000 (Nil) of 24 Ghantalu News Limited	0.50	-
In Subsidiary - Others		
2,400,002 (2,399,982) of Zee Akaash News Private Limited (extent of holding 60 %)	83.28	83.28
	83.78	83.28
In Others - Unquoted		
435,000 (435,000) of Akash Bangla Private Limited (extent of holding 11.93%)	60.90	60.90
	60.90	60.90
Less: Provision for diminution in value of investment	60.90	60.90
Total	83.78	83.28
Aggregate amount of unquoted Investments	144.68	144.18
Diminution in value of investments	60.90	60.90

11. Deferred Tax Assets (net)

The components of deferred tax balances as at 31 March, 2013 are as under:

₹ million

	2013	2012
Deferred Tax Assets		
Arising on account of timing difference in employee retirement benefits	29.67	26.07
Allowable on payment basis	40.68	47.32
Provision for doubtful debts and advances	11.94	11.36
	82.29	84.75
Deferred Tax Liabilities		
Depreciation	43.68	46.02
	43.68	46.02
Deferred Tax Assets (net)	38.61	38.73

12. Loans and Advances

₹ million

	Long-Term		Short-Term	
	2013	2012	2013	2012
Capital Advances	4.36	10.43	-	-
Deposits (unsecured, considered good)				
Television Programs	-	-	-	512.65
Others	23.18	23.48	2.30	1.96
Loans, Advances and Deposits to Related Parties				
Loans	-	-	1,250.00	700.00
Other Advances	-	-	76.85	16.12
	-	-	1,326.85	716.12
Advance Share Application Money	-	105.84	105.84	-
Less: Provision for doubtful advances	-	105.84	59.88	-
	-	-	45.96	-
Other Loans and Advances (unsecured)				
Loan to Employee	13.79	-	4.41	-
Advances ^				
- considered good	-	-	24.53	19.59
- considered doubtful	-	-	0.87	1.00
	13.79	-	29.81	20.59
Less: Provision for doubtful advances	-	-	0.87	1.00
	13.79	-	28.94	19.59
Prepaid expenses	0.22	0.14	9.55	8.79
Balances with Government authorities				
Advance direct tax (net of provisions)	33.57	1.90	-	-
Advance indirect taxes	-	-	30.92	-
Total	75.12	35.95	1,444.52	1,259.11

^ includes ₹1.74 millions (₹ Nil) due from subsidiary

13. Other Assets

₹ million

	Non-Current		Current	
	2013	2012	2013	2012
Balances with bank in deposit accounts* (Refer 'Note 16')	4.35	4.35	-	-
Interest accrued on - Bank deposits	-	-	1.66	1.77
- Loan to related parties	-	-	138.14	-
- Others	-	-	-	0.03
Other receivables	-	-	15.30	1.73
Total	4.35	4.35	155.10	3.53

* Pledged with Statutory Authorities.

14. Inventories

₹ million

	2013	2012
Raw Stock - Tapes	1.63	2.87
Television Programs	-	6.89
Total	1.63	9.76

15. Trade Receivables (unsecured)

	₹ million	
	2013	2012
Over six months		
considered good	43.39	99.72
considered doubtful	35.12	35.03
Others		
considered good	752.90	805.19
considered doubtful	-	-
	831.41	939.94
Less: Provision for doubtful debts	35.12	35.03
Total	796.29	904.91

16. Cash and Bank Balances

	₹ million			
	Non Current		Current	
	2013	2012	2013	2012
Cash and Cash Equivalents				
Balances with Banks in Current accounts	-	-	33.58	103.12
Cash in Hand	-	-	0.41	0.24
	-	-	33.99	103.36
Other Bank Balances				
Balances with Banks				
Deposits with maturity within 3 months (under bank's lien)	-	-	-	50.00
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	50.68
Less: Amount disclosed under the head "Other Assets" (Refer 'Note 13')	4.35	4.35	-	-
	-	-	0.68	50.68
Total	-	-	34.67	154.04

^ ₹ 4.35 million (₹ 4.35 million) pledged in favour of statutory authorities.

17. Revenue from Operations

	₹ million	
	2013	2012
Services - Broadcasting Revenue		
Advertisement	1,649.66	1,665.74
Subscription	842.65	742.67
Sales -		
Television Programs	115.07	90.67
Film Rights	-	195.15
Franchise Fee Revenue	30.49	27.72
Other Operating Income	30.07	11.40
Total	2,667.94	2,733.35

18. Other Income

	₹ million	
	2013	2012
Interest Income		
from Bank Deposits	1.54	0.95
from Loans	153.49	94.37
from Others	0.96	0.07
Dividend Income		
from Subsidiary	48.00	-
from Current Investments	0.65	-
Liabilities / Excess provisions written back	33.26	49.33
Miscellaneous Income	13.36	0.27
Total	251.26	144.99

19. Operational Cost

	₹ million	
	2013	2012
a) Television Programs		
Opening	6.89	22.44
	6.89	22.44
Add: Production/ Acquisition Cost		
Acquisition of Programs	-	9.70
Raw tapes consumed	2.35	3.70
Consultancy and Professional charges	116.45	131.78
News Subscription fees	36.09	33.03
Vehicle running, maintenance and Hire charges	47.50	47.68
Travelling and Conveyance expenses	12.32	11.60
Lease-line and V-Sat expenses	49.26	44.75
Other Production expenses	54.62	48.04
	318.59	330.28
Less: Closing	-	6.89
	-	6.89
	325.48	345.83
b) Film rights held for sale	-	195.15
c) Telecast cost	101.39	84.86
d) Channel Subscription fees	14.78	12.53
Total	441.65	638.37

Television programs of ₹ Nil (₹4.12 million) are impaired during the year.

20. Employee benefits expense

	₹ million	
	2013	2012
Salaries and allowances	674.32	571.36
Contribution to provident and other funds	40.80	37.16
Staff welfare expenses	58.80	50.70
Staff recruitment and training expenses	0.54	0.92
Total	774.46	660.14

21. Finance costs

	₹ million	
	2013	2012
Interest - on Loans	78.60	104.99
- on Others	7.11	0.01
Bank and other financial charges	2.15	1.56
Total	87.86	106.56

22. Depreciation and amortisation expense

	₹ million	
	2013	2012
Depreciation on tangible assets	95.25	82.55
Amortisation on intangible assets	11.67	18.87
Total	106.92	101.42

23. Other expenses

	₹ million	
	2013	2012
Rent	56.60	58.54
Rates and Taxes	4.90	7.10
Repairs and Maintenance - Building	10.81	1.09
- Plant and Machinery	17.11	13.78
- Other	26.95	12.50
Insurance	2.51	2.96
Electricity and water charges	57.54	40.79
Communication charges	17.36	17.61
Printing and Stationary expenses	4.94	5.13
Travelling and Conveyance expenses	72.67	68.10
Legal and Professional charges	86.06	18.75
Payment to Auditors (Refer 'Note 29')	2.25	1.66
Donation	1.45	2.15
Miscellaneous expenses	46.48	38.03
Marketing, distribution and business promotion expenses	651.21	635.91
Advertisement and Publicity expenses	72.65	33.09
Commission/ Discount on services	30.06	35.24
Provision for doubtful debts and advances	2.57	3.54
Bad debts / advances written off	7.44	
Less: Provision for doubtful debts and advances	2.61	4.83
Loss on sale/discard of fixed assets (net)	31.52	32.11
Loss on exchange difference (net)	1.50	2.14
Total	1,201.97	1,032.32

24. Exceptional items

	₹ million	
	2013	2012
Provision for doubtful share application money	(45.96)	105.84
Provision for diminution in value of investment	-	60.90
Total	(45.96)	166.74

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 108 months.

	₹ million	
	2013	2012
Lease rental charges for the year	119.51	118.29
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	64.74	57.32
Later than one year but not later than five years	85.58	126.20
Later than five years	-	-

26. Contingent Liabilities not provided for

	₹ million	
	2013	2012
Custom Duty pending export obligations	18.18	18.18
Disputed Direct Taxes	9.31	3.82
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

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ 53.21 million (₹ 85.86 million).

28. Managerial Remuneration

Commission payable to Non Executive Directors of ₹ 1.60 million (₹ 1.00 million) based on profits for the year ended 31 March 2013 is included in 'Miscellaneous expenses' under Note 23 "Other expenses".

29. Payment to Auditors

	₹ million	
	2013	2012
Audit Fees	0.80	0.80
Tax Audit Fees	0.25	0.20
Certification work (including limited reviews)	0.74	0.51
Tax Representation and other matters	0.44	0.14
Reimbursement of expenses	0.02	0.01
Total	2.25	1.66

30. Foreign Exchange

Foreign currency exposures that are not hedged by derivative instruments as at 31 March, 2013 are as under:

	₹ million	
	2013	2012
Payables	58.67	35.07
Receivables	121.90	95.41

31. The Company has given advances/deposits of ₹ 640.90 million to various companies for the purpose of content and marketing. However, due to various reasons, the contract could not be executed and accordingly the advances/deposits have been received back.

32. The Company is in the process of reconciling Integrated Receiver Decoder (IRD) boxes included under Plant and Machinery and Capital work in progress - Fixed Assets. The Management is of the view that the financial impact on reconciliation, if any, would not be material.

33. Micro, Small and Medium Enterprises

The Company has no dues to Micro, Small and Medium Enterprises during the year ended 31 March, 2013 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 separately to build up the final obligation. The obligation for leave benefits (non funded) is also recognised using the projected unit credit method.

Disclosure of gratuity in terms of AS 15 is as under:

(i) Expenses recognised during the year:

	₹ million	
	Gratuity (Non Funded)	
	2013	2012
Service cost	9.99	8.75
Interest cost	4.23	3.23
Net actuarial (gain)/loss on obligation	7.88	3.44
Total Expenses	22.10	15.42

(ii) Net Assets/ (Liability) recognised in the Balance Sheet as at 31 March, 2013

	₹ million	
	2013	2012
Present value of deferred obligation	56.97	50.73
Net Asset/ (Liability)	(56.97)	(50.73)

(iii) Reconciliation of Net Asset/ (Liability) recognised in the Balance sheet as at 31 March, 2013

	₹ million	
	2013	2012
Net Asset/ (Liability) at the beginning of the year	(50.73)	(38.02)
Expenses as per (i) above	(22.10)	(15.42)
Benefits paid	15.86	2.71
Net Asset/ (Liability) at the end of the year	(56.97)	(50.73)

(IV) Actuarial assumptions :

	₹ million	
	2013	2012
Discount Rate	8.20%	8.50%
Expected Salary Escalation Rate	6.00%	6.00%
Mortality Table	IAL (1994-96)	LIC (1994-96)

Note:

- (a) Amount recognised as an expense and included in Note 20 "Employee benefit expense" are gratuity ₹ 22.10 million (₹ 15.42 million) and Leave Encashment ₹ 17.64 million (₹ 8.42 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 31st March		Maximum amount outstanding during the year	
	2013	2012	2013	2012
24 Ghantalu News Limited	1.74	-	1.74	-

(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% w.e.f. 1 March, 2012)

Ultimate Holding Company:

- 25 FPS Media Private Limited held by Essel Corporate Resources Private Limited
- Essel Corporate Resources Private Limited held by Prime Publishing Private Limited
- Prime Publishing Private Limited held by Spirit Textiles Private Limited (w.e.f. 1 October 2012)

Subsidiary Company:

Zee Akaash News Private Limited (extent of holding 60%), 24 Ghantalu News Limited (extent of holding 100%)

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.

(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 Ventures Private Limited, E-City

Bioscope Entertainment Private Limited, Essel International 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 (previously known as Wire and Wireless (India) Limited), Smart Wireless Private Limited, Taj TV Limited, Taj Television (India) Private Limited, Veena Investments Private Limited, Zee Entertainment Enterprises Limited, Zee Foundation, Zee Learn Limited, Zee Sports Limited, Zee Telefilms Middle East FZ LLC, Zee Turner Limited.

Directors / Key Management Personnel

Shri Subhash Chandra (Non-Executive Director), Shri Punit Goenka (Managing Director)

(iii) Transactions with Related Parties:

	₹ million	
	2013	2012
(A) Transactions :		
(i) With Holding Company		
- Essel Corporate Resources Private Limited		
• Legal and Professional charges	15.60	13.20
(ii) With Subsidiary Company		
- Zee Akaash News Private Limited		
• Loans, Advances and Deposits given	-	2.29
• Loans, Advances and Deposits repayment received	-	2.04
• Share Application Money refund received	-	67.23
• Channel Subscription fees	14.78	12.53
• Dividend income	48.00	-
- 24 Ghantalu News Limited		
• Investment made in equity share capital	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	-
• Revenue from Broadcasting services	0.53	0.50
• Interest income	4.62	-
• Advertisement and Publicity expenses	-	0.12
(iv) With Other Related Parties:		
• Revenue from Broadcasting services	874.51	607.24
Media Pro Enterprise India Private Limited	840.00	562.50
Other Related Parties	34.51	44.74
• Sale of Television programs and Film rights	115.07	284.00
Zee Entertainment Enterprises Limited	-	198.47
Asia Today Limited	115.07	85.53
• Other operating income	5.89	2.40
Zee Entertainment Enterprises Limited	5.89	2.40
• Sale of fixed assets	-	16.61
Zee Entertainment Enterprises Limited	-	16.61
• Interest income	148.87	94.36
Siti Cable Network Limited	-	46.34
Essel International Limited	148.87	48.02
• Purchase of fixed assets / capital work in progress	3.21	-
Zee Entertainment Enterprises Limited	3.21	-

	₹ million	
	2013	2012
• Purchase of services		
• Lease-line & V-Sat expenses	41.88	34.16
Dish TV India Limited	23.05	19.93
Essel Shyam Communication Limited	18.83	14.23
• Telecast cost	59.96	51.28
Dish TV India Limited	34.12	26.32
Zee Entertainment Enterprises Limited	25.84	24.96
• Rent	26.81	27.65
Zee Entertainment Enterprises Limited	26.81	26.93
Other Related Parties	-	0.72
• Marketing, distribution and promotion expenses	55.45	49.04
Siti Cable Network Limited	55.45	49.04
• Other services	39.17	18.69
Zee Entertainment Enterprises Limited	37.59	3.03
Zee Turner Limited	-	12.59
Other Related Parties	1.58	3.07
• Loans, Advances and Deposits given	575.00	1,405.79
Siti Cable Network Limited	-	702.67
Essel International Limited	500.00	700.00
Digital Ventures Private Limited	75.00	-
Other Related Parties	-	3.12
• Loans, Advances and Deposits repayment received	1,214.59	793.36
Siti Cable Network Limited	-	700.00
Essel International Limited	1,200.00	-
Other Related Parties	14.59	93.36
• Balances written back	0.70	-
Zee Turner Limited	0.70	-
• Donation	1.00	2.05
Zee Foundation	1.00	2.05
(B) Balances at the end of the year:		
(i) Holding Company		
- Essel Corporate Resources Private Limited		
• Other Payables	1.45	2.41
(ii) Subsidiary Company		
- Zee Akaash News Private Limited		
• Investment made in equity share capital	83.28	83.28
• Trade Payables	3.67	5.03
• Trade Receivables	0.46	-
- 24 Ghantalu News Limited		
• Investment made in equity share capital	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	-
• Interest Receivable	4.16	-
• Other payables	0.08	-

	₹ million	
	2013	2012
(iv) Other Related Parties		
- Trade Receivables	359.16	396.88
• Media Pro Enterprise India Private Limited	224.50	194.62
• Asia Today Limited	119.31	89.96
• Zee Entertainment Enterprises Limited	1.83	78.28
• Other Related Parties	13.52	34.02
- Loans, Advances and Deposits given	76.85	716.44
• Essel International Limited	-	700.00
• Digital Ventures Private Limited	75.00	-
• Other Related Parties	1.85	16.44
- Interest Receivable	133.98	-
• Essel International Limited	133.98	-
- Trade Payables / Other Payables	70.55	45.34
• Dish TV India Limited	31.41	20.00
• Asia Today Limited	21.71	21.71
• Zee Entertainment Enterprises Limited	12.03	-
• Other Related Parties	5.40	3.63
- Advances and Deposits received	0.07	0.15
• Zee Entertainment Enterprises Limited	-	0.05
• Pan India Network Limited	0.06	0.07
• Zee Learn Limited	0.01	0.02
• Smart Wireless Private 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 included in the respective heads are as under

	₹ million	
	2013	2012
Income		
Subscription Revenue	-	0.22
Sale - Programs	-	1.32
Interest Income from Others	-	0.03
Total Income	-	1.57
Expenses		
Depreciation / Amortisation Expense	-	0.12
Total Expenses	-	0.12
Prior period income (net)	-	1.45

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

Details of consumption of Imported and Indigenous stock:				
	2013		2012	
	Percentage	₹ million	Percentage	₹ million
Imported	78.43%	1.84	67.62%	2.50
Indigenous	21.57%	0.51	32.38%	1.20
Total	100%	2.35	100%	3.70

39. Earning in Foreign Exchange

	₹ million	
	2013	2012
FOB Value of Export of Programs	115.07	86.85
Advertising Revenue	6.26	5.06
Other Income	-	0.01

40. Expenditure in Foreign Currency

	₹ million	
	2013	2012
Telecast cost	41.43	33.41
Production expenses	13.83	12.04
Other expenses	13.59	0.02

41. CIF Value of Imports

	₹ million	
	2013	2012
Raw Stock-Tapes	0.52	2.99
Capital Equipment	102.89	36.63
Repair and Maintenance	4.71	5.82

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 international transactions with Associated Enterprises (AE's) are at arm's length price as per the independent accountants report for the year ended 31 March, 2013. Further, the Finance Bill, 2012 had sought to bring in certain class of domestic transactions in the ambit of the transfer pricing regulations with effect from 1 April, 2012. The Management is of the opinion that its international transactions with AE's and the specified domestic transactions for the year are at arm's length price and that the transfer pricing study will not have any impact on the amount of tax expense and provision of taxation in these financials.
44. Considering the business synergies, the Board of Directors of the Company, in their meeting held on 23 May 2013, has in-principle approved combination of 'News Publication Business' of Diligent Media Corporation Limited - a Promoter Group company engaged in printing and publication of English daily 'DNA' and the 'News Broadcasting Business' of the Company and constituted a Committee to engage / appoint independent professionals to advice on the appropriate structure / manner of combination and its valuation, cost-benefit analysis, procedural and others aspects for consideration by the Audit Committee and the Board in due course.

45. Earnings per share (EPS)

		2013	2012
a.	Profit after Tax after Exceptional Items (₹ million)	242.99	62.00
	Adjustments for :		
	Diminution in the Value of Investments (₹ million)	-	60.90
	Provision for Doubtful Share Application Money (₹ million)	(45.96)	105.84
b.	Profit after Tax before Exceptional Items (₹ million)	197.03	228.74
c.	Weighted Average number of equity shares for Basic and Diluted EPS (Numbers)	239,763,956	239,763,956
	Nominal value of each equity share (₹)	1	1
d.	Basic and Diluted EPS before Exceptional Items (₹)	0.82	0.95
e.	Basic and Diluted EPS after Exceptional Items (₹)	1.01	0.26

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.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

		₹ million	
		2013	2012
A. Cash flow from Operating activities			
Profit before Tax		352.30	172.79
Adjustments for:			
Depreciation and amortisation expense		106.92	101.42
Loss on sale/discard of fixed assets (net)		31.52	32.11
Interest expense		85.71	105.00
Interest income		(155.99)	(95.39)
Dividend income		(48.65)	-
Liabilities/excess provisions written back		(33.26)	(49.33)
Provision for diminution in value of investment		-	60.90
Provision for doubtful share application money		(45.96)	105.84
Provision for doubtful debts and advances		(0.04)	(37.54)
Unrealised foreign exchange loss (net)		3.13	3.90
Operating Profit before working capital changes		295.68	399.70
Adjustments for:			
(Increase)/Decrease in inventories		8.13	210.74
(Increase)/Decrease in trade and other receivables		493.74	(529.16)
Increase/(Decrease) in trade and other payables		63.55	(162.82)
Cash generated from Operations		861.10	(81.53)
Direct taxes paid (net)		(140.86)	(115.49)
Net cash flow from/(used in) Operating activities	(A)	720.24	(197.02)
B. Cash flow from Investing activities			
Purchase of fixed assets, including capital advances		(156.62)	(90.52)
Sale of fixed assets		5.96	18.80
Loan given to others		(1,750.00)	(1,400.00)
Loan repaid by others		1,200.00	700.00
Refund of share application money given to Subsidiary		-	67.23
Long-Term Investment made in Subsidiary		(0.50)	-
Deposits with Banks		50.00	(50.00)
Interest received		18.00	94.45
Dividend received		48.65	-
Net cash flow from/(used in) Investing activities	(B)	(584.51)	(660.04)

₹ million

		2013	2012
C. Cash flow from Financing activities			
Repayment of Long-Term Borrowings		(180.00)	(150.00)
Proceeds from Working Capital Loan		1,200.00	1,600.00
Repayment of Working Capital Loan		(1,600.00)	(1,200.00)
Proceeds from Cash Credit (net)		469.78	12.76
Proceeds from Vehicle Loans		8.17	4.47
Repayment of Vehicle Loans		(11.26)	(9.72)
Interest paid		(91.79)	(101.98)
Net cash flow from/(used in) Financing activities	(C)	(205.10)	155.53
Net Cash flow / (outflow) during the year	(A+B+C)	(69.37)	(701.53)
Cash and Cash equivalents at the beginning of the year		103.36	804.89
Cash and Cash equivalents at the end of the year		33.99	103.36
Add: Balances earmarked		0.68	50.68
Cash and Bank balances at the end of the year		34.67	154.04

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: 23 May, 2013

For and on behalf of the Board

Punit Goenka
Managing Director

Dinesh Garg
Chief Financial Officer

Surjit Banga
Director

Pushpal Sanghavi
Company Secretary

PERFORMANCE RATIOS & ANALYSIS

₹ million

Year Ending 31 March,	Consolidated					Standalone				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Revenue Account										
Revenue from Operations	3,038.2	3,072.2	2,767.9	5,292.9	5,221.3	2,667.9	2,733.3	2,430.5	5,077.5	5,074.5
Operating Expenses	2,662.8	2,538.7	2,343.9	4,368.5	4,384.9	2,418.1	2,330.8	2,165.2	4,213.7	4,247.4
Operating Profit	375.4	533.5	424.0	924.4	836.4	249.8	402.5	265.4	863.8	827.0
% to Revenue from Operations	12.4%	17.4%	15.3%	17.5%	16.0%	9.4%	14.7%	10.9%	17.0%	16.3%
Other Income	208.1	155.5	113.2	185.4	175.6	251.3	145.0	108.5	15.7	175.3
PBIDT	583.5	689.0	537.2	1,109.8	1,012.0	501.1	547.5	373.8	879.4	1,002.3
Finance costs	87.9	106.6	125.7	261.4	210.7	87.9	106.6	125.7	92.3	210.7
Depreciation and amortisation expense	119.5	112.1	100.8	112.3	95.2	106.9	101.4	92.4	104.8	88.9
Profit before exceptional items and tax	376.1	470.3	310.7	736.2	706.1	306.3	339.5	155.8	682.3	702.8
Exceptional Items	(46.0)	166.7	-	-	-	(46.0)	166.7	-	-	-
Profit before tax	422.1	303.6	310.7	736.2	706.1	352.3	172.8	155.8	682.3	702.8
Tax expense	148.3	152.5	103.1	267.9	259.1	109.3	110.8	58.0	242.7	257.2
Profit after tax before minority interest	273.8	151.1	207.6	468.3	447.0	243.0	62.0	97.8	439.7	445.6
Less: Minority interest	(32.0)	(35.6)	(43.9)	(11.5)	(0.7)	-	-	-	-	-
Profit after tax	241.8	115.5	163.7	456.8	446.3	243.0	62.0	97.8	439.7	445.6
% to Total Revenue	7.4%	3.6%	5.7%	8.3%	8.3%	8.3%	2.2%	3.9%	8.6%	8.5%
Dividend	-	-	-	-	95.9	-	-	-	-	95.9
Dividend Rate %	-	-	-	-	40%	-	-	-	-	40%
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	1,888.1	1,654.2	1,538.8	1,375.1	2,166.1	1,791.5	1,548.5	1,486.5	1,388.7	2,196.9
Deferred Tax Balances	-	-	-	-	-	-	-	-	-	3.2
Minority Interest	120.8	126.0	108.9	64.9	53.5	-	-	-	-	-
Loan Funds	666.6	780.0	522.6	1,689.1	2,017.1	666.6	779.9	522.4	1,688.8	2,016.7
Capital Employed	2,915.3	2,800.0	2,410.1	3,368.9	4,476.5	2,698.1	2,568.2	2,248.7	3,317.3	4,456.6
Fixed Assets	903.8	844.7	914.8	952.4	1,047.3	774.9	723.0	795.6	850.9	941.3
Investments	-	-	60.9	60.9	-	83.8	83.3	144.2	144.2	83.3
Deferred Tax Balances	26.5	27.0	5.4	25.8	19.4	38.6	38.7	15.9	21.1	-
Net Assets	1,985.0	1,928.3	1,429.0	2,329.8	3,409.7	1,800.8	1,723.2	1,293.0	2,301.1	3,432.0
Misc. Expenditure (to the extent not w/o)	-	-	-	-	0.1	-	-	-	-	-
Capital Deployed	2,915.3	2,800.0	2,410.1	3,368.9	4,476.5	2,698.1	2,568.2	2,248.7	3,317.3	4,456.6
Closing Market Price Per Share (₹)	13.4	10.3	12.2	68.1	32.8	13.4	10.3	12.2	68.1	32.8
Market Capitalisation	3,200.8	2,467.2	2,913.1	16,327.9	7,864.3	3,200.8	2,467.2	2,913.1	16,327.9	7,864.3

Year Ending 31 March,	Consolidated					Standalone				
	2013	2012	2011	2010	2009	2013	2012	2011	2010	2009
Financial Performance										
Advertisement Revenue/Revenue from Operations (%)	66.5	65.2	70.9	79.1	78.4	61.8	60.9	67.3	78.4	77.7
Subscription Revenue/Revenue from Operations (%)	27.7	24.2	26.6	18.8	18.5	31.6	27.2	29.8	19.5	19.0
Operating Profit/Revenue from Operations (%)	12.4	17.4	15.3	17.5	16.0	9.4	14.7	10.9	17.0	16.3
Other Income/Total Revenue (%)	6.4	4.8	3.9	3.4	3.3	8.6	5.0	4.3	0.3	3.3
Operational cost/Revenue from Operations (%)	17.4	23.1	21.3	36.8	40.9	16.6	23.4	21.2	36.9	40.8
Employee benefits expense/Revenue from Operations (%)	28.9	24.3	25.0	14.9	12.6	29.0	24.2	25.8	14.4	12.0
Other expenses/Revenue from Operations (%)	41.3	35.6	38.4	30.9	30.5	45.1	37.8	42.2	19.6	30.9
Total Operating Cost/Revenue from Operations (%)	87.6	82.6	84.7	82.5	84.0	90.6	85.3	89.1	83.0	83.7
Finance costs/Revenue from Operations (%)	2.9	3.5	4.5	4.9	4.0	3.3	3.9	5.2	1.8	4.2
Tax expense/Revenue from Operations (%)	4.9	5.0	3.7	5.1	5.0	4.1	4.1	2.4	4.8	5.1
Profit after tax/Total Revenue (%)	7.4	3.6	5.7	8.3	8.3	8.3	2.2	3.9	8.6	8.5
Tax/Profit before tax (%)	35.1	50.2	33.2	36.4	36.7	31.0	64.1	37.2	35.6	36.6
Dividend payout/Profit after tax (%)	-	-	-	-	21.5	-	-	-	-	21.5
Dividend payout/Effective Net Worth (%)	-	-	-	-	3.9	-	-	-	-	3.9
Balance Sheet										
Debt-Equity Ratio (Total Loans/Effective Net Worth) (x)	0.3	0.4	0.3	1.1	0.8	0.3	0.5	0.3	1.2	0.9
Current Ratio (Current Assets/Current Liabilities) (x)	2.0	2.1	2.2	3.9	3.1	1.9	2.0	2.1	4.1	3.2
Capital Output Ratio (Income from Operations/Eff. Cap. Employed)	1.1	1.1	1.2	1.6	1.2	1.0	1.1	1.2	1.6	1.2
Fixed Assets Turnover (Income from Operations/ F.A)	3.4	3.6	3.0	5.6	5.0	3.4	3.8	3.1	6.0	5.4
Cash & Cash equivalents/Total Eff. Capital Employed (%)	4.4	9.9	37.4	4.4	11.4	1.3	6.3	38.6	3.0	11.3
RONW (PAT for the year/Eff. Networth) (%)	10.9	5.8	9.0	28.7	18.3	12.7	3.7	6.2	30.0	18.9
ROCE (PBIT/Eff. Capital Employed) (%)	16.1	20.8	18.6	30.4	20.6	15.3	18.2	13.5	24.6	20.9
Per Share Data *										
Revenue Per Share (₹)	13.5	13.5	11.5	22.8	22.5	1.6	1.9	10.6	21.2	21.9
Dividend Per Share (₹)	-	-	-	-	0.4	-	-	-	-	0.4
Indebtedness Per Share (₹)	2.8	3.3	2.2	7.0	8.4	2.8	3.3	2.2	7.0	8.4
Earnings Per Share (₹)	1.0	0.5	0.7	1.9	1.9	1.0	0.3	0.4	1.8	1.9
P.E Ratio (Share Price as of 31 March,)	13.2	21.4	17.8	35.7	17.6	13.2	39.8	29.8	37.1	17.6

* Annualised

Note:

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

CONSOLIDATED FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To
The Members of
Zee News Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Zee News Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March, 2013, 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 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 judgement, 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 Group's preparation and fair presentation of the consolidated financial

statements in order to design audit procedures that are appropriate in the circumstances. 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 did not audit the financial statements of subsidiaries of the Group whose financial statements reflect revenue of ₹375.06 million and total assets of ₹337 million for the year then ended. These financial statements have been audited by other auditors. Our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of such other auditors which have been furnished to us.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

7. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph 5 above, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2013;
 - (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.

For MGB & Co
Chartered Accountants
Firm Registration Number 101169W

Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 23 May 2013

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2013

		₹ million	
	Note	2013	2012
Equity and Liabilities			
Shareholders' Funds			
Share Capital	3	239.76	239.76
Reserves and Surplus	4	1,888.15	1,654.25
		2,127.91	1,894.01
Minority Interest		120.82	126.01
Non-Current Liabilities			
Long-Term Borrowings	5	6.25	178.17
Long-Term Provisions	6	94.94	85.70
		101.19	263.87
Current Liabilities			
Short-Term Borrowings	7	482.54	412.76
Trade Payables	8	81.06	78.71
Other Current Liabilities	8	744.17	703.94
Short-Term Provisions	6	2.61	3.17
		1,310.38	1,198.58
Total		3,660.30	3,482.47
Assets			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		839.81	806.76
Intangible Assets		19.54	23.97
Capital work-in-progress		44.44	13.93
		903.79	844.66
Non-Current Investments	10	-	-
Deferred Tax Assets (net)	11	26.52	27.01
Long-Term Loans and Advances	12	89.51	35.95
Other Non-Current Assets	13	4.35	4.35
		1,024.17	911.97
Current Assets			
Inventories	14	1.90	9.96
Trade Receivables	15	887.64	996.39
Cash and Bank Balances	16	128.33	275.11
Short-Term Loans and Advances	12	1,461.19	1,278.45
Other Current Assets	13	157.07	10.59
		2,636.13	2,570.50
Total		3,660.30	3,482.47
Notes forming part of the consolidated financial statements	1 - 36		

As per our attached report of even date

For and on behalf of the Board

For MGB & Co
Chartered Accountants

Punit Goenka
Managing Director

Surjit Banga
Director

Hitendra Bhandari
Partner

Dinesh Garg
Chief Financial Officer

Pushpal Sanghavi
Company Secretary

Place: Mumbai
Date: 23 May, 2013

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2013

₹ million

	Note	2013	2012
Revenue			
Revenue from Operations	17	3,038.19	3,072.23
Other Income	18	208.06	155.49
Total		3,246.25	3,227.72
Expenses			
Operational cost	19	529.59	710.27
Employee benefits expense	20	877.10	747.00
Finance costs	21	87.90	106.59
Depreciation and amortisation expense	22	119.48	112.10
Other expenses	23	1,256.13	1,081.41
Total		2,870.20	2,757.37
Profit before exceptional items and tax		376.05	470.35
Less : Exceptional Items	24	(45.96)	166.74
Profit before tax		422.01	303.61
Less: Tax expense			
- Current year		144.38	147.14
- Earlier years		3.46	26.97
- Deferred Tax		0.49	(21.61)
Profit for the year before minority interest		273.68	151.11
Less : Minority interest		32.00	35.64
Profit for the year		241.68	115.47
Earnings per equity share (face value ₹ 1 each)	36		
- Basic and Diluted before exceptional items		0.82	1.18
- Basic and Diluted after exceptional items		1.01	0.48
Notes forming part of the consolidated financial statements	1 - 36		

As per our attached report of even date

For MGB & Co
Chartered Accountants

Hitendra Bhandari
Partner

Place: Mumbai
Date: 23 May, 2013

For and on behalf of the Board

Punit Goenka
Managing Director

Dinesh Garg
Chief Financial Officer

Surjit Banga
Director

Pushpal Sanghavi
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. A Corporate information

Zee News Limited (hereinafter referred to as 'the Company' or 'ZNL') together with subsidiaries (collectively known as "the Group") is mainly in the business of broadcasting of news, current affairs and programs and derives revenue mainly from advertisement and subscription. The Group also derives revenue from sale of television programs including program feeds.

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 transactions.
- (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 (either directly / indirectly or through Subsidiaries).	Country of Incorporation
Direct Subsidiaries		
Zee Akaash News Private Limited	60 (60)	India
24 Ghantalu News Limited ^	100 (Nil)	India

^ incorporated 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 of the year. 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 subsidiary incorporated 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 directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of respective asset. All other borrowing costs are expensed in the year 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 and film rights) 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 principal outstanding and the applicable interest rate.

K. Inventories

- (a) Inventories of television programs (completed, under production, available for sale) and film rights are stated at lower of cost or net realisable

value. Cost includes direct production costs and other allocated production overheads, where the realisable value on the basis of its estimated useful life is less than its carrying amount, the difference is expensed as impairment. Cost of news/ current affairs/ chat shows / events etc are fully expensed on telecast.

- (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	
	2013	2012
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

	2013		2012	
	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 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	2013	2012
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	2013		2012	
	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 the five years preceding 31 March, 2013.
- 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 31 March 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 31 March 2013.

4. Reserves and Surplus

₹ million

	2013	2012
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
Add: Appropriated during the year	8.00	-
	98.00	90.00
Surplus in the Statement of Profit and Loss		
As per last Balance Sheet	1,390.96	1,275.49
Add: Profit for the year	241.68	115.47
Less: Transferred to General Reserve	8.00	-
Less: Tax on Interim Dividend	7.78	-
	1,616.86	1,390.96
Total	1,888.15	1,654.25

5. Long-Term Borrowings - Secured

₹ million

	Non- Current		Current	
	2013	2012	2013	2012
Term Loan from Bank (Refer (a) below)	-	170.00	170.00	180.00
Vehicle Loans (Refer (b) below)				
- from Banks	2.68	6.43	5.65	7.14
- from Others	3.57	1.74	2.20	1.96
	6.25	178.17	177.85	189.10
Less: Amount disclosed under "Other Current Liabilities" (Refer 'Note 8')	-	-	177.85	189.10
Total	6.25	178.17	-	-

- (a) Term Loan from Bank is secured by way of first hypothecation charge on the entire movable fixed assets, except vehicles, both present and future. The loan carries interest @12.95% p.a. to 13.50% p.a. and is repayable in 10 quarterly installments commencing April 2011.
- (b) Vehicle Loans from Banks and Others are secured by way of hypothecation of vehicles. The aforesaid borrowings carries interest ranging from 7.50% p.a. to 12.25% p.a. and are repayable upto September 2016.

6. Provisions

₹ million

	Long-Term		Short-Term	
	2013	2012	2013	2012
Provision for employee benefits:				
- Gratuity	62.03	54.27	1.48	1.88
- Leave benefits	32.91	31.43	1.13	1.29
Total	94.94	85.70	2.61	3.17

7. Short-Term Borrowings - Secured

	₹ million	
	2013	2012
Cash Credit from Bank	482.54	12.76
Working Capital Loan from Bank	-	400.00
Total	482.54	412.76

Cash credit / working capital loan from bank is secured by way of first hypothecation charge on entire current assets as well as movable fixed assets, both present and future.

8. Current Liabilities

	₹ million	
	2013	2012
Trade Payables	81.06	78.71
	81.06	78.71
Other Current Liabilities		
Current maturities of long-term borrowings (Refer 'Note 5')	177.85	189.10
Interest accrued but not due	1.94	8.02
Unearned Revenue	33.45	16.67
Advance received from customers	23.48	60.05
Deposits received from distributors	3.43	1.40
Creditors for Capital expenditure	38.24	4.61
Unclaimed Dividends ^	0.68	0.68
Statutory dues payable	38.99	46.47
Other Payables	426.11	376.94
Total	744.17	703.94
	825.23	782.65

There are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March, 2013.

9 Fixed Assets

	₹ million									
Description of Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1 April, 2012	Additions	Deductions	As at 31 March, 2013	Upto 31 March, 2012	For the year	Deductions	Upto 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
Tangible Assets										
Plant and Machinery	949.12	122.41	47.48	1,024.05	307.19	77.42	22.81	361.80	662.25	641.93
Equipments	55.19	10.27	3.81	61.65	11.44	2.96	1.19	13.21	48.44	43.75
Computers	82.01	24.00	13.96	92.05	37.05	13.38	11.50	38.93	53.12	44.96
Furniture and Fixtures	28.40	3.09	0.64	30.85	10.74	2.80	0.44	13.10	17.76	17.66
Vehicles	57.06	16.77	13.00	60.83	12.43	5.52	5.47	12.48	48.34	44.63
Leasehold Improvements	22.12	-	-	22.12	8.29	3.93	-	12.22	9.90	13.83
Total	1,193.90	176.54	78.89	1,291.55	387.14	106.01	41.41	451.74	839.81	806.76
Previous Year	1,184.86	96.96	87.91	1,193.90	331.57	92.56	36.99	387.14	806.76	
Intangible Assets										
Computer Software	92.14	9.04	-	101.18	68.17	13.47	-	81.64	19.54	23.97
Total	92.14	9.04	-	101.18	68.17	13.47	-	81.64	19.54	23.97
Previous Year	59.56	32.60	0.02	92.14	48.65	19.54	0.02	68.17	23.97	
Capital Work-in-Progress	-	-	-	-	-	-	-	-	44.44	13.93

Depreciation for the year includes ₹ Nil (₹ 0.12 million) pertaining to earlier year.

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

	₹ million	
	2013	2012
In Others (Equity shares of ₹ 10 each, fully paid up) - Unquoted		
435,000 (435,000) of Akash Bangla Private Limited (extent of holding 11.93%)	60.90	60.90
	60.90	60.90
Less: Provision for Diminution in value of investment	60.90	60.90
Total	-	-
Aggregate amount of unquoted Investments	60.90	60.90
Diminution in value of investments	60.90	60.90

11. Deferred Tax Assets (net)

The components of deferred tax balances as at 31 March, 2013 are as under:

	₹ million	
	2013	2012
Deferred Tax Assets		
Arising on account of timing difference in employee retirement benefits	33.16	28.83
Allowable on payment basis	41.68	47.32
Provision for doubtful debts and advances	11.94	11.36
Preliminary expenses	0.43	-
	87.21	87.51
Deferred Tax Liabilities		
Depreciation	60.69	60.50
	60.69	60.50
Deferred Tax Assets (net)	26.52	27.01

12. Loans and Advances

	₹ million			
	Long-Term		Short-Term	
	2013	2012	2013	2012
Capital Advances	4.36	10.43	-	-
Deposits (unsecured, considered good)				
Television Programs	-	-	-	512.65
Others	37.57	23.48	2.50	2.25
Loans, Advances and Deposits to Related Parties				
Loans	-	-	1,250.00	700.00
Other Advances	-	-	76.85	16.12
	-	-	1,326.85	716.12
Advance Share Application Money	-	105.84	105.84	-
Less: Provision for doubtful advances	-	105.84	59.88	-
	-	-	45.96	-
Other Loans and Advances (unsecured)				
Loan to Employee	13.79	-	4.41	-
Advances				
- considered good	-	-	30.52	24.51
- considered doubtful	-	-	0.87	1.00
	13.79	-	35.80	25.51

₹ million				
	Long-Term		Short-Term	
	2013	2012	2013	2012
Less: Provision for doubtful advances	-	-	0.87	1.00
	13.79	-	34.93	24.51
Prepaid expenses	0.22	0.14	11.84	11.19
Balances with Government authorities				
Advance direct tax (net of provisions)	33.57	1.90	8.19	11.73
Advance indirect taxes	-	-	30.92	-
Total	89.51	35.95	1,461.19	1,278.45

13. Other Assets

₹ million				
	Non-Current		Current	
	2013	2012	2013	2012
Balances with bank in deposit accounts* (Refer 'Note 16')	4.35	4.35	-	-
Interest accrued on - Bank deposits	-	-	3.63	8.83
- Loan to related parties	-	-	138.14	-
- Loan	-	-	-	0.03
Other receivables	-	-	15.30	1.73
Total	4.35	4.35	157.07	10.59

* Pledged with Statutory Authorities.

14. Inventories

₹ million		
	2013	2012
Raw Stock - Tapes	1.90	3.07
Television Programs	-	6.89
Total	1.90	9.96

15. Trade Receivables (unsecured)

₹ million		
	2013	2012
Over six months		
considered good	62.66	122.78
considered doubtful	35.12	35.03
Others		
considered good	824.98	873.61
considered doubtful	-	-
	922.76	1,031.42
Less: Provision for doubtful debts	35.12	35.03
Total	887.64	996.39

16. Cash and Bank Balances

₹ million

	Non Current		Current	
	2013	2012	2013	2012
Cash and Cash Equivalents				
Balances with Banks - in current accounts	-	-	57.13	124.10
- in deposit accounts	-	-	-	60.00
Cash in Hand	-	-	0.52	0.33
	-	-	57.65	184.43
Other Bank Balances				
Balances with Banks				
Deposits with maturity within 3 months (under bank's lien)	-	-	-	50.00
Deposits with maturity for more than 3 months but less than 12 months	-	-	70.00	40.00
Deposits with maturity more than 12 months ^	4.35	4.35		
In Unclaimed dividend accounts	-	-	0.68	0.68
	4.35	4.35	70.68	90.68
Less: Amount disclosed under the head "Other Assets" (Refer 'Note 13')	4.35	4.35	-	-
	-	-	70.68	90.68
Total	-	-	128.33	275.11

^ ₹ 4.35 million (₹ 4.35 million) pledged in favour of statutory authorities.

17. Revenue from Operations

₹ million

	2013	2012
Services - Broadcasting Revenue		
Advertisement	2,019.91	2,004.62
Subscription	842.65	742.67
Sales -		
Television Programs	115.07	90.67
Film Rights	-	195.15
Franchise Fee Revenue	30.49	27.72
Other Operating Income	30.07	11.40
Total	3,038.19	3,072.23

18. Other income

	₹ million	
	2013	2012
Interest Income		
from Bank Deposits	6.25	11.20
from Loans	153.49	94.37
from Others	0.96	0.27
Dividend Income		
from Current Investments	0.65	-
Liabilities / Excess provisions written back	33.28	49.36
Miscellaneous Income	13.43	0.29
Total	208.06	155.49

19. Operational cost

	₹ million	
	2013	2012
a) Television Programs		
Opening	6.89	22.44
	6.89	22.44
Add: Production/ Acquisition Cost		
Acquisition of Programs	-	9.70
Raw tapes consumed	2.93	4.55
Consultancy and Professional charges	125.27	141.40
News Subscription fees	37.89	34.42
Vehicle running, maintenance and Hire charges	59.30	58.84
Travelling and Conveyance expenses	21.58	17.84
Lease-line and V-Sat expenses	51.33	46.52
Other Production expenses	100.63	83.66
	398.93	396.93
Less: Closing	-	6.89
	-	6.89
	405.82	412.48
b) Film Rights held for sale	-	195.15
c) Telecast Cost	123.77	102.64
Total	529.59	710.27

Television Programs of ₹ Nil (₹ 4.12 million) are impaired during the year.

20. Employee benefits expense

	₹ million	
	2013	2012
Salaries and allowances	770.54	652.05
Contribution to provident and other funds	45.34	41.25
Staff welfare expenses	60.68	52.78
Staff recruitment and training expenses	0.54	0.92
Total	877.10	747.00

21. Finance costs

	₹ million	
	2013	2012
Interest - on Loans	78.60	104.99
- on Others	7.13	0.03
Bank and other financial charges	2.17	1.57
Total	87.90	106.59

22. Depreciation and amortisation expense

	₹ million	
	2013	2012
Depreciation on tangible assets	106.01	92.56
Amortisation on intangible assets	13.47	19.54
Total	119.48	112.10

23. Other expenses

	₹ million	
	2013	2012
Rent	66.67	67.45
Rates and Taxes	5.11	7.13
Repairs and Maintenance - Building	10.81	1.09
- Plant and Machinery	20.21	15.98
- Other	28.51	13.70
Insurance	2.74	3.15
Electricity and Water charges	65.92	47.82
Communication charges	20.57	20.60
Printing and Stationary expenses	5.21	5.41
Travelling and Conveyance expenses	74.48	70.04
Legal and Professional charges	89.78	22.85
Payment to Auditors (Refer 'Note 33')	2.57	2.08
Donation	1.45	2.16
Miscellaneous expenses	49.05	39.87
Marketing, distribution and promotion expenses	656.76	640.36
Advertisement and Publicity expenses	77.75	46.15
Commission/ Discount on services	35.57	35.24
Provision for doubtful debts and advances	2.57	3.54
Bad debts / advances written off	8.26	
Less: Provision for doubtful debts and advances	2.61	5.65
Loss on sale/discard of fixed assets (net)	31.52	32.09
Loss on exchange difference (net)	1.50	2.14
Preliminary expenses	1.73	-
Total	1,256.13	1,081.41

24. Exceptional items

	₹ million	
	2013	2012
Provision for doubtful share application money	(45.96)	105.84
Provision for diminution in value of investment	-	60.90
Total	(45.96)	166.74

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 108 months.

	₹ million	
	2013	2012
Lease rental charges for the year	129.58	127.21
Future lease rental obligation payable (under non-cancellable leases)		
Not later than one year	74.78	67.29
Later than one year but not later than five years	93.12	143.26
Later than five years	-	-

26. Contingent Liabilities not provided for

	₹ million	
	2013	2012
Custom Duty pending export obligations	18.18	18.18
Disputed Direct Taxes	9.31	3.82
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

Estimated amount of contracts remaining to be executed on capital account, not provided for (net of advances) is ₹ 53.21 million (₹ 85.86 million).

28. Foreign Exchange

Foreign currency exposures that are not hedged by derivative instruments as at 31 March, 2013 are as under:

	₹ million	
	2013	2012
Payables	58.67	35.07
Receivables	121.90	95.41

29. The Group has given advances/deposits of ₹ 640.90 million to various companies for the purchase of content and marketing of channels. However, due to various reasons, the contracts could not be executed and accordingly the advances/deposits have been received back.

30. The Company is in the process of reconciling Integrated Receiver Decoder (IRD) boxes in possession of third parties with the books of account. The Management is of the view that the financial impact of reconciliation, if any, would not be significant.

31. Related Party Transactions

(i) List of Parties where control exists:

Holding Company:

25 FPS Media Private Limited (Holding 53.34% w.e.f. 1 March, 2012)

Ultimate Holding Company:

25 FPS Media Private Limited held by Essel Corporate Resources Private Limited

- Essel Corporate Resources Private Limited held by Prime Publishing Private Limited

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

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.

(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 Ventures Private Limited, E-City Bioscope Entertainment Private Limited, Essel International 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 (previously known as Wire and Wireless (India) Limited), Smart Wireless Private Limited, Taj TV Limited, Taj Television (India) Private Limited, Veena Investments Private Limited, Zee Entertainment Enterprises Limited, Zee Foundation, Zee Learn Limited, Zee Sports Limited, Zee Telefilms Middle East FZ LLC, Zee Turner Limited.

Directors / Key Management Personnel

Shri Subhash Chandra (Non- Executive Director), Shri Punit Goenka (Managing Director)

(iii) Transactions with Related Parties:

	₹ million	
	2013	2012
(A) Transactions :		
(i) With Holding Company		
- Essel Corporate Resources Private Limited		
• Legal and Professional charges	15.60	13.20
(ii) With Fellow Subsidiary Company		
- Diligent Media Corporation Limited		
• Loans, Advances and Deposits given	1,250.00	-
• Revenue from Broadcasting services	0.53	0.50
• Interest income	4.62	-
• Advertisement and Publicity expenses	-	0.12
(iii) With Other Related Parties:		
- Revenue from Broadcasting services	874.51	607.24
• Media Pro Enterprise India Private Limited	840.00	562.50
• Other Related Parties	34.51	44.74

	₹ million	
	2013	2012
- Sale of Television programs and Film rights	115.07	284.00
• Zee Entertainment Enterprises Limited	-	198.47
• Asia Today Limited	115.07	85.53
- Other operating income	5.89	2.40
• Zee Entertainment Enterprises Limited	5.89	2.40
- Sale of fixed assets	-	16.61
• Zee Entertainment Enterprises Limited	-	16.61
- Interest income	148.87	94.36
• Siti Cable Network Limited	-	46.34
• Essel International Limited	148.87	48.02
- Purchase of fixed assets / capital work in progress	3.21	-
• Zee Entertainment Enterprises Limited	3.21	-
- Purchase of services		
• Lease-line & V-Sat expenses	41.88	34.16
Dish TV India Limited	23.05	19.93
Essel Shyam Communication Limited	18.83	14.23
• Telecast cost	59.95	51.28
Dish TV India Limited	34.12	26.32
Zee Entertainment Enterprises Limited	25.84	24.96
• Rent	26.81	27.65
Zee Entertainment Enterprises Limited	26.81	26.93
Other Related Parties	-	0.72
• Marketing, distribution and promotion expenses	55.45	49.04
Siti Cable Network Limited	55.45	49.04
• Other services	39.17	18.69
Zee Entertainment Enterprises Limited	37.59	3.03
Zee Turner Limited	-	12.59
Other Related Parties	1.58	3.07
- Managerial Remuneration	0.40	0.25
Directors / Key Management Personnel	0.40	0.25
- Loans, Advances and Deposits Given	575.00	1,405.79
Siti Cable Network Limited	-	702.67
Essel International Limited	500.00	700.00
Digital Ventures Private Limited	75.00	-
Other Related Parties	-	3.12

	₹ million	
	2013	2012
- Loans, Advances and Deposits Repayment Received	1,214.59	793.36
Siti Cable Network Limited	-	700.00
Essel International Limited	1,200.00	-
Other Related Parties	14.59	93.36
- Balances written back	0.70	-
Zee Turner Limited	0.70	-
- Donation	1.00	2.05
Zee Foundation	1.00	2.05

	₹ million	
	2013	2012
(B) Balances at the end of the year:		
(i) Holding Company		
- Essel Corporate Resources Private Limited		
Other Payables	1.45	2.41
(ii) With Fellow Subsidiary Company		
- Diligent Media Corporation Limited		
• Loans, Advances and Deposits given	1,250.00	-
• Interest Receivable	4.16	-
• Other payables	0.08	-
(iii) Other Related Parties		
- Trade Receivables	359.16	396.88
• Media Pro Enterprise India Private Limited	224.50	194.62
• Asia Today Limited	119.31	89.96
• Zee Entertainment Enterprises Limited	1.83	78.28
• Other Related Parties	13.52	34.02
- Loans, Advances and Deposits given	76.85	716.44
• Essel International Limited	-	700.00
• Digital Ventures Private Limited	75.00	-
• Other Related Parties	1.85	16.44
- Interest Receivable	133.98	-
• Essel International Limited	133.98	-

	₹ million	
	2013	2012
- Trade Payables / Other Payables	70.55	45.34
• Dish TV India Limited	31.41	20.00
• Asia Today Limited	21.71	21.71
• Zee Entertainment Enterprises Limited	12.03	-
• Other Related Parties	5.40	3.63
- Advances and Deposits received	0.07	0.15
• Zee Entertainment Enterprises Limited	-	0.05
• Pan India Network Limited	0.06	0.07
• Zee Learn Limited	0.01	0.02
• Smart Wireless Private Limited	-	0.01

Note

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

32. 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.

33. Payment to Auditors

For Standalone

	₹ million	
	2013	2012
Audit Fees	0.80	0.80
Tax Audit Fees	0.25	0.20
Certification work (including limited reviews)	0.74	0.51
Tax Representation and other matters	0.44	0.14
Reimbursement of expenses	0.02	0.01
Total	2.25	1.66

For Subsidiaries

	₹ million	
	2013	2012
Audit Fees	0.21	0.20
Tax Audit Fees	0.06	0.07
Certification work (including limited reviews)	-	0.10
Reimbursement of expenses	0.05	0.05
Total	0.32	0.42

34. The international transactions with Associated Enterprises (AE's) are at arm's length price as per the independent accountants report for the year ended 31 March, 2013. Further, the Finance Bill, 2012 had sought to bring in certain class of domestic transactions in the ambit of the transfer pricing regulations with effect from 1 April, 2012. The Management is of the opinion that its international transactions with AE's and the specified domestic transactions for the year are at arm's length price and that the transfer pricing study will not have any impact on the amount of tax expense and provision of taxation in these financials.
35. Considering the business synergies, the Board of Directors of the Company, in their meeting held on 23 May 2013, has in-principle approved combination of 'News Publication Business' of Diligent Media Corporation Limited - a Promoter Group company engaged in printing and publication of English daily 'DNA' and the 'News Broadcasting Business' of the Company and constituted a Committee to engage / appoint independent professionals to advice on the appropriate structure / manner of combination and its valuation, cost-benefit analysis, procedural and others aspects for consideration by the Audit Committee and the Board in due course.

36. Earnings per share (EPS)

	2013	2012
a Profit after Tax after Exceptional Items (₹ million)	241.68	115.47
Adjustments for :		
Diminution in the Value of Investments (₹ million)	-	60.90
Provision for Doubtful Share Application Money (₹ million)	(45.96)	105.84
b Profit after Tax before Exceptional Items (₹ million)	195.72	282.21
c Weighted Average number of equity shares for Basic and Diluted EPS (Numbers)	239,763,956	239,763,956
Nominal value of each equity share (₹)	1	1
d Basic and Diluted EPS before Exceptional Items (₹)	0.82	1.18
e Basic and Diluted EPS after Exceptional Items (₹)	1.01	0.48

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013

	₹ million	
	2013	2012
A. Cash flow from Operating activities		
Profit before Tax	422.01	303.61
Adjustments for:		
Depreciation and amortisation expense	119.48	112.10
Loss on sale/discard of fixed assets (net)	31.52	32.09
Interest expense	85.73	105.02
Interest income	(160.70)	(105.84)
Dividend income	(0.65)	-
Liabilities/excess provisions written back	(33.28)	(49.36)
Provision for diminution in value of investment	-	60.90
Provision for doubtful share application money	(45.96)	105.84
Provision for doubtful debts and advances	(0.04)	(37.54)
Unrealised foreign exchange loss (net)	3.13	3.90
Operating Profit before working capital changes	421.24	530.72
Adjustments for:		
(Increase)/Decrease in inventories	8.06	211.16
(Increase)/Decrease in trade and other receivables	478.60	(502.34)
Increase/(Decrease) in trade and other payables	63.44	(164.15)
Cash generated from Operations	971.34	75.39
Direct taxes paid (net)	(175.98)	(163.82)
Net cash flow from/(used in) Operating activities (A)	795.36	(88.43)
B. Cash flow from Investing activities		
Purchase of fixed assets, including capital advances	(176.38)	(103.70)
Sale of fixed assets	5.96	18.84
Loan given to others	(1,750.00)	(1,400.00)
Loan repaid by others	1,200.00	700.00
Decrease in minority interest	(37.19)	(18.50)
Deposits with banks (net)	20.00	(90.00)
Interest received	27.80	100.90
Dividend received	0.65	-
Net cash flow from/(used in) Investing activities (B)	(709.16)	(792.46)

₹ million

	2013	2012
C. Cash flow from Financing activities		
Repayment of Long-Term Borrowings	(180.00)	(150.00)
Proceeds from Working Capital Loan	1,200.00	1,600.00
Repayment of Working Capital Loan	(1,600.00)	(1,200.00)
Proceeds from Cash Credit (net)	469.78	12.76
Proceeds from Vehicle Loans	8.18	4.47
Repayment of Vehicle Loans	(11.35)	(9.83)
Interest paid	(91.81)	(102.00)
Dividend tax paid	(7.78)	-
Net cash flow from/(used in) Financing activities (C)	(212.98)	155.40
Net Cash flow / (outflow) during the year (A+B+C)	(126.78)	(725.49)
Cash and Cash equivalents at the beginning of the year	184.43	909.92
Cash and Cash equivalents at the end of the year	57.65	184.43
Add: Balances earmarked	70.68	90.68
Cash and Bank balances at the end of the year	128.33	275.11

Notes:

Previous year's figures are regrouped, rearranged or recast, wherever consider 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: 23 May, 2013

For and on behalf of the Board

Punit Goenka
Managing Director

Dinesh Garg
Chief Financial Officer

Surjit Banga
Director

Pushpal Sanghavi
Company Secretary

FINANCIAL HIGHLIGHTS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2013

₹ million

Particulars	Zee Akaash News Pvt Ltd	24 Ghantalu News Ltd
Summary Balance Sheet		
Share Capital	40.00	0.5
Reserves & Surplus	262.06	(1.32)
Total Assets	392.09	0.93
Total Liabilities	90.04	1.75
Investments (excluding subsidiaries)	-	-
Summary Statement of Profit & Loss		
Total Revenues	389.84	-
Profit before tax	119.46	(1.75)
Tax expense	39.45	0.43
Profit after tax	80.01	(1.32)



ZEE NEWS LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018

ATTENDANCE SLIP

14th Annual General Meeting

I hereby record my presence at the 14th Annual General Meeting of the Company at The Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, on Tuesday, 30 July, 2013 at 11.00 a.m.

.....

Name of the Shareholder/Proxy (in block letters)

.....

Signature of Shareholder/Proxy

Folio No.

DP ID No.

Client ID No.

No. of Shares



ZEE NEWS LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018

PROXY FORM

14th Annual General Meeting

I/We..... of.....

..... being member/members of

ZEE NEWS LIMITED hereby appoint

of

him/her..... or failing

him/her..... of.....

..... as my/our proxy to vote for me/us on

my/our behalf at the 14th Annual General Meeting of the Company to be held on Tuesday, 30 July, 2013 at 11.00 a. m. at The Hall

of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018, and at any adjournment(s) thereof, if any.

Signed this.....day of....., 2013.

Signature of Shareholder.....

Folio No.

DP ID No.

Client ID No.

No. of Shares

₹1/-
Revenue
Stamp



NOTE: The Proxy completed in all respect must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.

NOTES

[illegible]

NOTES

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100 MILLION
COVERING INDIA FROM



THERE IS A REASON ZEE NEWS NETWORK
IS THE NATION'S FAVOURITE: OUR RESOLUTE COMMITMENT TO
OUR VIEWERS – TO ENGAGE, INFORM AND EMPOWER THEM.

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Source: TAM, CS 4+, All India, Avg 2 Months (Jan-Feb, 2013), Reach (in Mn.)



ZEE NEWS LIMITED

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

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FORM A

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

1	Name of the Company	Zee News Limited BSE Code - 532794 NSE Code - ZEENEWS.EQ
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	None
4	Frequency of observation	Not Applicable



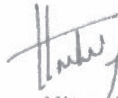
Punit Goenka
Managing Director



Surjit Banga
**Independent Director
& Chairman - Audit Committee**



Dinesh Garg
Chief Financial Officer



Hiterdra Bhandari
**Partner - MGB & Co., Chartered Accountants
Firm Registration No.101169W
Membership No. 107832**

Mumbai, dated June 24, 2013