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

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

a) The Financial Statements of the Company - comprising of the Balance Sheet as at 31 March, 2014 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards read with the requirements specified in Schedule VI of the Companies Act, 1956 and that no material departures have been made from the same;

b) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2014, and, of the profit of the Company for the year ended on that date; and

c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Year ended 31.03.2014</th>
<th>Year ended 31.03.2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Operations</td>
<td>30,757</td>
<td>25,659</td>
</tr>
<tr>
<td>Other Income</td>
<td>1,845</td>
<td>1,189</td>
</tr>
<tr>
<td>Total Income</td>
<td>32,602</td>
<td>26,848</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>20,852</td>
<td>17,329</td>
</tr>
<tr>
<td>Profit before Tax</td>
<td>11,750</td>
<td>9,519</td>
</tr>
<tr>
<td>Provision for Taxation (net)</td>
<td>4,027</td>
<td>3,112</td>
</tr>
<tr>
<td>Profit after Tax</td>
<td>7,723</td>
<td>6,407</td>
</tr>
<tr>
<td>Add: Balance brought forward</td>
<td>15,908</td>
<td>13,328</td>
</tr>
<tr>
<td>Less: Utilised on issue of 6% Cumulative Redeemable Preference Shares - Bonus</td>
<td>2,822</td>
<td>-</td>
</tr>
<tr>
<td>Add: Proposed Dividend (including tax) on Equity Shares bought back and cancelled</td>
<td>-</td>
<td>8</td>
</tr>
<tr>
<td>Amount available for appropriations</td>
<td>20,899</td>
<td>19,743</td>
</tr>
<tr>
<td>Appropriations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares</td>
<td>1,921</td>
<td>1,919</td>
</tr>
<tr>
<td>Preference Shares</td>
<td>86</td>
<td>-</td>
</tr>
<tr>
<td>Tax on Dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity Shares</td>
<td>326</td>
<td>326</td>
</tr>
<tr>
<td>Preference Shares</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>General Reserve</td>
<td>2,000</td>
<td>1,500</td>
</tr>
<tr>
<td>Balance carried forward</td>
<td>16,551</td>
<td>15,998</td>
</tr>
</tbody>
</table>

Your Directors recommend payment of Equity Dividend of ₹ 2.00 per equity share of ₹ 1/- each.
THE COMPANY
RECORDED
a commendable advertising growth
of 21% in FY 2014

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

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

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

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

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

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

► Zee Anmol - a free-to-air Hindi General Entertainment Channel which is the first channel in the Indian television space to be simultaneously launched on mobile and television platforms. Positioned as ‘Dil Choo Jaaye’, Zee Anmol is a channel that believes in touching people’s hearts through real, genuine emotions that will be depicted through some of the best shows that Indian Television has ever seen;
&pictures - an interactive Hindi movie channel aimed at targeting the younger mindset. This channel endeavors to build upon the existing film and digital resources to create a continuing conversation with an audience that is interested in staying connected and engaged with the world around them;

Zee Bioskop – a 24/7 Bollywood movies channel in Indonesia, fully dubbed or subtitled in Bahasa language;

Zee Lamhe - a free-to-air general entertainment channel which was launched in Europe showcases the best of South-Asian entertainment.

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

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

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

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

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

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

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

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

Zee Aflam was among the Top 3 movie channels in Kingdom of Saudi Arabia in terms of reach, while the new channel, Zee Alwan, is growing its reach in the Middle East market.

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

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

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

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

SUBSIDIARIES & JOINT VENTURES
As at 31 March, 2014, your Company had 19 subsidiaries in India and Overseas. During the year under review your Company expanded its international operations by (i) forming a wholly owned subsidiary of Asia Today Limited, Mauritius (ATL) in Dubai in the name of ATL Media FZ LLC;
(ii) establishing a representative office of ATL in Jakarta, Indonesia; and (iii) initiating the process for creating a joint venture in Thailand to facilitate launch of a general entertainment television channel in Thai language. In addition, through its international subsidiaries, your Company has entered into joint ventures with Voddler Group AG, Sweden - to develop Video-on-demand service technology; and MirriAd, United Kingdom to develop and facilitate in-programme product placement technology in various television programmes.


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

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

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

EMPLOYEES STOCK OPTION SCHEME

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

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

HUMAN RESOURCES

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

Read more on “Risk Factors” on page 90
has institutionalised the people philosophy framework SAMWAD to ensure that, as part of key objectives, people managers deliver on organisation's expectations of managing outcome and developing people by being focused on their strengths.

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

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

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

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

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

DIRECTORS
During the year under review, your Board inducted Prof Sunil Sharma and Prof (Mrs) Neharika Vohra as Additional Directors of the Company in the category of Independent Directors and Mr Subodh Kumar, IAS (Retd) as an Additional Director. Mr Subodh Kumar was subsequently appointed as a Whole-time Director designated as Executive Vice Chairman of the Company for a period of 3 years with effect from 1 February, 2014. In terms of Section 161 of the Companies Act 2013 (corresponding Section 260 of the Companies Act 1956) they shall hold office up to the date of the ensuing Annual General meeting. The Company has received notices in writing along with deposit
pursuant to Section 160 of Companies Act, 2013, proposing appointment of Prof Sunil Sharma, Prof Neharika Vohra and Mr Subodh Kumar as Directors of the Company. Your Board has recommended appointment of Prof Sunil Sharma and Prof Neharika Vohra as Independent Directors not liable to retire by rotation for a period of 3 years from their respective date(s) of appointment. Your Board has also recommended appointment of Mr Subodh Kumar as Director and Executive Vice Chairman of the Company for a period of 3 years with effect from 1 February, 2014.

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

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

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

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

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

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

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

However the information, as applicable, are given hereunder:

Conservation of Energy:
Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
Technology Absorption:
In its endeavor to deliver the best to its viewers and business partners, your Company is constantly active in harnessing and tapping the latest and best technology in the industry.

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

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

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

For and on behalf of the Board of Directors

Punit Goenka
Managing Director & CEO

R Vaidyanathan
Director

Place : Mumbai
Date : 21 May, 2014