

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S GOVERNANCE PHILOSOPHY

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

## BOARD OF DIRECTORS

### Composition and Category of Directors

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

Composition of the Board as on March 31, 2012

Category of Directors	No of Directors	Percentage to total no of Directors
Executive Director(s)	1	17%
Non-Executive Independent Directors	3	50%
Other Non-Executive Directors	2	33%
<b>Total</b>	<b>6</b>	<b>100%</b>

### Board Meetings & Procedures

During the financial year under review, six (6) meetings of the Board were held on April 19, 2011, June 23, 2011, July 21, 2011, October 17, 2011, January 21, 2012 and March 23, 2012. The intervening period between any two Board Meetings were well within the maximum time gap of 4 months prescribed under Clause 49 of the Listing Agreement. The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets atleast once a quarter to review the quarterly performance and financial results of the Company.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings mentioned hereinabove held during the Financial year 2011-12 and also their other Directorships held in Public Companies (excluding Foreign Companies and Section 25 Companies) and Membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2012 are as under:

## REPORT ON CORPORATE GOVERNANCE

Name of Director	Attendance at		No of Directorship		No of Committee	
	Board Meetings (Total 6 Meetings)	29th AGM held on 10.08.11	in other public companies as	Member	Chairman	positions held in other public companies as
<b>Non-Executive Independent Director</b>						
Gulam Noon	3	No	-	-	-	-
M. Y. Khan	6	Yes	4	-	-	-
R. Vaidyanathan	6	Yes	4	-	1	-
Rajan Jetley*	1	NA	-	-	-	-
<b>Promoter Non-Executive Director</b>						
Ashok Kurien	6	Yes	1	-	1	1
Subhash Chandra	4	Yes	1	4	-	-
<b>Executive Director</b>						
Punit Goenka	6	Yes	9	-	1	-

\* Resigned from the Board as at the close of June 30, 2011.

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

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

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

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

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 650 million viewers in 168 countries. His bouquet of businesses includes television networks (ZEE & ZNL), a newspaper chain (DNA), cable systems (Wire and Wireless), 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) [1998]; (b) Businessman of the Year (Business Standard) [1999]; (c) Enterprising CEO of the Year (International Brand Summit) [1999]; (d) Global Indian Entertainment Personality of the Year by FICCI [2004]; (e) Lifetime Achievement Award at the CASBAA Convention [2009]; (f) Hall of Fame for continuing contribution to industry in Entrepreneurs category at the INBA [2010]; and (g) International Emmy Directorate Award [2011]

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

Apart from the Company Mr. Chandra holds directorship in five (5) other Indian Public Limited Companies viz. Dish TV India Limited, Essel Infraprojects Limited, Essel Propack Limited, Wire and Wireless (India) Limited and Zee News Limited.

Mr. Chandra does not hold any equity shares of the Company in his name as at March 31, 2012.

**Dr. M. Y. Khan** one of the Non-Executive Independent Directors of the Company, is a science graduate from University of Kashmir and Doctorate of Philosophy in Business Management (PHD) from Burkes University in UK. In the past, Dr. Khan has held various senior positions including as Chairman of J&K Bank; Managing Director of J&K Agro Industries Development Corporation, Managing Director of J&K Tourism Development Corporation and Advisor for Berenson & Company, New York. Dr. Khan was nominated as Member of the Chattisgarh Economic Advisory Committee, Government of India, Member of the Banking and Financial Institutions Committee of FICCI and Member of the Managing Committee of India Banking Association, Mumbai, during his tenure with J & K Tourism Development Corporation. Dr. Khan is the recipient of several prestigious awards like (a) Udyog Rattan award; (b) Pride of India & IMM award, for excellence as top professional manager; (c) Excellence Award by Institute of Economic Studies; and (d) Star Achievers Award.

Apart from the Company, Dr. Khan holds directorship in four (4) other Indian Public Limited Companies viz. Bharat Hotels Limited; Raheja Developers Limited; Star Health and Allied Insurance Company Limited and TDI Infrastructure Limited.

Dr. Khan does not hold any equity shares of the Company in his name as at March 31, 2012.

### Code of Conduct

The Company has instituted a Code of Conduct for Members of the Board and Senior Management of the Company and the compliance of the same is affirmed by the Board and Senior Management personnel annually. The Code has also been posted on Company's corporate website viz. [www.zeetelevision.com](http://www.zeetelevision.com).

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

## REPORT ON CORPORATE GOVERNANCE

### Declaration

I confirm that the Company has obtained from all Directors and Senior Management Personnel of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board and Senior Management' of the Company for the financial year ended March 31, 2012.

Punit Goenka

Managing Director & CEO

Mumbai, May 21, 2012

### BOARD COMMITTEES

#### a) Audit Committee

##### Terms of reference

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

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

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

Audit Committee meetings are generally attended by the Managing Director & Chief Executive Officer, Chief Financial Officer and representative of 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.

##### Constitution

The Audit Committee currently comprises of three (3) Directors and is chaired by Dr. M. Y. Khan, an Independent Director. During the year under review, six (6) Meetings of the Audit Committee were held on April 19, 2011, June 23, 2011, July 21, 2011, October 17, 2011, January 21, 2012 and March 23, 2012.

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 the year under review, is as detailed herein:

Name of Directors	Category	Number of Meetings attended
M.Y.Khan	Non Executive – Independent	6
Ashok Kurien	Promoter – Non Executive	6
Rajan Jetley*	Non Executive – Independent	1
R.Vaidyanathan	Non Executive – Independent	6

\* Resigned from the Audit Committee with effect from the close of June 30, 2011.

## b) Remuneration Committee and 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, where necessary. Additionally the Remuneration Committee has been vested with the powers for administration and implementation of ZEEL – Employees Stock Option Scheme – 2009. The Company Secretary is the Secretary to the Committee.

### Constitution

The Remuneration Committee currently comprises of three (3) Directors and is chaired by Dr. M.Y. Khan an Independent Director. During the year under review, three (3) Meetings of the Remuneration Committee were held on July 21, 2011, January 21, 2012 and March 23, 2012.

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

Name of Directors	Category	Number of Meetings attended
M Y Khan	Non Executive – Independent	3
Subhash Chandra#	Promoter – Non Executive	1
Ashok Kurien	Promoter – Non Executive	3
Rajan Jetley*	Non Executive – Independent	NA

# Appointed with effect from June 30, 2011

\* Resigned with effect from the close of June 30, 2011.

### Remuneration payable to Managing Director

Mr. Punit Goenka, Managing Director & CEO of the Company has been appointed on a contractual basis in terms of resolution passed by the shareholders at the 28th AGM held on October 29, 2010 for tenor of 5 years with effect from January 1, 2010. The elements of the remuneration package of the Managing Director comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, personnel allowance, leave travel allowance, club membership / facilities, use of chauffeur driven Company car, telecommunication facilities at residence and other perquisites and allowances including Company's contribution to provident fund, gratuity and leave encashment facilities in accordance with rules of the Company.

The annual increments and performance incentive of the Managing Director & CEO are linked to

## REPORT ON CORPORATE GOVERNANCE

his performance and are decided by the Remuneration Committee.

The details of the remuneration paid to Mr. Punit Goenka, Managing Director & CEO of the Company during the year ended March 31, 2012 is as under:

(₹ in million)	
Particulars	
Salary & Allowances*	45
Perquisites	7
Employer's Contribution to Provident Fund	3
<b>Total</b>	<b>55</b>

\* includes provisions for incentives for Financial Year 2011-12

### Remuneration payable to Non-Executive Directors

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

Additionally, the Non-Executive Directors are entitled to remuneration by way of Commission for each financial year up to an aggregate limit of 1% of net profits of the Company, as approved by the Members at the Annual General Meeting held on October 29, 2010. The commission payable is determined by the Board based *inter alia* on the performance of, and regulatory provisions applicable to, the Company. As per the current remuneration policy, the Company pays equal amount of commission to Non-executive Directors on a pro-rata basis.

Details of the remuneration of the Non-Executive Directors of the Company for Financial year 2011-2012 are as under:

(₹ in million)			
Name of Director	Sitting Fees paid	Commission payable	Total
Subhash Chandra	0.10	1.500	1.600
Ashok Kurien	0.30	1.500	1.800
#Rajan Jetley	0.04	0.375	0.415
Gulam Noon	0.06	1.500	1.560
M Y Khan	0.30	1.500	1.800
R. Vaidyanathan	0.24	1.500	1.740
<b>Total</b>	<b>1.04</b>	<b>7.875</b>	<b>8.915</b>

# Pro-rata payment till June 30, 2011

In addition to the remuneration, in October 2009 the Non-Executive Independent Directors were granted 20,000 Stock Options each (convertible into equivalent number of Equity Shares of ₹1 each of the Company) at an exercise price equivalent to Market Price, as per Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as on the date of grant of Option i.e. ₹ 239.80 per Stock Option. Consequent to issuance of Bonus Shares in ratio of 1:1, the said Stock Options were doubled to

40,000 each and the exercise price was reduced to ₹ 119.90 per Stock Option.

Particulars of Stock Options granted to the Non-Executive Independent Directors and outstanding as at March 31, 2012 is as under:

Name of Directors	Category	Granted	Vested
Gulam Noon	Non-Executive Independent	40,000	34,000
M Y Khan	Non-Executive Independent	40,000	34,000
R. Vaidyanathan	Non-Executive Independent	40,000	34,000
<b>Total</b>		<b>120,000</b>	<b>102,000</b>

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

#### c) Share Transfer and Investors Grievance Committee

##### Terms of reference

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

##### Constitution

The Share Transfer and Investors Grievance Committee currently comprises of (2) two Directors viz. Mr. Ashok Kuriyen, Non Executive Director as Chairman and Mr. Punit Goenka, Managing Director as the Member. During the year under review, Share Transfer and Investors Grievance Committee met four (4) times on April 8, 2011, July 15, 2011, October 5, 2011 and January 10, 2012. These meetings were attended by all Committee Members.

Mr. M. Lakshminarayanan, Executive Vice President & Company Secretary is the Compliance Officer of the Company.

Details of number of requests/complaints received and resolved during the year ended March 31, 2012, are as under:

Nature of Correspondence	Received	Replied/Resolved	Pending
Non-receipt of Dividend Warrant(s)	37	37	-
Non-receipt of Certificates	7	7	-
Letter received from SEBI/Stock Exchanges	10	10	-
Non-receipt of Annual Report	8	8	-
<b>Total</b>	<b>62</b>	<b>62</b>	<b>-</b>



## REPORT ON CORPORATE GOVERNANCE

### OTHER BOARD COMMITTEES

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

**i) Nomination Committee**

With a view to determine and recommend (a) appropriate criteria, expertise and skills required for the Board membership of the Company; (b) the framework for evaluation of performance of the Board and the Directors; and (c) recommend appointment of Directors, the Board has constituted a Nomination Committee, comprising of Mr. Subhash Chandra as Chairman and Mr. Ashok Kurien and Dr. M Y Khan as its Members.

**ii) ESOP Allotment Sub-Committee**

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

**iii) Finance Sub-Committee**

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

**iv) Corporate Management Committee**

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

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

### GENERAL MEETINGS

The 30th Annual General Meeting of the Company for the Financial Year 2011-12 will be held on Friday, July 20, 2012 at 11.00 a.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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

Year	Date and Time	Special Resolutions passed	Venue
2010-11	10.08.2011 -11.00 a.m.	None	
2009-10	29.10.2010 -10.30 a.m.	Payment of Commission to Non-Executive Directors for five (5) financial years from the year ended March 31, 2011.  Alteration of Capital Clause of Articles of Association	
2008-09	18.08.2009 -11.00 a.m.	Maintenance of Register & Index of Members of Equity Shares and Share transfer Register at the office of Registrar & Share Transfer Agent instead of Registered Office of the Company  Approval for Employee Stock option Scheme and extension of benefits of ESOP Scheme to Subsidiary and/or Holding companies.  Alteration of Articles of Association of Company  Alteration of Capital Clause of Articles of Association  Appointment of Mr. Subhash Chandra, Non-Executive Chairman of the Company for holding an office or place of profit in Asia TV Limited, UK, a wholly owned foreign subsidiary of the Company	Nehru Centre, Nehru Auditorium, Dr. Annie Besant Road, Worli, Mumbai 400 018

All the above resolutions were passed with requisite majority.

No Special resolution was passed through Postal Ballot during the Financial Year 2011-12. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

### Disclosures

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

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

During financial year 2009-10, SEBI had issued a Show Cause Notice to ETC Networks Limited, a Subsidiary of the Company (since merged with the Company from the Appointed Date of March 31, 2010) for transactions between ETC Networks Limited and its erstwhile promoters during January to April 2001. The Whole-time Member of SEBI had disposed off the proceedings under the said Show Cause Notice vide a consent order passed on July 12, 2010.

## REPORT ON CORPORATE GOVERNANCE

### Compliance with Non-Mandatory requirements

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

- 1. Remuneration Committee** – The Company has setup Remuneration Committee to recommend/review overall compensation policy, service agreements and other employment conditions of Executive Directors and to administer Company's Employee Stock Option Scheme.
- 2. Whistle Blower Policy** – The Board of Directors of the Company approved the Whistle Blower Policy, pursuant to which employees can raise concern relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company and/or its stakeholders. As per the Whistle Blower Policy of Company, no employee has been denied access to the Audit Committee of the Board.
- 3. Audit Qualification** – Company is in the regime of unqualified financial statements.
- 4. Chairman's Office** – A Chairman's office with requisite facilities is provided and maintained at the Company's expense for use by its Non-Executive Chairman. The Company also reimburses all travel and other expenses incurred in his furthering the Company's business interests.

### Means of Communication

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

Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's corporate website, [www.zeetelevision.com](http://www.zeetelevision.com).

Management Discussions and Analysis Report forming part of annual report is annexed separately.

### General Shareholder Information

The required information is provided in Shareholders' Information Section.

## AUDITORS' CERTIFICATE

To  
The Members,  
Zee Entertainment Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by **Zee Entertainment Enterprises Limited ('the Company')**, for the year ended March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

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

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

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

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

**Hitendra Bhandari**  
Partner  
Membership Number 107832

**Place :** Mumbai  
**Date :** 21 May 2012

## REPORT ON CORPORATE GOVERNANCE

### SHAREHOLDERS' INFORMATION

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

- |   |   |
|---|---|
| 1. <b>Date, Time and Venue of Shareholder's Meeting</b> | Meeting : 30th Annual General Meeting<br>Day & Date : Friday, July 20, 2012<br>Time : 11.00 a.m.<br>Venue : The Hall of Culture, Nehru Centre,<br>Dr Annie Besant Road, Worli,<br>Mumbai 400 018  |
| 2. <b>Financial Year</b>                                | 2011-2012   |
| 3. <b>Date of Book Closure</b>                          | Saturday, July 7, 2012 to Friday, July 13, 2012<br>(both days inclusive)  |
| 4. <b>Dividend Payment Date</b>                         | July 23, 2012   |
| 5. <b>Registered office</b>                             | Continental Building, 135, Dr. Annie Besant Road,<br>Worli, Mumbai-400 018, India<br>Tel: +91-22-2483 1234<br>Fax: +91-22-2490 0302/0213<br>Website : <a href="http://www.zeetelevision.com">www.zeetelevision.com</a>  |
| 6. <b>Listing on Stock Exchanges</b>                    | The Bombay Stock Exchange Limited (BSE)<br>The National Stock Exchange of India Limited (NSE)   |
| 7. <b>Stock Code</b>                                    | BSE - 505537<br>NSE - ZEEL EQ<br>Reuters - ZEE.BO (BSE)<br>ZEE.NS (NSE)<br>Bloomberg - Z IN (BSE)<br>NZ IN (NSE)  |
| 8. <b>ISIN No.</b>                                      | INE256A01028  |
| 9. <b>Registrar &amp; Share Transfer Agent</b>          | Sharepro Services (India) Private Limited,<br>13AB, Samhita Warehousing Complex,<br>Second Floor, Sakinaka Telephone Exchange Lane,<br>Off Andheri Kurla Road, Sakinaka, Andheri (East)<br>Mumbai-400 072, India<br>Tel: +91-22-6772 0400,<br>Fax: +91-22-2859 1568<br>E.Mail: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a> |

**10. Investor Relations Officer**

Mr. Pushpal Sanghavi

Zee Entertainment Enterprises Limited  
Continental Building,  
135, Dr. Annie Besant Road,  
Worli, Mumbai - 400 018, India

Tel: +91-22-2483 1234,

Fax: +91-22-2490 0302/0213

E.Mail: shareservice@zeenetwork.com

**11. Dividend**

The Board of Directors have recommended payment of dividend @ ₹ 1.50/- per share on paid up value of ₹ 1 per share i.e. 150% on the paid up capital of the Company and such Dividend shall be payable upon approval by the Members of the Company on the outstanding capital (net of shares bought back and extinguished by the Company) at the Book Closure.

Dividend, if approved by Members at the ensuing Annual General Meeting, will be paid to all those shareholders whose name appear in the Register of Members of the Company, after giving effect to all valid share transfers in physical form lodged with the Company or its Registrars on or before July 6, 2012 and in the list of beneficial owners furnished by National Securities Depository Limited and/or Central Depository Services (India) Limited, in respect of shares held in electronic form, as at the end of the business on July 6, 2012.

Dividend for the financial year ended March 31, 2005, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund on completion of seven years. Members who have not encashed their dividend warrant(s) issued by the Company or ETC Networks Limited (since merged with the Company) for the financial year ended March 31, 2005, or any subsequent financial year(s), are requested to seek issue of duplicate warrant(s) by writing to the Registrar and Share Transfer Agent of the Company. Members will not be able to claim any unpaid dividend from the Investor Education and Protection Fund or the Company once it is transferred to the fund.

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

**Zee Entertainment Enterprises Limited:**

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEP fund
31.03.2005	28.09.2005	03.11.2012	02.12.2012
31.03.2006	28.12.2006	03.02.2014	02.03.2014
31.03.2007	17.08.2007	22.09.2014	21.10.2014
31.03.2008	23.07.2008	28.08.2015	27.09.2015
31.03.2009	18.08.2009	23.09.2016	22.10.2016
31.03.2010 (Interim)	20.04.2010	21.05.2017	20.06.2017
31.03.2010 (Final)	29.10.2010	30.11.2017	29.12.2017
31.03.2011	10.08.2011	09.09.2018	08.10.2018

## REPORT ON CORPORATE GOVERNANCE

### ETC Networks Limited:

Financial Year Ended	Date of Declaration of Dividend	Last date for Claiming unpaid Dividend	Due date for transfer to IEP fund
31.03.2005	22.07.2005	27.08.2012	26.09.2012
31.03.2006	03.07.2006	08.08.2013	07.09.2013
31.03.2007	25.06.2007	31.07.2014	30.08.2014
31.03.2008	24.07.2008	29.08.2015	28.09.2015
31.03.2009	17.08.2009	22.09.2016	21.10.2013

### 12. Change of Address

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

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

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@zeenetwork.com](mailto:shareservice@zeenetwork.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.

### 13. Share Transfer System

Equity Shares sent for physical transfer or for dematerialisation are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

The MCA vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively (the said Circulars) has clarified that a company will be deemed to have complied with the provisions of Section 53 and 219(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 2011-12 in electronic form to the said members, in terms of the said circulars.

### 14. Dematerialisation of Equity Shares & Liquidity

Trading in equity shares of the Company became mandatory in dematerialised form with effect from April 5, 1999. To facilitate trading in demat form the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on March 31, 2012, 99.80 % of the equity shares of the Company is held by 103,006 shareholders in the dematerialised form and the balance 0.20% is held by 905 shareholders in physical form. Entire shareholding of the promoters in the

Company are held in dematerialised form.

#### 15. Sub-division of Shares

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

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

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

#### 16. Voting Rights

All the shares of the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of 'One Vote'. If majority of members raise their hands in favor of particular resolution, it is taken as passed, unless a poll is demanded.

#### 17. Unclaimed Shares

Pursuant to Clause 5A of the Listing Agreements (as amended in December 2010), details in respect of the physical shares, which were issued by the Company from time to time and lying in the suspense account is as under:

Description	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2011	375	201,213
Fresh undelivered cases during the financial year 2011-12	-	-
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2012	1	136
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2012	1	136
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2012	374	201,077

The voting rights on the shares outstanding in the suspense account as on March 31, 2012 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.

#### 18. Shareholders' Correspondence

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



## REPORT ON CORPORATE GOVERNANCE

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

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

### 19. Outstanding Convertible Securities

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments, other than Stock options granted to employees / Directors, details whereof are set out in annexure to Directors' Report.

### 20. Share Capital Buildup

Particulars	No. of shares issued	Date of issue
Initial shareholding at the time of change of name of the Company from Empire Holdings Ltd to Zee Telefilms Ltd	744,000	08.09.1992
Right Issue	8,928,000	15.06.1993
Public Issue	9,000,000	10.09.1993
Allotment under ESOP	160,000	09.06.1999
Allotment under ESOP	190,000	10.07.1999
Allotment under ESOP	396,880	30.09.1999
Issued for acquisition of stake in overseas Company by way of Share Swap	19,418,880	30.09.1999
Sub-Division of Shares from ₹ 10 each to ₹ 1 each	388,377,600	23.12.1999
Issued for acquisition of stake in Indian and overseas Company, partly, by way of Share Swap	16,127,412	24.01.2000
Allotment on Preferential basis	4,100,000	31.03.2000
Allotment on Preferential basis	3,900,000	24.04.2000
Allotment on conversion of FCCB	111,237	29.03.2006
Allotment on conversion of FCCB	111,237	10.04.2006
Allotment on conversion of FCCB	222,475	17.04.2006
Allotment on conversion of FCCB	1,288,131	15.05.2006
Allotment on conversion of FCCB	309,240	05.06.2006
Allotment on conversion of FCCB	273,645	01.08.2006
Allotment on conversion of FCCB	355,959	30.08.2006
Allotment on conversion of FCCB	7,731,027	12.09.2006
Allotment on conversion of FCCB	2,658,581	26.09.2006
Allotment on conversion of FCCB	2,431,656	09.10.2006
Allotment on conversion of FCCB	1,793,154	17.10.2006
Allotment on conversion of FCCB	709,697	08.11.2006
Allotment on conversion of FCCB	2,542,897	25.11.2006
Allotment on conversion of FCCB	391,557	07.12.2006
Allotment on conversion of FCCB	131,260	05.02.2007
Allotment on conversion of FCCB	386,018	15.05.2008
Allotment on conversion of FCCB	54,328	14.06.2008

Particulars	No. of shares issued	Date of issue
Issued to ZNL shareholders pursuant to Scheme	50,476,622	20.04.2010
Issued to ETC shareholders pursuant to the Scheme	4,413,488	23.09.2010
Issued to 9X shareholders pursuant to the Scheme	140,844	08.11.2010
Bonus Issue in ratio of 1:1	489,038,065	15.11.2010
Allotment under ESOP 2009	20,000	01.06.2011
Allotment under ESOP 2009	46,800	13.06.2011
Less Equity Shares Extinguished in pursuance to Buyback during financial year 2011-12	19,372,853	Various dates
Issued and Paid-up Capital as at March 31, 2012	958,770,077	

## 21. Stock Market Data Relating to Shares Listed in India

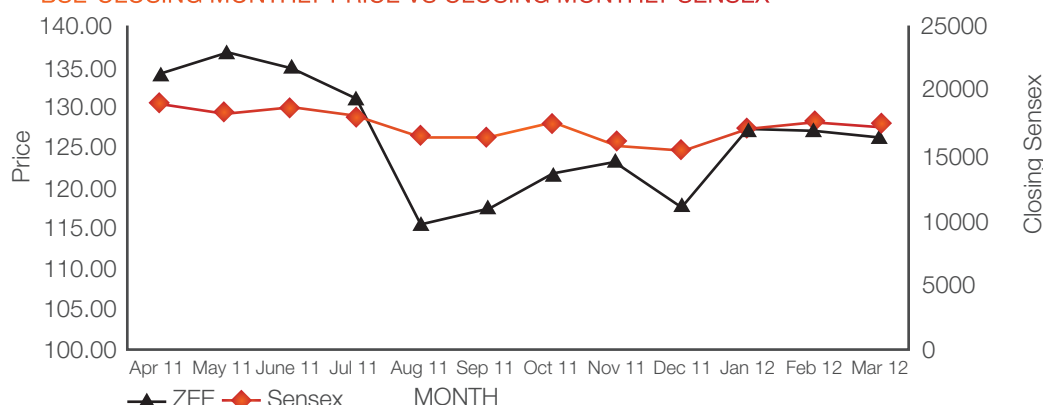
Monthly high and low quotations and volume of shares traded on Bombay Stock Exchange and National Stock Exchange for financial year 2011-2012 are:

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume of Share Traded	High (₹)	Low (₹)	Volume of Shares Traded
April 2011	139.75	117.80	6,557,428	139.80	117.90	48,739,998
May 2011	143.15	127.70	3,151,168	143.20	127.75	37,524,827
June 2011	145.85	131.35	2,467,237	145.70	124.55	34,875,690
July 2011	138.55	117.75	9,389,483	138.70	117.85	59,668,930
August 2011	134.00	110.00	6,735,449	133.90	112.20	36,675,921
September 2011	124.70	110.10	1,433,736	124.90	111.30	24,491,971
October 2011	124.70	109.65	2,476,943	124.90	109.50	25,985,444
November 2011	128.30	112.15	2,655,579	128.30	112.00	26,272,387
December 2011	129.85	113.75	1,449,039	129.95	113.85	25,341,068
January 2012	129.40	113.65	2,035,464	130.90	105.55	28,008,498
February 2012	140.80	123.05	1,672,748	140.40	123.15	28,164,773
March 2012	145.00	118.90	4,025,206	143.50	115.05	34,674,721

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

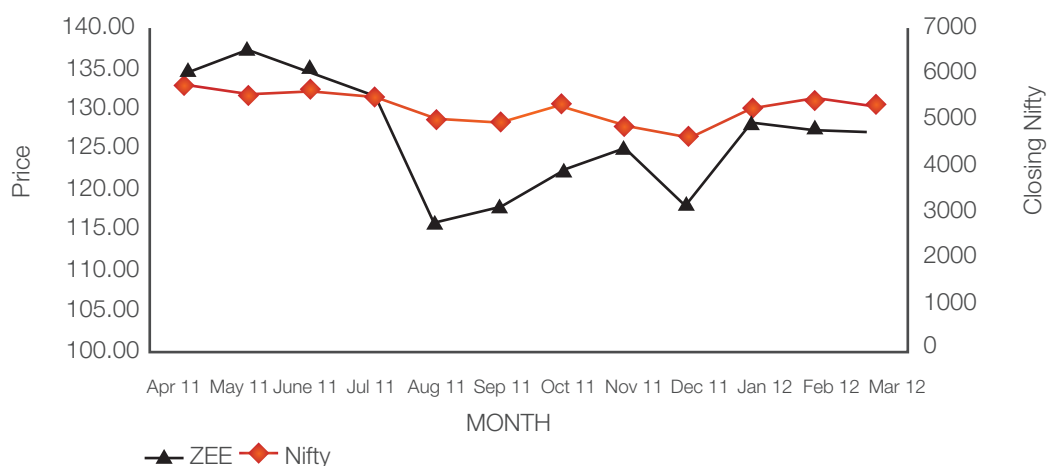
ZEE ENTERTAINMENT ENTERPRISES LTD

BSE-CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX



## REPORT ON CORPORATE GOVERNANCE

### ZEE ENTERTAINMENT ENTERPRISES LIMITED CLOSING PRICE VS CLOSING NIFTY



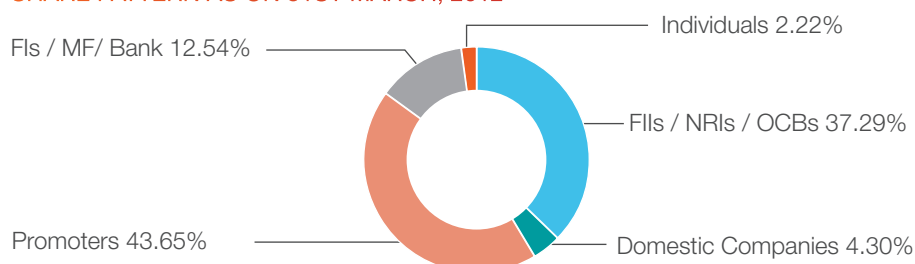
### 23. Distribution of Shareholding as on March 31, 2012

No. of Equity Share	Share Holders		No. of Shares	
	Number	% of Holders	Number	% of Shares
Up to 5000	1,02,911	99.04%	18,810,867	1.96%
5001-10000	305	0.29%	2,158,455	0.23%
10001-20000	186	0.18%	2,537,156	0.27%
20001-30000	74	0.07%	1,824,096	0.19%
30001-40000	40	0.04%	1,383,332	0.14%
40001-50000	16	0.02%	717,054	0.07%
50001-100000	87	0.08%	6,426,976	0.67%
100001 and Above	292	0.28%	924,912,141	96.47%
<b>Total</b>	<b>1,03,911</b>	<b>100.00%</b>	<b>958,770,077</b>	<b>100.00%</b>

### 24. Categories of Shareholders as on March 31, 2012

Category	March 31, 2012	
	% of shareholding	No. of shares held
Promoters	43.65%	418,472,440
Individuals	2.22%	21,237,151
Domestic Companies	4.30%	41,266,811
FIs, Mutual funds and Banks	12.54%	120,268,358
FIs, OCBs & NRI	37.29%	357,525,317
<b>Total</b>	<b>100.00%</b>	<b>958,770,077</b>

### ZEE ENTERTAINMENT ENTERPRISES LIMITED SHARE PATTERN AS ON 31ST MARCH, 2012



#### 25. Particulars of Shareholding

##### a) Promoter Shareholding as on March 31, 2012

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Delgrada Limited (Renamed as Essel Media Ventures Ltd)	102,888,286	10.73%
2	Lazarus Investments Limited (Renamed as Essel International Ltd)	23,000,000	2.40%
3	Prajatma Trading Co. Pvt. Ltd	100	0.00%
4	Essel Infraprojects Ltd	100	0.00%
5	Premier Finance and Trading Co Ltd	100	0.00%
6	Briggs Trading Co. Pvt. Ltd	958,470	0.10%
7	Churu Trading Co Pvt. Ltd	100	0.00%
8	Laxmi Goel	3,843,758	0.40%
9	Veena Investment Pvt. Ltd	100	0.00%
10	Essel Holding Limited	46,378,518	4.83%
11	Cyquator Media Services Pvt. Ltd	241,402,908	25.18%
<b>Total</b>		<b>418,472,440</b>	<b>43.65%</b>

##### b) Top ten (10) Public Shareholding as on March 31, 2012

Sr	Name of Shareholder	No of Shares held	% of shareholding
1	Oppenheimer Developing Markets Fund	76,026,963	7.93%
2	HDFC Standard Life Insurance Company Limited	27,586,468	2.88%
3	Life Insurance Corporation Of India	23,662,218	2.47%
4	Government Pension Fund Global	20,742,748	2.16%
5	HDFC Trustee Company Limited-HDFC Equity Fund	18,315,204	1.91%
6	LIC of India Money Plus Growth Fund	16,411,865	1.71%
7	HDFC Trustee Company Limited - HDFC Top 200 Fund	16,382,154	1.71%
8	T Rowe Price New Asia Fund	15,078,084	1.57%
9	Oppenheimer Global Fund	14,003,568	1.46%
10	Government Of Singapore	13,021,986	1.36%
<b>Total</b>		<b>241,231,258</b>	<b>25.16%</b>