

# Notes

## forming part of the Financial Statements

### 1. CORPORATE INFORMATION

Zee Entertainment Enterprises Limited ("ZEEL" or "the Company") is incorporated in the State of Maharashtra, India. The Company has been mainly in the following businesses during the year:

- (a) Broadcasting of Satellite Television Channels uplinked from India;
- (b) Space Selling agent for other television channels;
- (c) Sale of Television programs, films / movies and rights including films / movies and program feeds;
- (d) Production and distribution of films / movies.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 1 Basis of Preparation

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the accounting standards notified under Section 211 (3C), Companies(Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

#### 2 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, as of the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

#### 3 Tangible fixed assets

- (a) Tangible fixed assets are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost include all expenses incurred to bring the assets to its present location and condition.
- (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.

#### 4 Intangible assets

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

#### 5 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 period they occur.

#### 6 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.

# Notes

## forming part of the Financial Statements

### 7 Depreciation / Amortisation on tangible and 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) Premium on Leasehold Land and 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.

### 8 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 including investment property are classified as long-term investments.
- (b) Current investments are stated at lower of cost and fair 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.
- (c) Investment Property  
Investment in land which is not intended to be occupied substantially for use by or in the operations of the company is classified as Investment property. Investment properties are stated at cost. The cost comprises purchase price, borrowing costs, if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use.

### 9 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 rates prevailing at the reporting date. Exchange difference are recognised as income or expense in the period in which they arise.
- (c) Non-monetary items denominated in foreign currency are carried at cost.

### 10 Revenue recognition

- (a) Broadcasting revenue - Advertisement revenue (net of agency commission) is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on completion of service.
- (b) Sales (includes licensing of Programs, Films / Movie Rights) are recognized, when the delivery is completed.
- (c) Services
  - i Commission-Space selling is recognized when the related advertisement or commercial appears before the public i.e. on telecast.
  - ii Theatrical revenue from movies is recognized on receipt of related sale reports.
- (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 outstanding and the applicable interest rate.
- (f) Revenue from other services are recognised as and when such services are completed / performed.

# Notes

## forming part of the Financial Statements

### 11 Inventories

#### (a) Programs, Films / Movie Rights for Broadcasting :

Programs, Films / Movie Rights are carried at lower of unamortized cost or realizable value. Where the realizable value on the basis of its estimated useful economic life is less than its carrying amount, the difference is expensed as impairment.

- i Cost of reality shows / chat shows / events/ game shows and sports rights etc. are fully expensed on telecast.
- ii Cost of Programs (other than (i) above) are amortized over three financial years from the year of telecast as per management estimates of future revenue potential.
- iii Cost of Films/Movie rights are charged on a straight-line basis over the license period or 60 months from the date of acquisition, whichever is shorter.

#### (b) Films / Movie produced and/or acquired for distribution:

Cost is allocated to each rights based on management estimates of revenues and amortization of costs of theatrical rights, satellite rights, music rights, video rights and others are made when sold/exploited and films/movie rights carried at lower of unamortized cost or net realizable value.

- i Theatrical rights: 70% of allocated cost is amortized over three months of theatrical release of movie and balance 30% in subsequent three quarters.
- ii Satellite rights, Music rights, Home Video rights etc: Allocated cost of each right is expensed on sale.
- iii Negative rights : 90% of the cost is allocated and amortized as per b(i) and b(ii) above and 10% of the cost is allocated to Intellectual Property Rights (IPR) and amortized over subsequent five years.

#### (c) Work-in – progress: Programs and Films / Movies under production are stated at cost. Cost comprises of raw stock, cost of services and other expenses incurred upto the date of balance sheet.

#### (d) Raw Stock: Tapes are valued at lower of cost or estimated net realizable value. Cost is taken on Weighted Average basis.

### 12 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 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.

### 13 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.

### 14 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.

# Notes

## forming part of the Financial Statements

### (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/revenue under operating leases are recognized as expense/income on accrual basis in accordance with the respective lease agreements.

### 15 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.

### 16 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.

₹ millions

	2012	2011
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
1,399,200,000 (1,399,200,000) Equity Shares of ₹ 1 each	1,399	1,399
	<b>1,399</b>	<b>1,399</b>
<b>Issued , Subscribed and Paid up</b>		
958,770,077 (978,076,130) Equity Shares of ₹ 1 each fully paid up	959	978
<b>TOTAL</b>	<b>959</b>	<b>978</b>

Reconciliation of number of Equity shares and share capital	2012		2011	
	Number of equity shares	₹ millions	Number of equity shares	₹ millions
At the beginning of the year	978,076,130	978	489,038,065	489
Add : Allotted as fully paid Bonus Shares	-	-	489,038,065	489
Less: Shares cancelled on Buyback	19,372,853	19	-	-
Add : Allotted on exercise of Employee Stock Options (₹ 66,800)	66,800	0	-	-
Outstanding at the end of the year	<b>958,770,077</b>	<b>959</b>	<b>978,076,130</b>	<b>978</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.

# Notes

## forming part of the Financial Statements

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

### Details of aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during 5 years preceding 31 March 2012

	2012	2011
Equity Shares allotted as fully paid for consideration other than cash	55,471,301	55,471,301
Equity Shares allotted as fully paid Bonus shares	489,038,065	489,038,065
Equity Shares bought back and cancelled	19,372,853	-

### Details of Shareholders holding more than 5 % of the aggregate shares in the Company

Name of the Shareholders	2012		2011	
	Number of equity shares	% shareholding	Number of equity shares	% shareholding
Cyquator Media Services Private Limited	241,402,908	25.18%	-	-
Delgrada Limited (Renamed as Essel Media Ventures Limited, Mauritius)	102,888,286	10.73%	102,888,286	10.52%
Oppenheimer Developing Marketing Fund	76,026,963	7.93%	69,275,633	7.08%
Premier Finance and Trading Company Limited	100	-	101,589,186	10.39%

### Buyback of shares

Buy-back of the Company's Equity Shares through the open market route commenced on 27 July 2011 and concluded on 23 March 2012, wherein, the Company has bought back 19,372,853 Equity Shares of ₹ 1 each. All these equity shares stands extinguished by execution of Debit Corporate Action(s) by the Company. Consequently the Paid-up Share Capital of the Company as at 31 March 2012 stands reduced to 958,770,077 Equity Shares of ₹ 1 each.

### Employees Stock Option Scheme (ESOP):

The Company has instituted an Employee Stock Option Plan (ESOP 2009) as approved by the Board of Directors and Shareholders of the Company in 2009 for issuance of stock options convertible into equity shares not exceeding in the aggregate 5% of the issued and paid up capital of the Company as on 31 March 2009 i.e. up to 21,700,355 equity shares of ₹ 1 each, to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including Independent Directors of the Company at the market price determined as per the Securities and Exchange Board of India (Employees Stock Options Scheme) Guidelines, 1999 (SEBI (ESOS) Guidelines). The said scheme is administered by the Remuneration Committee of the Board.

During the year ended 31 March 2011 and 31 March 2012, the Company did not grant any stock options. The options earlier granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. The options granted vests in the ratio of 50:35:15 at the expiry of one, two and three years from the date of grant and once vested, these would be exercisable at any time within a period of four years and the equity shares arising on exercise of options shall not be subject to any lock in. Upon exercise of 66,800 options, equivalent number of Equity Shares were issued and allotted during the financial year ended on 31 March 2012.

# Notes

## forming part of the Financial Statements

The options were granted to the employees / directors at an exercise price, being the latest market price as per the SEBI (ESOS) Guidelines. In view of there being no intrinsic value on the date of the grant (being the excess of market price of share under the Scheme over the exercise price of the option), the Company is not required to account for the value of options as per the SEBI guidelines.

Stock options outstanding as at the year end are as follows:-

	2012	2011
- Options outstanding at the beginning of the year	7,503,600	8,178,400*
- Options exercised during the year	66,800	-
- Options lapsed during the year	611,600	674,800
- Options outstanding at the end of the year	6,825,200	7,503,600

\* Adjusted for bonus

	2012	2011
<b>4. RESERVES AND SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	-	70
Add : Transferred from General Reserve on Buyback of Equity Shares	19	-
Less: Utilised towards issue of fully paid bonus shares	-	70
	<b>19</b>	<b>-</b>
<b>Securities Premium</b>		
As per last Balance Sheet	11,126	11,545
Less: Utilised towards issue of fully paid bonus shares	-	419
Less: On Buyback of Equity shares	2,300	-
Add: Received on issue of Shares under ESOP, 2009	8	-
	<b>8,834</b>	<b>11,126</b>
<b>General Reserve</b>		
As per last Balance Sheet	5,330	5,037
Less: Adjusted pursuant to the Scheme of Amalgamation / Arrangement (Refer Note 45(b),(c))	-	2,076
Less: Adjusted pursuant to Scheme of Arrangement on Demerger (Refer Note 45(d))	-	631
Less: Transferred to Capital Redemption Reserve on buyback of Equity Shares	19	-
Add: Transferred from Statement of Profit and Loss	1,500	3,000
	<b>6,811</b>	<b>5,330</b>
<b>Surplus in Statement of Profit and Loss</b>		
As per last Balance Sheet	11,602	11,111
Add : Profit for the year	4,897	5,764
<b>Less : Appropriations</b>		
Proposed Dividend	1,438	1,956
Tax on Dividend	233	317
Transferred to General Reserve	1,500	3,000
	<b>13,328</b>	<b>11,602</b>
<b>TOTAL</b>	<b>28,992</b>	<b>28,058</b>

₹ millions

# Notes

forming part of the Financial Statements

		₹ millions	
		Non-Current	Current
		2012	2011
		2012	2011
<b>5. LONG-TERM BORROWINGS</b>			
Vehicle Loans * - Secured		10	6
		10	6
Less: Amount disclosed under the head "Other current Liabilities" (Refer Note 7)		-	7
<b>TOTAL</b>		<b>10</b>	<b>6</b>

\* Secured against hypothecation of vehicles.

		₹ millions	
		Long-Term	Short-Term
		2012	2011
		2012	2011
<b>6. PROVISIONS</b>			
Provision for employee benefits			
- Gratuity		78	67
- Leave benefits		82	79
Others			
- Proposed Dividend		-	1,671
- Provision for Taxation (net of advances)		-	128
<b>TOTAL</b>		<b>160</b>	<b>146</b>

		₹ millions	
		2012	2011
		2012	2011
<b>7. CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
Trade Payables *		2,359	3,080
Due to Principals - Subsidiary (pending remittances)		713	818
		<b>3,072</b>	<b>3,898</b>
<b>Other Current Liabilities</b>			
Current maturities of vehicle loans		7	5
Interest accrued but not due {₹ 10,100 (₹ Nil)}		0	-
Unearned Revenue		61	50
Unclaimed Dividends		9	9
Creditors for capital expenditure		21	9
Other payables #		249	141
		<b>347</b>	<b>214</b>
<b>TOTAL</b>		<b>3,419</b>	<b>4,112</b>

\* Includes cheques overdrawn ₹/millions 54 (163) and ₹/millions 214 (294) due to related parties.

# Includes statutory dues, security deposits and advances from customers.

Dividend ₹/million 1 (1) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year and no amounts are due and outstanding to be credited to Investor's Education and Protection Fund as at 31 March 2012.

# Notes

forming part of the Financial Statements

## 8. FIXED ASSETS

Description	Gross Block				Depreciation / Amortization				Net Block		₹ millions
	As at 1 April 2011	Additions	Deductions	As at 31 March 2012	Up to 31 March 2011	For the year	Deductions	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011	
<b>Tangible Assets</b>											
Leashold Land	66	-	-	66	6	1	-	7	59	60	
Leashold Improvements	80	1	0	81	77	2	0	79	2	3	
Building	415	-	-	415	46	6	-	52	363	369	
Computers	148	21	28	141	76	21	22	75	66	72	
Plant and Machinery	1,103	329	77	1,355	333	102	31	404	951	770	
Office Equipments	103	12	18	97	22	5	7	20	77	81	
Furniture and fixtures	76	6	16	66	29	5	11	23	43	47	
Vehicles	59	44	11	92	17	8	4	21	71	42	
TOTAL	2,050	413	150	2,313	606	150	75	681	1,632	1,444	
PREVIOUS YEAR	2,113	113	176^	2,050	549	135	78	606	1,444		
<b>Intangible Assets</b>											
Software	169	101	0	270	65	65	0	130	140	104	
Trade Mark	0	-	-	0	0	0	-	0	0	0	
TOTAL	169	101	0	270	65	65	0	130	140	104	
PREVIOUS YEAR	53	118	2^	169	33	32	-	65	104		
<b>Capital Work-in-Progress</b>											
									201	8	

"0" (zero) denotes amounts less than a million.

<sup>^</sup> Includes ₹/millions 21 transferred pursuant to the Scheme of Arrangement

Notes:

- 1 Building includes ₹ 114 (114) the value of share in a co-operative society.
- 2 Part of Building has been given on Operating lease.



# Notes

forming part of the Financial Statements

	₹ millions	
	2012	2011
<b>9. NON-CURRENT INVESTMENTS</b>		
<b>(i) Trade Investments (valued at cost, unless stated otherwise)</b>		
<b>In Subsidiaries - Wholly Owned - Unquoted</b>		
56,796,292 (56,796,292) Ordinary shares of USD 1/- each of Zee Multimedia Worldwide (Mauritius) Limited	2,584	2,584
583 (583) Ordinary shares of USD 1/- each of Asia Today Limited	2,515	2,515
50,000 (50,000) Equity shares of ₹ 10/- each of Zee Sports Limited	1	1
10,000 (10,000) Equity shares of ₹ 10/- each of Taj Television India Private Limited	37	37
1,010,000(600,000) Equity shares of ₹ 10/- each of ITM Digital Private Limited (Previous year Extent of holding 59.40%)	10	6
<b>In Subsidiaries - Others- Unquoted</b>		
74,000 (74,000) Equity shares of ₹ 10/- each of Zee Turner Limited (Extent of holding 74%)	1	1
113,939,453 (100,000) Equity shares of ₹ 1/- each of India Webportal Private Limited (Extent of holding 51%)	114	57
<b>In Others - Unquoted</b>		
3,000 (3,000) Equity shares of ₹ 10/- each of Last Minute Media Private Limited (₹ 300,000 (₹ 300,000))	0	0
	<b>5,262</b>	<b>5,201</b>
<b>(ii) Other Investments</b>		
<b>In Associate - Quoted</b>		
1,321,200 (1,321,200) Equity shares of ₹ 10/- each of Aplab Limited (Extent of holding 26.42%)	47	47
<b>Others - Quoted</b>		
1,822,000 (1,822,000) Equity shares of ₹ 2/- each of Essel Propack Limited	2	2
50 (Nil) 10.20% Unsecured Redeemable Non- Convertible Debentures of ₹ 10,00,000 each of Yes Bank Limited	50	-
<b>Investment Property</b>		
Land at Hyderabad *	573	573
	<b>672</b>	<b>622</b>
Less : Provision for diminution in value of trade investments	11	-
<b>TOTAL</b>	<b>5,923</b>	<b>5,823</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/million 86 (129)]	99	49
Aggregate amount of unquoted Investments	5,262	5,201
Value of investment property	573	573
Diminution in value of trade investments	11	-

\* A Public Interest Litigation (PIL) filed in the Hon'ble Andhra Pradesh High Court , interalia, seeking cancellation of the transfer of this Land in favour of the Company, is pending.

Note : Diminution in value of quoted investments of ₹/millions 13 (Nil) not provided for, considering the same to be temporary in nature.

# Notes

## forming part of the Financial Statements

### 10. DEFERRED TAX

The components of deferred tax balances as on 31 March are as under:

₹ millions

	2012	2011
<b>Deferred Tax Assets</b>		
Arising on account of timing differences in Employee Retirement benefits	60	50
Provision for doubtful debts	221	201
Allowable on payment basis	13	19
	<b>294</b>	<b>270</b>
<b>Deferred Tax Liabilities</b>		
Depreciation	158	141
	<b>158</b>	<b>141</b>
<b>Deferred Tax Assets (Net)</b>	<b>136</b>	<b>129</b>

₹ millions

	Long-Term		Short-Term	
	2012	2011	2012	2011
<b>11. LOANS AND ADVANCES</b>				
Capital Advances #	374	391	-	-
Deposits (unsecured, considered good)	223	244	39	21
Advances and Deposits to related parties	22	-	27	62
Loans and Advances to Subsidiaries				
Considered good	28*	-	1,164	1,136
Considered doubtful	-	-	31	-
	28	-	1,195	1,136
Less : Provision for doubtful advances	-	-	31	-
	28	-	1,164	1,136
<b>Other Loans and Advances</b>				
Loans	-	-	1,700	2,500
Advances (unsecured, considered good)	6	-	826	958
Advances (unsecured, considered doubtful)	-	-	376	228
Less: Provision for doubtful advances	-	-	376	228
	6	-	826	958
Prepaid expenses	-	-	92	32
Balance with Government Authorities -				
Advance direct taxes (net of provisions)	-	-	321	-
Advance indirect taxes	-	-	326	24
<b>TOTAL</b>	<b>653</b>	<b>635</b>	<b>4,495</b>	<b>4,733</b>

# Enforceable agreements are yet to be executed for advances of ₹/millions 360 (354) for purchase of properties.

\* represents Share Application Money.

# Notes

forming part of the Financial Statements

	Non-Current		Current	
	2012	2011	2012	2011
<b>12. OTHER ASSETS</b>				
Balances with Banks-In Deposit accounts (Refer Note: 16) {₹ 79,365 (₹ 79,365)}	0	0	-	-
Interest accrued on Investments	-	-	36	13
Interest receivable on Loans	-	-	3	-
Other Receivables	5	23	4	5
Less : Provision for doubtful receivables	3	-	-	-
	2	23	4	5
<b>TOTAL</b>	<b>2</b>	<b>23</b>	<b>43</b>	<b>18</b>

	2012	2011
<b>13. CURRENT INVESTMENTS</b>		
<b>(a) Mutual Funds (Units of face value of ₹ 10/- each) - Quoted</b>		
Nil (14,973,197) of DWS Ultra Short Term Fund - Institutional Daily Dividend	-	150
Nil (30,234,900) ICICI Prudential Interval Fund II Quarterly Interval Plan B Institutional Dividend	-	302
Nil (9,613,215) of JM Short Term Fund - Institutional Plan - Dividend	-	101
Nil (19,807,868) of Kotak Floater - Short Term - Daily Dividend	-	200
Nil (9,988,413) of Templeton India Ultra Short Bond Fund Super Institutional Daily Dividend	-	100
Nil (19,992,361) of BSL Cash Plus - Institutional Premium - Daily Dividend Reinvestment	-	200
Nil (25,109,506) TATA Fixed Maturity Plan Series 28 Scheme A Dividend	-	251
Nil (25,057,639) of Peerless Liquid Fund - Super Institutional Daily Dividend	-	251
	-	<b>1,555</b>
<b>(b) Other current investments</b>		
<b>Commercial Paper - Quoted</b>		
Edelweiss Securities Limited	735	983
Religare Finvest Limited	486	494
Reliance Capital Limited	485	-
Morgan Stanley India Capital Private Limited	485	-
Tata Capital Limited	244	-
Aditya Birla Finance Limited	244	-
<b>Certificate of Deposits (Non-Transferable) - Unquoted</b>		
10.75% of SICOM Limited	1,000	1,000
12% of SICOM Limited	1,000	-
	<b>4,679</b>	<b>2,477</b>
Less: Provision for diminution in value of investments ₹ Nil (₹ 140,000))	-	0
<b>TOTAL</b>	<b>4,679</b>	<b>4,032</b>
(All the above securities are fully paid up)		
Aggregate amount of quoted Investments [Market Value ₹/millions 2,679 (3,032)]	2,679	3,032
Aggregate amount of unquoted Investments	2,000	1,000
Diminution in value of investments ₹ Nil (₹ 140,000))	-	0

# Notes

forming part of the Financial Statements

₹ millions

	2012	2011
<b>14. INVENTORIES</b>		
Raw Stock - Tapes	12	13
Work-in-progress		
- Under production - Program Rights	19	96
Finished Goods		
- Unamortised cost - Program Rights	3,679	6,386
- Films/ Movie Rights	6,220	4,535
<b>TOTAL</b>	<b>9,930</b>	<b>11,030</b>

₹ millions

	2012	2011
<b>15. TRADE RECEIVABLES (UNSECURED)</b>		
<b>Over six months</b>		
Considered good	380	459
Considered doubtful	271	393
<b>Others</b>		
Considered good	6,244	5,732
Considered doubtful	-	-
	6,895	6,584
Less: Provision for doubtful debts	271	393
<b>TOTAL</b>	<b>6,624</b>	<b>6,191</b>

# Notes

forming part of the Financial Statements

	₹ millions			
	Non-Current		Current	
	2012	2011	2012	2011
16. CASH AND BANK BALANCES				
Cash and Cash Equivalents				
Balances with Banks -				
In Current accounts	-	-	448	916
In Deposit accounts	-	-	-	600
Cheques, demand drafts in hand #	-	-	303	12
Cash in Hand	-	-	1	2
	-	-	752	1,530
Other Bank balances				
Balances with Banks -				
In Deposit accounts ^ {₹ 79,365 (₹ 79,365)}	0	0	-	-
In Unclaimed dividend account	-	-	9	9
	0	0	9	9
Amount disclosed under the head “other assets” (Note:12)				
{₹ 79,365 (₹ 79,365)}	0	0	-	-
TOTAL	0	0	761	1,539

# Includes demand drafts of ₹/millions 300 (Nil) taken for business purposes since cancelled.

^ Pledged with sales tax authorities

		₹ millions	
		2012	2011
<b>17. REVENUE FROM OPERATIONS</b>			
Services - Broadcasting Revenue			
Advertisement		13,609	14,383
Subscription		6,239	5,071
- Commission - Space selling		117	115
- Transmission Fees		348	285
Sales - Program Rights, Films / Movie Rights ^		1,686	1,791
Other Operating Revenue		41	55
<b>TOTAL</b>		<b>22,040</b>	<b>21,700</b>

^ Includes ₹/millions Nil (700) compensation received for pre-matured termination of sporting events rights.

# Notes

forming part of the Financial Statements

	₹ millions	
	2012	2011
<b>18. OTHER INCOME</b>		
Interest Income		
- from Bank Deposits	5	11
- from Current Investments	444	202
- from Long-Term Investments	2	-
- from Others	309	229
Dividend Income		
- from Current Investments	125	120
- from Long-Term Investments	1	1
Rent Income	73	69
Net gain / (loss) on exchange difference	175	(33)
Liabilities / Excess provision written back	138	6
Other Miscellaneous Income	17	5
<b>TOTAL</b>	<b>1,289</b>	<b>610</b>

	₹ millions	
	2012	2011
<b>19. OPERATIONAL COST</b>		
<b>Programs, Films/Movie Rights</b>		
Opening - Unamortised cost - Program Rights	6,386	564
Unamortised cost - Films / Movie Rights	4,535	3,887
Under production - Program Rights	96	39
Add: Acquisition of Program Rights	3,115	5,093
Add: Transferred pursuant to the Scheme of Arrangement	-	5,733
Add: Acquisition of Films / Movie Rights	3,281	1,976
Add: Production Expenses - Location Hire and Set Charges	230	219
- Equipment Hire Charges	263	207
- Professional Fees	872	733
- Other Production Expenses	796	969
Less: Closing - Unamortised Cost - Program Rights	3,679	6,386
- Unamortised Cost - Films / Movie Rights	6,220	4,535
- Under production - Program Rights	19	96
	<b>9,656</b>	<b>8,403</b>
Telecast Cost	488	411
<b>TOTAL</b>	<b>10,144</b>	<b>8,814</b>

Program Rights and Films/Movie Rights are intangible assets as defined in AS – 26 however these are considered as inventories and included in Operational cost and Current Assets -Inventories as being acquired and used for its broadcasting business.

Program Rights, Films / Movie Rights of ₹ /millions 97 (Nil) are impaired during the year.

## Notes

forming part of the Financial Statements

	₹ millions	
	2012	2011
<b>20. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and allowances	1,465	1,467
Contribution to provident and other funds	68	58
Staff Welfare expenses	40	43
<b>TOTAL</b>	<b>1,573</b>	<b>1,568</b>

	₹ millions	
	2012	2011
<b>21. OTHER EXPENSES</b>		
Rent	197	158
Repairs and Maintenance - Building	3	3
Repairs and Maintenance - Plant and Machinery	33	31
Repairs and Maintenance - Others	28	21
Insurance	5	3
Rates and Taxes	57	55
Electricity and Water charges	64	60
Communication expenses	63	56
Printing and Stationery	14	13
Travelling and Conveyance expenses	151	112
Service charges	123	97
Legal and Professional charges	143	50
Payment to Auditors (Refer Note 28)	11	8
Miscellaneous expenses	26	27
Advertisement and Publicity expenses	1,123	681
Commission / Discounts on sales and services	209	426
Business promotion expenses	1,511	1,248
Provision for doubtful debts and advances	208	249
Bad debts and advances written off	150	
Less: Provision written back	148	105
Provision for diminution in value of investments (₹ 140,000)	11	0
Loss on sale / discard of fixed assets (net)	72	79
Share issue expenses written off {₹ Nil (₹ 1,966)}	-	0
Loss on redemption of units of mutual funds {₹ Nil (₹ 51,204)}	-	0
<b>TOTAL</b>	<b>4,054</b>	<b>3,482</b>

# Notes

forming part of the Financial Statements

	₹ millions	
	2012	2011
<b>22. FINANCE COSTS</b>		
Interest on vehicle loan and fixed loans	2	33
Interest on Others	3	1
<b>TOTAL</b>	<b>5</b>	<b>34</b>

	₹ millions	
	2012	2011
<b>23. DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation on tangible assets	150	135
Amortization on intangible assets	65	32
<b>TOTAL</b>	<b>215</b>	<b>167</b>

## 24. LEASES

### A. Operating Leases:

- (a) The Company has taken office, residential facilities and plant and machinery (including equipments) etc. under cancellable/non-cancellable agreements that are renewable on a periodic basis at the option of both the Lessee and the Lessor. The initial tenure of the lease is generally from 11 months to 108 months.

	₹ millions	
	2012	2011
Lease rental charges for the year	566	625
<b>Future Lease rental obligation payable (under non-cancellable lease)</b>		
Not later than one year	280	311
Later than one year but not later than five years	654	466
Later than five years	9	12

- (b) In respect of assets given under operating lease:

- (i) The Company has given part of its buildings under cancellable operating lease agreement. The initial term of the lease is for 36 months.



# Notes

## forming part of the Financial Statements

- (ii) The rental revenue for the year is ₹/millions 73 (69).

### 25. CONTINGENT LIABILITIES

	₹ millions	
	2012	2011
a) Corporate Guarantees		
- For subsidiaries, loans / commitments ₹/millions 1,647 (967)	2,946	2,439
- For other related parties, loans / commitments outstanding ₹/millions 721 (3,011)	1,727	4,114
b) Bank/Counter guarantees outstanding	87	58
c) Letter of Credit (Net of Liabilities provided)	39	13
d) Claims against the Company not acknowledged as debts	657	751
e) Legal cases against the Company	Unascertainable	Unascertainable
f) Disputed Direct Taxes *	2,719	1,749
g) Disputed Indirect Taxes	463	475

\* Tax demands are raised on assessments on account of short deduction of Tax at Source, Transfer Pricing adjustment and certain disallowances which are disputed in Appeals before first Appellate Authorities and management is of the opinion that all these matters will be decided in its favour, hence no provisions are considered necessary at this stage.

### 26. CAPITAL AND OTHER COMMITMENTS

- a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) is ₹/millions 298 (91).
- b) Other commitments as regards Programs, Films/Movie rights are ₹/millions 3,278 (2,659).
- c) The Company has committed to provide continued financial support to various subsidiaries - Amount Unascertainable.

### 27. MANAGERIAL REMUNERATION

- a) Remuneration paid or provided in accordance with Section 198 of the Companies Act, 1956 to Managing Director, included in Employee benefits expense is as under

	₹ millions	
	2012	2011
Salary and Allowances	45	31
Provident fund contributions	3	3
Perquisites	7	5

Note: Salary and Allowances includes basic salary, house rent allowance, leave travel allowance and performance bonus but excluding leave encashment and gratuity provided on the basis of actuarial valuation.

- b) Commission payable to Non-Executive Independent Directors of ₹/millions 8 (13) based on Profits for the year ended 31 March 2012.
- c) Foreign subsidiary has paid remuneration (salaries and allowances) of ₹/millions 4 (4) to a non-executive director.

# Notes

forming part of the Financial Statements

## 28. Payments to Auditors

₹ millions

	2012	2011
Audit fees	6	6
Tax Audit Fees	1	1
Certification and tax representation	3	1
Other matters	1	-
Reimbursement of expenses {₹ 1,90,000 (₹108,585)}	0	0
<b>TOTAL</b>	<b>11</b>	<b>8</b>

29. The company has been deploying its surplus funds as short term demand loans / inter corporate deposits. The borrowers are regular in repayment of principal and interest, hence are considered good.

30. Exceptional items of ₹/millions Nil(197) represents profit on sale of Non-Current investments (net).

31. Erstwhile ETC Networks Limited (ETC since merged) had taken over running business of Entertainment Television Network Limited during the year 1999-2000 along with the benefits of contracts, agreements and approvals under which business is carried on and certain approvals are yet to be transferred / obtained in the name of erstwhile ETC or in the name of the Company.

## 32. FOREIGN EXCHANGE

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

₹ millions

	2012	2011
Foreign Currency Payables	250	216
Receivables	2,179	1,673

## 33. MICRO SMALL AND MEDIUM ENTERPRISES

The Company has no dues to Micro, Small and Medium enterprises during the year ended 31 March 2012, on the basis of information provided by the parties and available on record.

# Notes

forming part of the Financial Statements

## 34. EMPLOYEE BENEFITS

### A Defined Benefit Plans

₹ millions

	2012	2011
	<b>Gratuity (Non Funded)</b>	
<b>I. Expenses recognized during the year</b>		
1 Current Service Cost	14	7
2 Interest Cost	7	3
3 Actuarial Losses / (Gains)	2	3
4 Past Service cost	1	23
<b>TOTAL EXPENSES</b>	<b>24</b>	<b>36</b>
<b>II. Net Asset/(Liability) recognized in the Balance Sheet as at 31 March</b>		
1. Present value of defined benefit obligation	81	70
2. Net Asset / (Liability)	(81)	(70)
<b>III. Reconciliation of Net Asset/(Liability) recognized in the Balance Sheet as at 31 March</b>		
1 Net Asset/(Liability) at the beginning of year	(70)	(43)
2 Expense as per I above	(24)	(36)
3 Employer contribution	12	8
4 Net Asset/(Liability)	(81)	(71)
Less: Pursuant to the Scheme	-	1
Net Asset/(Liability) at the end of the year	(81)	(70)
<b>IV. Actuarial Assumptions</b>		
1 Discount rate	8.70%	8.30%
2 Expected rate of salary increase	7.50%	7.50%
3 Mortality	LIC (1994 - 96)	LIC (1994 - 96)

Notes:

- Amounts recognized as an expense and included in the Note 20 "Employee benefits expense" are gratuity ₹/ millions 24 (36) and leave encashment ₹/ millions 28 (33)
- The estimate of future salary increases considered in the actuarial valuation, taking into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### B Defined contribution plan:

"Contribution to provident and other funds" is recognized as an expense in Note 20 of the Statement of Profit and Loss.

# Notes

## forming part of the Financial Statements

### 35. RELATED PARTY TRANSACTIONS

#### (i) List of Parties where control exists

##### Subsidiary Companies

##### (a) Wholly owned

Apac Media Ventures Limited; Asia Today Limited; Asia TV Limited; Expand Fast Holdings (Singapore) Pte. Limited; ITM Digital Private Limited; OOO Zee CIS LLC; OOO Zee CIS Holdings LLC; Taj TV Limited; Taj Television (India) Private Limited; Zee Multimedia (Maurice) Limited; Zee Multimedia Worldwide (Mauritius) Limited; Zee Sports Limited; Zee Technologies (Guangzhou) Limited; Zee Telefilms Middle East FZ-LLC; Zee TV South Africa (Proprietary) Limited; Zee TV USA Inc.; Zee Sports International Limited (merged with Asia Today Limited during the year).

##### (b) Others - Direct

Zee Turner Limited (extent of holding 74%); India Webportal Private Limited (extent of holding 51%)

#### (ii) Associates

Aplab Limited (extent of holding 26.42%)

#### (iii) Joint Venture

Media Pro Enterprise India Private Limited (extent of holding 50%)

#### (iv) Other Related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year.

Agrani Convergence Limited; Agrani Wireless Services Limited; Asian Sky Shop Limited; Cyquator Media Services Private Limited; Churu Trading Company Private Limited; Dakshin Media Gaming Solutions Private Limited; Dish TV India Limited; Diligent Media Corporation Limited; Essel Propack Limited; E-City Bioscope Entertainment Private Limited, E-City Entertainment (India) Private Limited\*, E-City Films ((India) Private Limited\*, E-City Projects Construction Private Limited\*, E-City Property Management Services Private Limited\*, E-Cool Gaming Solutions Private Limited, Essel Corporate Resources Private Limited; Essel Sports Private Limited; Essel International Limited; Essel Shyam Communication Private Limited; Fun Multiplex Private Limited\*; ITZ Trade Exchange Limited\*, ITZ Cash Card Limited\*, Jay Properties Private Limited; New Media Broadcasting Private Limited; Pan India Network Private Limited; Pan India Network Infravest Private Limited; Pan India Paryatan Private Limited\*; Procall Private Limited; Rama Associates Limited; Real Media FZ-LLC; Siti Energy Limited\*; Smart Wireless Private Limited; TALEEM Research Foundation; Wire and Wireless (India) Limited; Zee Learn Limited; Zee Akash News Private Limited; Zee News Limited.

\* Not a related party during the current year.

##### Directors / Key Management Personnel

Mr. Subhash Chandra, Mr. Punit Goenka, Mr. Ashok Kurien.

# Notes

forming part of the Financial Statements

## (v) Transactions with Related Parties

	₹ millions	
	2012	2011
<b>A) Fixed Assets / Capital work in progress</b>		
Assets purchased during the year		
Other Related Parties (₹ 152,000)	2	0
<b>B) Non-Current Investments</b>		
Subsidiaries		
Balance as at 1 April	5,201	12,343
Purchased / Subscribed during the year	61	1,462
Addition pursuant to the Scheme of Arrangement	-	3,619
Cancellation pursuant to the Scheme of Arrangement	-	12,287
Balance as at 31 March	5,262	5,201
Associates		
Balance as at 1 April	47	47
Balance as at 31 March	47	47
Other Related Parties		
Balance as at 1 April	2	2
Purchases during the year	-	-
Sales during the year {₹ Nil (₹ 33,000)}	-	0
Balance as at 31 March	2	2
<b>C) Trade Receivables as at 31 March</b>		
Subsidiaries	1,814	765
Joint Venture	1,220	-
Other Related Parties	121	178
<b>D) Loans, Advances and Deposits as at 31 March</b>		
Subsidiaries	1,223	1,136
Other Related Parties	49	62
<b>E) Trade Payables as at 31 March</b>		
<b>Due to Principals - Pending Remittance</b>		
Subsidiaries	713	818
<b>Purchase of Programs/ Goods and Services</b>		
Subsidiaries	77	177
Associate {₹ Nil (₹ 74,000)}	-	0
Other Related Parties	137	117
<b>F) Revenue from Operations</b>		
<b>Operating Revenue (net)</b>		
Subsidiaries	1,888	1,256
Other Related Parties	26	30
<b>Subscription Income</b>		
Joint Venture	3,500	-
Other Related Parties	400	360
<b>Advertisement Income (net)</b>		
Other Related Parties	60	72

# Notes

forming part of the Financial Statements

	₹ millions	
	2012	2011
<b>Commission received</b>		
Subsidiaries	117	115
<b>G) Other Income</b>		
<b>Dividend received</b>		
Other Related Parties	1	1
<b>Interest received</b>		
Other Related Parties	-	13
<b>Rent/Miscellaneous Income</b>		
Subsidiaries	21	11
Joint Venture	3	-
Other Related Parties	62	58
<b>Balances written Back</b>		
Subsidiaries {₹ Nil (₹ 195,000)}	-	0
Other Related Parties	-	2
<b>H) Loans, Advances and Deposits given during the year</b>		
Subsidiaries	3,395	141
Other Related Parties	46	36
<b>I) Purchase of Programs, Goods and Services</b>		
Subsidiaries	20	2,143
Other Related Parties	709	448
<b>Acquired pursuant to the Scheme of Arrangement</b>		
Subsidiaries	-	5,733
<b>J) Commission paid</b>		
Subsidiaries	94	370
<b>K) Balances written off</b>		
Subsidiaries {₹ 146,026 (₹ Nil)}	0	-
<b>L) Provision for doubtful debts/ advances</b>		
Subsidiaries	31	-
<b>M) Provision for diminution in value of trade Investments</b>		
Subsidiaries	11	-
<b>N) Loans and Advances repayment received</b>		
Subsidiaries	3,307	821
Other Related Parties	59	380
<b>O) Guarantees</b>		
<b>Corporate Guarantees given</b>		
Subsidiaries	2,946	2,439
Other Related Parties	1,727	4,114

# Notes

## forming part of the Financial Statements

### DISCLOSURE IN RESPECT OF MATERIAL RELATED PARTIES WHICH ACCOUNT FOR 10% OR MORE OF THE TRANSACTIONS DURING THE YEAR:

- a. Fixed Assets purchased during the year, Dish TV India Limited ₹/millions 2 (Nil).
- b. Loans, Advances and Deposits given to Taj Television India Private Limited ₹/Millions 1,399 (139); Zee Turner Limited ₹/millions 1,951 (Nil); Zee News Limited ₹/millions Nil (21); Wire and Wireless (India) Limited ₹/millions 0 (14); Essel Corporate Resources Private Limited ₹/millions 45 (Nil).
- c. Loans, Advances and Deposits repayment received from Zee Turner Limited ₹/millions 2,177 (820); Taj Television India Private Limited ₹/millions 1,126 (Nil); Wire and Wireless (India) Limited ₹/millions Nil (113); TALEEM Research Foundation ₹/Millions Nil (199); Jay Properties Private Limited ₹/millions Nil (66); Zee News Limited ₹/millions 21 (Nil), Cyquator Media Services Private Limited ₹/millions 36 (Nil); Pan India Network Private Limited ₹/millions 2 (Nil).
- d. Loans, Advances and Deposits balances outstanding at year end include Zee Sports Limited ₹/millions 31 (29); Zee Turner Limited ₹/millions 701 (928); Taj TV Limited ₹/millions 13 (2); Taj Television India Private Limited ₹/millions 450 (177); Zee News Limited ₹/millions Nil (21); Cyquator Media Services Private Limited ₹/millions Nil (36); Essel Corporate Resources Private Limited ₹/millions 45 (Nil).
- e. Purchase of Programs, Goods and Services includes purchase of Programs - Taj TV Limited ₹/millions Nil (2,089); Zee News Limited ₹/millions 208 (Nil); Telecast cost - Asia Today Limited ₹/millions Nil (55); Dish TV India Limited ₹/millions 62 (42); Essel Shyam Communication Private Limited ₹/millions 10 (14). Advertisement and Publicity expenses - Taj Television India Limited ₹/millions 20 (Nil); Cyquator Media Services Private Limited ₹/millions 12 (Nil); Diligent Media Corporation Limited ₹/millions 3 (6); Dish TV India Limited ₹/millions 6 (3). Rent expenses - Essel Corporate Resources Private Limited ₹/millions 134 (102). Service Charges - Essel Corporate Resources Private Limited ₹/millions 84 (71). Business Promotion expenses - Wire and Wireless (India) Limited ₹/millions 172 (182).
- f. Commission - Zee Turner Limited ₹/millions 57 (261); Taj Television India Private Limited ₹/millions 36 (110); Provision for doubtful debts/advances - Zee Sports Limited ₹/millions 31 (Nil). Provision for diminution in the value of Investment - ITM Digital India Private Limited ₹/millions 10 (Nil).
- g. Trade Payable balances, Principals pending Remittances to Asia Today Limited ₹/millions 713 (818); Purchase of Programs, Goods and Services - Asia Today Limited ₹/millions 77 (68); Taj Television India Private Limited ₹/millions Nil (109); Wire and Wireless (India) Limited ₹/millions 8 (57); Essel Sports Private Limited ₹/millions Nil (14); Real Media FZ-LLC ₹/millions 13 (16); Essel Corporate Resources Private Limited ₹/millions 18 (Nil); Zee News Limited ₹/millions 78 (Nil).
- h. Revenue from Operations (Net) include sales to Asia Today Limited ₹/millions 1,541 (986); Transmission fees - Asia Today Limited ₹/million 323 (256); Zee News Limited ₹/millions 25 (28); Subscription income - Dish TV India Limited ₹/millions 400 (360), Media Pro Enterprise India Private Limited ₹/millions 3,500 (Nil). Advertisement Income - Dish TV India Limited ₹/millions 58 (68); Commission - Asia Today Limited ₹/millions 117 (115).
- i. Trade Receivables balances, Asia Today Limited ₹/millions 1,812 (759); Dish TV India Limited ₹/millions 91 (137); Media Pro Enterprise India Private Limited ₹/millions 1,220 (Nil); Cyquator Media Services Private Limited ₹/millions 27 (Nil).
- j. Other income includes Dividend received - Essel Propack Limited ₹/millions 1 (1); Interest received includes Wire and Wireless (India) Limited ₹/millions Nil (13); Miscellaneous income includes rent income received - Zee Turner Limited ₹/millions 5 (11); Taj Television India Private Limited ₹/millions 3 (Nil); Media Pro Enterprise India Private Limited ₹/millions 3 (Nil); Diligent Media Corporation Limited ₹/millions 2 (2); Dish TV India Limited ₹/millions 28 (25); Zee News Limited ₹/millions 25 (22); Wire and Wireless (India) Limited ₹/millions 4 (4). Commission on Corporate Guarantee - Taj Tv Limited ₹/millions 13 (Nil); Balances written back of Zee Turner Limited ₹/millions Nil (0), Agrani Convergence ₹/millions Nil (2).

# Notes

## forming part of the Financial Statements

k. Corporate guarantees on behalf of Taj TV Limited ₹/millions 2,946 (2,439) Dish TV India Limited ₹/millions 1,469 (3,899); Wire and Wireless (India) Limited ₹/millions 229 (188).

Note

Details of Remuneration to directors are disclosed in Note 27.

"0" (Zero) denotes amounts less than a million.

### 36. DISCLOSURES AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT

#### Loans and Advances given to Subsidiaries

₹ millions

	Balance as at 31 March		Maximum amount outstanding during the year	
	2012	2011	2012	2011
Zee Sports Limited	31	29	31	29
Zee Turner Limited	701	928	927	1,748
Taj Television (India) Private Limited	450	177	450	177
Taj TV Limited	13	2	13	2
Asia Today Limited {₹ Nil (₹ 70,000)}	-	-	-	0

### 37. CONSUMPTION OF RAW STOCK (INCLUDED IN OPERATIONAL COST)

₹ millions

	2012	2011
Raw Tapes	35	49
<b>TOTAL</b>	<b>35</b>	<b>49</b>

### 38. DETAILS OF CONSUMPTION OF IMPORTED AND INDIGENOUS STOCKS

₹ millions

	2012		2011	
	%	Amount	%	Amount
Imported (₹ 319,000)	-	-	1	0
Indigenous	100	35	99	49
<b>TOTAL</b>	<b>100</b>	<b>35</b>	<b>100</b>	<b>49</b>



# Notes

forming part of the Financial Statements

## 39. EARNINGS IN FOREIGN EXCHANGE

	₹ millions	
	2012	2011
FOB Value of Exports	1,666	1,022
Broadcasting Revenue	76	62
Others	465	371

## 40. REMITTANCES IN FOREIGN CURRENCY

	₹ millions	
	2012	2011
Net Dividend remitted	345	345
Number of Shareholders (Nos)	113	252
Number of Equity Shares held (Nos)	172,718,795	172,740,498

## 41. EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

	₹ millions	
	2012	2011
Travelling expenses	6	6
Telecast Cost	361	359
Program Rights / Production expenses	17	2,100
Repairs and Maintenance expenses	53	17
Business Promotion expenses	11	-
Legal and Professional charges	78	-
Others	1	18

# Notes

forming part of the Financial Statements

## 42. CIF VALUE OF IMPORTS

₹ millions

	2012	2011
Capital Equipment	243	95
Raw Stock {₹ Nil (₹ 319,000)}	-	0
Software - Intangible asset	8	-

## 43. EARNING PER SHARE (EPS)

	2012	2011
a. Profit after Tax after Exceptional Item (₹/millions)	4,897	5,764
Less: Profit on sale of Investments-Exceptional Item	-	197
Add: Tax on Exceptional Item	-	22
b. Profit after Tax before Exceptional Item (₹/millions)	4,897	5,589
c. Profit after Tax after Exceptional Item for Diluted EPS (₹/millions)	4,897	5,764
d. Profit after Tax before Exceptional Item for Diluted EPS (₹/millions)	4,897	5,589
e. Weighted Average number of equity shares for Basic EPS (Nos.)	969,418,180	978,076,130
Add: Weighted Average outstanding option deemed to be issued for no consideration (Nos.)	-	685,596
f. Weighted Average number of equity shares for Diluted EPS (Nos.)	969,418,180	978,761,726
Nominal value of equity shares (₹)	1	1
g. Basic EPS before Exceptional Item (₹)	5.05	5.71
h. Basic EPS after Exceptional Item (₹)	5.05	5.89
i. Diluted EPS before Exceptional Item (₹)	5.05	5.71
j. Diluted EPS after Exceptional Item (₹)	5.05	5.89

# Notes

## forming part of the Financial Statements

### 44. SEGMENT INFORMATION

The Financial Statements of the Company contain both the consolidated financial statements as well as the separate financial statements of the parent company. Hence, the Company has presented the segmental information on the basis of the consolidated financial statements as permitted by Accounting Standard – 17.

45. a) During the year, one of the Company's subsidiary Zee Turner Limited entered into 50:50 joint venture with Star Den Media Service Private Limited and formed company in the name of "Media Pro Enterprise India Private Limited (MPEIPL)" for distribution of channels distributed by Zee Turner Limited and Star Den Media Service Private Limited. MPEIPL has started operations w.e.f. 1 July 2011.
- b) Zee Multimedia Worldwide Limited (ZMWL) and ZES Holdings Limited (ZES), both wholly owned foreign subsidiaries have merged with the Company w.e.f. 1 February, 2011, pursuant to the Scheme of Amalgamation approved by the Hon'ble High Court at Mumbai vide Order dated 10 June 2011. The effect to the Scheme has been given in the financial statements for the year ended 31 March 2011 and the difference between transferred assets and liabilities of ₹/ millions 2,076 is adjusted against General Reserve.
- c) ZES Mauritius Limited (ZES Mauritius) and ZES Entertainment Studios Limited (ZES Ent) both wholly owned foreign subsidiaries of ZES Holdings Limited (ZES) have amalgamated with ZES on 18 March 2011 and 31 March 2011 respectively, as per the confirmation of Register of Companies, Republic of Mauritius. Hence, the transactions between the appointed date and the effective date are accounted in the financial statements of the company for the year ended 31 March 2011 and the difference of ₹ 107,000 between assets and liabilities transferred is adjusted to General Reserve.
- d) Pursuant to the Composite Scheme of Amalgamation and Arrangement ('the Scheme') between erstwhile ETC Networks Limited (ETC), Zee Learn Limited (ZLL) and the Company, ETC has merged with the Company on 31 March 2010. Subsequently, pursuant to the Scheme, the education business undertaking is demerged on 1 April 2010 at book value to ZLL and the difference between the book value of assets and liabilities transferred of ₹ / millions 631 is adjusted against General Reserve and effect given in the financial statements for the year ended 31 March 2011.

### 46. PRIOR YEAR COMPARATIVES

Schedule VI to the Companies Act, 1956 is revised effective from 1 April 2011 and has significantly impacted the disclosures and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classifications / disclosures.