

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

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

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

BOARD OF DIRECTORS

Composition & Category of Directors

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

Composition of the Board as on March 31, 2014

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

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

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

BOARD MEETINGS AND PROCEDURE

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

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

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

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

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

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

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

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

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

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

Dr. Chandra has been recipient of numerous industry awards and civic honors including (a) Entrepreneur of the year (Ernst & Young) in 1998; (b) Businessman of the Year (Business Standard) (1999); (c) Entrepreneur CEO of the Year (International Brand Summit) (1999); (d) Global Indian Entertainment Personality of the Year (FICCI) (2004); (e) Lifetime Achievement Award at the CASBAA Convention (2009); (f) Hall of Fame for continuing contribution to industry in Entrepreneurs category at the INBA (2010); and (g) International Emmy Directorate Award (2011).

Dr. Chandra became the first Indian ever to receive a Directorate Award recognizing excellence in television programming outside the United States. He has also been awarded the Honorary Doctorate of Business Administration by the University of East London.

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

Apart from the Company, Dr. Chandra holds directorship in 5 other Indian Public Companies viz., Essel Propack Limited, Essel Infraprojects Limited, Dish TV India Limited, Siti Cable Network Limited and Zee Entertainment Enterprises Limited.

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

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

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

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

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

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

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

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

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

CODE OF CONDUCT

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

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

Declaration

I confirm that the Company has obtained from all Directors and Senior Management of the Company their affirmation of compliance with the Code of Conduct for Members of the Board and Senior Management of the Company for the financial year ended March 31, 2014.

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

BOARD COMMITTEES

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

taken on record by the Board at its meetings.

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

Audit Committee

Terms of reference

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

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

Constitution

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

During the year under review, Audit Committee met for five (5) times on May 23, 2013, July 30, 2013, October 22, 2013, January 23, 2014 and March 25, 2014.

The details of composition of the Audit Committee, which complies with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement(s), along with attendance of the Committee members at the meetings held during financial year 2013-14 are as detailed hereunder:

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

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

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

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

Nomination & Remuneration Committee (earlier known as Remuneration Committee)

Terms of reference

In accordance with Section 178 of the Companies Act, 2013, the Remuneration Committee of the Board was re-named as Nomination & Remuneration Committee with effect from May 21, 2014. The terms of reference of the Committee, as revised by the Board with effect from May 21, 2014, inter alia, consists of (i) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommending their appointment and removal to the Board; (ii) carrying out evaluation of every director's performance; (iii) Formulating criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees; (iv) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required

to run the Company successfully; (v) Ensuring that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (vi) Formulating policy with regard to remuneration to directors, key managerial personnel and senior management involving a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Additionally the Committee has been vested with the powers for administration and implementation of Company's Employees Stock Option Scheme.

Constitution

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

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

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

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

Remuneration paid to Whole-time Director

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

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

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

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

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

(₹ in Million)

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

Remuneration payable to Non-Executive Directors

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

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

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

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

(₹ Million)

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

* Resigned with effect from September 28, 2013

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

Terms of reference

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

Constitution

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

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

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

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

GENERAL BODY MEETINGS

The 15th Annual General Meeting of the Company for the Financial Year 2013-14 will be held on Thursday, August 7, 2014 at 11.00 a.m. at 'The Hall of Culture', Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018.

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

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

The above Special Resolution was passed with requisite majority.

Postal Ballot

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

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

Date of Notice: October 22, 2013	Date of Result: December 2, 2013	
Particulars of Resolution	Details of Votes Cast (number of Shares & % of total shares for which votes were cast)	
	For	Against
	Ordinary Resolution seeking approval of Public Shareholders to the Scheme of Amalgamation of Essel Publishers Private Limited with the Company	42,828,022 (99.86%)

Special Resolution seeing Shareholders approval for Issuance of Corporate Guarantee beyond limits prescribed under Section 372A of the Companies Act, 1956	170,711,401 (99.96%)	73,610 (0.04%)
--	----------------------	----------------

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

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

DISCLOSURES

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

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

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

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

Whistle Blower Policy- The Board of Directors of the Company approved the Whistle Blower Policy, pursuant to which employees can raise concern about unethical behaviour, fraud, violation of the Company's code of conduct or any other untoward activity or event which is against the interest of the Company and / or its stakeholders. As per the Whistle Blower Policy of Company, no employee has been denied access to the Audit Committee of the Board.

Chairman's Office – A Chairman's office with requisite facilities is provided and maintained at the Corporate office at Noida at the Company's expenses for use by its Non-Executive Chairman. The Company also reimburses all travel and other expenses incurred in his furthering the Company's business interests.

MEANS OF COMMUNICATION

The Company has promptly reported all material information including declaration of quarterly financial results, press releases etc., to all Stock Exchanges where the shares of the Company are listed. Such information is also simultaneously displayed on the Company's website www.zeenews.india.com. The financial results, quarterly, half yearly and annual results and other statutory information were communicated to the

shareholders by way of advertisement in a English newspaper DNA and in a vernacular language newspapers 'Punya Nagari (Marathi)' as per the requirements of the Stock Exchanges and requisite information are filed with Stock Exchange(s) in compliance with the Listing Agreement(s). Additionally the financial and other information are filed by the Company on NEAPS and Corporate Filing with NSE and BSE respectively.

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

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

AUDITORS' CERTIFICATE

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

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

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **MGB & Co**
Chartered Accountants
Firm Registration No. 101169W

Hitendra Bhandari
Partner
Membership No. 107832

Mumbai, May 21, 2014