

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **M/s Zee Akaash News Private Limited.**

We have audited the accompanying financial statements of **M/s Zee Akaash News Private Limited**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the statement of profit & loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk statements, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date.



- c) In the case of the cash flow statement, of the cash flow for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the Annexure a statement on the matters specified in paragraphs 3 and 4.
2. As required by section 143(3) of the Act, we report that :
- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - (iii) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
  - (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



Place:

Date: 21.05.2015

For: AVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO. : 003705N

A handwritten signature in blue ink, appearing to read "A.K. Aggarwal", written over a horizontal line.

( A.K. AGGARWAL )  
PARTNER, F.C.A.  
M.No.082695

## ANNEXURE TO AUDITOR'S REPORT

### Referred to paragraph 1 of our report of even date: -

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the period under consideration and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- 2 (a) As explained to us, the inventories have been physically verified by management during the period under consideration at reasonable intervals.
- (b) In our opinion and according to the information and explanation given to us, the procedures for physical verification of inventory followed by management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and book stock were not material and have been properly dealt with in the books of accounts,
- 3 (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b) and iii(c) of the order are not applicable to the Company.
- 4 In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- 5 According to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under the provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- 6 In our opinion and according to the information and explanation given to us, the maintenance of cost records under Section 148(1) of the Act is not applicable to any activities of the Company and hence paragraph 4(iii) of the order is not applicable.



- 7 (a) According to the records, information and explanations provided to us, the company is generally regular in depositing with appropriate authorities undisputed amount of statutory dues including Provident fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added tax, Cess and any other statutory dues applicable to it. No undisputed amounts payable in respect of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess were outstanding as at 31<sup>st</sup> March' 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there was no disputed amount towards Income tax, wealth tax, sales tax, service tax, custom duty, excise duty, value added tax and cess that have not been paid to the concerned authorities.
- (c) According to the records, information and explanations provided to us, no amount is required to be transferred to Investor Education & Protection Fund.
- 8 There is no accumulated loss as at the end of the financial as at 31<sup>st</sup> March'2015. The company has not incurred any cash loss during the period under consideration as well as in the previous financial year.
- 9 Based on our examination and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 10 Based on the examination of the books of account and related records and according to the information & explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions, therefore provisions of this clause of the Companies (Auditor's Report) Order, 2015 ( as amended) are not applicable to the company.
- 11 Based on our examination and according to the information and explanations given to us, the Company has not raised fresh loan during the period under consideration, therefore, provisions of this clause of the Companies (Auditor's Report) Order, 2015 ( as amended) are not applicable to it.
- 12 Based upon the audit procedures performed and information and explanations given to us by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

Place:-  
Date :-



21.05.2015

For **AVR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
FIRM REG. NO. 003705N


**(A.K.AGGARWAL)**  
**PARTNER, F.C.A.**  
M.No. 82695

**ZEE AKAASH NEWS PRIVATE LIMITED**PODDAR COURT, 6TH FLOOR, GATE NO. 1  
18, RABINDRA SARANI, KOLKATA - 700 001REGD. OFF:- CONTINENTAL BUILDING  
135, DR. ANNIE BESANT ROAD  
WORLI, MUMBAI - 400018**BALANCE SHEET AS ON 31ST MARCH, 2015**

Amount in ₹

Particulars	Note No.	As at	
		31-Mar-15 ₹	31-Mar-14 ₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>A) Shareholders' Fund</b>			
a) Share Capital	2	40,000,000	40,000,000
b) Reserve & Surplus	3	217,749,052	251,588,047
		<b>257,749,052</b>	<b>291,588,047</b>
<b>B) Non-Current Liabilities</b>			
a) Deferred Tax Liabilities (Net)	4	-	13,657,938
b) Long-Term Provisions	5	11,863,934	10,840,748
		<b>11,863,934</b>	<b>24,498,686</b>
<b>C) Current Liabilities</b>			
a) Trade Payables	6	6,138,311	5,664,854
b) Other Current Liabilities	7	12,218,598	13,254,741
c) Short-Term Provisions	8	68,038,976	31,328,594
		<b>86,395,885</b>	<b>50,248,189</b>
<b>TOTAL (A+B+C)</b>		<b>356,008,871</b>	<b>366,334,922</b>
<b><u>ASSETS</u></b>			
<b>A) Non-Current Assets</b>			
a) Fixed Assets	9		
(i) Tangible Assets		89,948,193	135,134,159
(ii) Intangible Assets		1,709,031	2,382,918
b) Deferred Tax Assets	4	1,166,054	-
c) Long Term Loans and Advances	10	36,000,000	36,000,000
		<b>128,823,278</b>	<b>173,517,077</b>
<b>B) Current Assets</b>			
a) Inventories	11	109,303	157,428
b) Trade Receivables	12	121,363,929	91,447,604
c) Cash and cash Equivalents	13	22,002,850	47,850,059
d) Short Term Loans and Advances	14	71,078,415	41,772,269
e) Other Current Assets	15	12,631,095	11,590,485
		<b>227,185,593</b>	<b>192,817,845</b>
<b>TOTAL (A+B)</b>		<b>356,008,871</b>	<b>366,334,922</b>

Significant Accounting Policies &amp; Notes On Accounts A &amp; B

<p>Auditor's Report As Per Our Separate Report of Even Date Annexed FOR AVR &amp; ASSOCIATES CHARTERED ACCOUNTANTS FIRM REGN. NO.: 003705N</p>  <p>(A.K. AGGARWAL) PARTNER, FCA M. NO.: 082695</p>	<p>For and on behalf of the Board of : ZEE AKAASH NEWS PVT. LTD.</p> <p><i>[Signature]</i> (DIRECTOR)</p> <p><i>[Signature]</i> (DIRECTOR)</p>
<p>PLACE : DATE : 21.05.2015</p>	

**ZEE AKAASH NEWS PRIVATE LIMITED**PODDAR COURT, 6TH FLOOR  
18, RABINDRA SARANI, KOLKATA - 700 001REGD. OFF:- CONTINENTAL BUILDING  
135, DR. ANNIE BESANT ROAD  
WORLI, MUMBAI - 400018**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2015**

Amount in ₹

Particulars	Note No.	Year ended	
		31-Mar-15 ₹	31-Mar-14 ₹
<b>I. Income</b>			
Revenue from operations	16	432,549,779	323,526,182
Other Income	17	2,154,273	1,683,631
<b>Total Income (I)</b>		<b>434,704,051</b>	<b>325,209,813</b>
<b>II. Expenses:</b>			
Cost of Operations	18	63,016,883	64,438,189
Employee benefits expense	19	112,662,685	102,657,558
Financial costs	20	51,249	27,690
Depreciation and amortization expense	21	51,539,905	14,342,919
Other expenses	22	72,683,274	53,969,618
<b>Total Expenses (II)</b>		<b>299,953,996</b>	<b>235,435,974</b>
III. Profit before tax (I-II)		134,750,055	89,773,839
IV. Tax expense:			
Current tax		60,951,662	28,079,848
Deferred tax		(13,675,613)	1,131,428
Tax on Earlier Year		-	834,494
V. Profit/(Loss) for the period (III-IV)		<b>87,474,006</b>	<b>59,728,069</b>
Earning per equity share:			
(1) Basic		22	15
(2) Diluted		22	15
Significant Accounting Policies & Notes On Accounts	A & B		

Auditor's Report

Per Our Separate Report of Even Date Annexed  
FOR AVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.: 003705N(A.K. AGGARWAL)  
PARTNER, FCA  
M. NO.: 082695For and on behalf of the Board of :  
ZEE AKAASH NEWS PVT. LTD.

(DIRECTOR)

(DIRECTOR)

PLACE :

DATE : 21.05.2015

**ZEE AKAASH NEWS PRIVATE LIMITED**PODDAR COURT, 6TH FLOOR  
18, RABINDRA SARANI, KOLKATA - 700 001REGD. OFF:- CONTINENTAL BUILDING  
135, DR. ANNIE BESANT ROAD  
WORLI, MUMBAI - 400018**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2015**

Amount in ₹

Particulars	March 31, 2015	March 31, 2014
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before tax and extraordinary items	134,750,055	89,773,839
Adjustments for:		
Add: a. Depreciation	51,539,905	14,342,919
b. Loss on sale of Fixed Assets	693,658	43,739
	<b>186,983,619</b>	<b>104,160,497</b>
Less: a. Interest Income	(2,136,332)	(1,335,014)
b. Profit on sale of Fixed Assets	-	-
c. Dividend Income	-	-
Operating Profit before Working Capital Changes	<b>184,847,287</b>	<b>102,825,483</b>
Adjustments for:		
(Increase)/Decrease in Trade Receivable	(29,916,325)	3,303,287
(Increase)/Decrease in Inventories	48,125	114,973
(Increase)/Decrease in Other Current Assets	(1,040,610)	1,483,138
(Increase)/Decrease in Long Term Loans & Advances	-	(21,600,000)
(Increase)/Decrease in Short Term Loans & Advances	(2,459,122)	(350,547)
Increase/(Decrease) in Trade Payables	473,457	(5,493,183)
Increase/(Decrease) in Current Liabilities & Provisions	2,802,424	(1,002,090)
Increase/decrease in Long Term Provision	1,023,186	580,448
Cash Generated from Operations	(29,068,864)	(22,963,975)
Income Taxes (Paid)	(54,926,872)	(33,307,141)
	-	-
<b>Net Cash from Operating Activities</b>	<b>100,851,550</b>	<b>46,554,368</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Tangible Assets	(9,121,321)	(22,125,864)
Purchase of Intangible Assets	(1,169,700)	(957,279)
Purchase of Assets (In-Transit)	-	-
Sale of Asset	538,733	82,504
Interest Income	2,136,332	1,335,014
<b>Net cash used in Investing Activities</b>	<b>(7,615,956)</b>	<b>(21,665,624)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Dividend and dividend tax paid	(119,082,802)	(70,197,000)
Increase/decrease in Long Term Borrowings	-	-
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>(119,082,802)</b>	<b>(70,197,000)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(25,847,208)</b>	<b>(45,308,257)</b>
Cash & Cash Equivalents (opening balance)	47,850,058	93,158,315
Cash & Cash Equivalents (closing balance)	22,002,850	47,850,059
<b>Cash and Cash Equivalents comprise:</b>		
Cash in Hand	68,496	50,577
Balance with Scheduled Banks		
a) In Current Accounts	21,934,353	27,799,482
b) In Fixed Deposits	-	20,000,000
<b>Total</b>	<b>22,002,850</b>	<b>47,850,059</b>



Auditor's Report  
As Per Our Separate Report of Even Date Annexed  
FOR AVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No.: 003705N

FOR : ZEE AKAASH NEWS PVT. LTD

*(Signature)*  
(A.K. AGGARWAL)  
Partner, FCA  
M. No.: 082695

*(Signature)*  
(DIRECTOR)  
*(Signature)*  
(DIRECTOR)

PLACE:  
DATE : 21.05.2015

**ZEE AKAASH NEWS PRIVATE LIMITED**PODDAR COURT, 6TH FLOOR  
18, RABINDRA SARANI, KOLKATA - 700 001REGD. OFF:- CONTINENTAL BUILDING  
135, DR. ANNIE BESANT ROAD  
WORLI, MUMBAI - 400018**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****COMPANY OVERVIEW**

Zee Akaash News Private Limited (the company) was incorporated in the State of Maharashtra, India and is a subsidiary of M/s Zee Media Corporation Ltd. (formally known as M/s Zee News Ltd.) The Company has been mainly in the business of broadcasting of news, current affairs and regional satellite television channels uplinked from India.

**A) SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared on the basic concept of going concern under historical cost convention on Accrual Basis by following the Mercantile System of Accounting. These statements are in accordance with the requirements of Companies Act, 2013 and comply in all material aspects with the Accounting Standards referred to in section 133 of the Companies Act, 2013

**2. USE OF ESTIMATE**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimate are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to financial statements.

**3. FIXED ASSETS**

-Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises cost of acquisition including taxes, duties, levies, transportation cost, cost of installation and other direct cost which are capitalized until fixed assets are ready for use.

-Capital work-in-progress comprises of the cost of Fixed assets that are not yet ready for their intended use at the reporting date.

-Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment.

**4. IMPAIRMENT OF ASSETS**

The Company identifies impairable fixed assets based on cash generating unit concept at the year end in accordance with AS-28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged against revenue of the year.

**5. DEPRECIATION AND AMORTIZATION**

a) Consequent to the enactment of the Companies Act, 2013 and its applicability for accounting periods commencing after April 1, 2014, depreciation on tangible fixed assets is provided on straight line method as per the useful life prescribed by Schedule II to the Companies Act, 2013 except in the following cases where actual useful life of assets as estimated by the management is lower:

Assets	Management's Estimate of Useful Life
Plant and Machinery (Studio equipments - Linear)	10 Years
Plant and Machinery (Studio equipments - Non-Linear)	5 Years
Plant and Machinery (IRD Boxes)	1 Year
Leasehold Improvements	Over the period of lease

b) Upto March 31, 2014, depreciation is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 except in the case of leasehold improvements which is amortised over the period of lease.

**Intangible assets**

Intangible assets are amortised on straight line basis over the economic useful life estimated by the management.

**6. INVESTMENTS**

-Long term Investments are stated at Cost. Provision for diminution in value of long term investment is made, if the diminution is not temporary in nature.

-Current Investments are valued at lower of Cost or Realizable value. Realizable value means the net value which can be realized in ordinary course of business.

**7. RECOGNITION OF REVENUE & EXPENDITURE**

-The company is following mercantile system of accounting for recognizing both revenue & expenditure.

-No personal expense is charged to revenue.

-Cost of news / current affairs / shows & events are fully charged to revenue.

-Revenue from channel operation is recognized on completion of related activity.

-Advertisement and subscription revenue is recognized on net of discount basis.



24/07/2015

A →



## 8. BORROWING COST

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the profit and loss account at the time when they are incurred.

## 9. EMPLOYEES BENEFITS

-Short Term employee benefits like Contributions to Provident fund, ESI and other recognized funds are charged to Profit & Loss Account when the related service is rendered and accordingly contribution to the fund becomes due.

-Post employment and other long term employee benefits such as gratuity and short term employee benefits such as leave encashment are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined at Balance Sheet date using actuarial valuation techniques. Actuarial gains and losses of post employment and other long term benefits are charged to Profit and Loss Account.

## 10. INVENTORIES

-Inventory of Raw Stock-cassettes / tapes etc are valued at lower of cost or net realizable value by adopting weighted average method.

## 11. FOREIGN CURRENCY TRANSACTIONS

(a) Transactions in foreign currency are accounted at the exchange rate prevailing on the date of transaction.

(b) Monetary assets and liabilities as at the balance sheet date are translated at the rates of exchange prevailing on the date of Balance Sheet. Gains and losses arising on account of settlement/translation of monetary assets and liabilities are recognized in the Profit and Loss Account. Non monetary items are reported using exchange rate prevailing on the date of transaction.

## 12. TAXES ON INCOME

-Income tax is accounted for in accordance with Accounting Standard (AS)-22 issued by ICAI. It comprises both Current Tax and Deferred Tax.

-Current Tax is measured as the amount which is payable on the taxable income for the year calculated in terms of provisions contained in the Income Tax Act at the rate prescribed there under.

-the tax effect of the timing difference that results between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as deferred tax asset or deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference. They are measured using the substantive enacted tax rates and tax regulations.

## 13. EARNINGS PER SHARE

-The company reports basic and diluted Earning per share (EPS) in accordance with Accounting Standard (AS)-20 on "Earning per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of dilutive potential equity shares except where the results are anti-dilutive.

## 14. LEASES

-The company has entered into operating lease agreements. The operating lease agreements is one under which asset has been transferred by the lessor to the lessee for use purposes and risks & rewards of ownership are retained by the lessor. Lease rentals in respect of operating lease are recognized as revenue expenditure and accordingly charged to revenue on accrual basis.

## 15. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## 16. CASH & CASH EQUIVQLENTS

Cash & cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to know amounts of cash to be cash equivalents.

## 17. CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



21/05/2015



**ZEE AKAASH NEWS PRIVATE LIMITED**PODDAR COURT, 6TH FLOOR  
18, RABINDRA SARANI, KOLKATA - 700 001REGD. OFF:- CONTINENTAL BUILDING  
135, DR. ANNIE BESANT ROAD  
WORLI, MUMBAI - 400018**B. NOTES TO ACCOUNTS ( 1 to 37 )**

1. The Previous period figures have been regrouped/ reclassified, wherever necessary to conform to the current period presentation.

**2. SHARE CAPITAL**

Particulars	As at		Amount in ₹
	31-Mar-15		31-Mar-14
<b>a) Authorized</b>			
Equity Shares, Rs.10 par value 40,00,000 (40,40,000) Equity Shares	40,000,000		40,000,000
<b>b) Issued, Subscribed &amp; Paid up</b>			
Equity Shares, Rs.10 par value 40,00,000 (40,00,000) Equity Shares fully paid up	40,000,000		40,000,000
	40,000,000		40,000,000

Particulars	March 31, 2015		March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares at the beginning	4,000,000	40,000,000	4,000,000	40,000,000
Equity Shares at the end	4,000,000	40,000,000	4,000,000	40,000,000

The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share

In the event of liquidation of the company, the holders of equity shares will be entitled to received any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be inproportion to the number of equity shares held by the share holders.

The details of shares held by holding company as at March 31, 2015 and March 31, 2014 is setout below:

Name of the holding company	March 31, 2015		31-Mar-14	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares</b>				
Zee Media Corporation Ltd ( Formaly knows as Zee News Ltd.)	2,400,002	60	2,400,002	60

The details of shareholder holding more than 5% shares as at March 31, 2015 and March 31, 2014 is set out below:

Name of the shareholder	March 31, 2015		31-Mar-14	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares</b>				
Zee Media Corporation Ltd ( Formaly knows as Zee News Ltd.)	2,400,002	60	2,400,002	60
SKY B (Bangla) Pvt. Ltd.	1,599,988	40	1,599,988	40



21/05/2015

AD

**3. RESERVES & SURPLUS**

Particulars	As at		
	31-Mar-15		31-Mar-14
<b>a) Securities Premium Account</b>			
Opening Balance	98,800,000		98,800,000
Addition / deductions	-		-
Closing Balance	<b>98,800,000</b>		<b>98,800,000</b>
<b>b) General Reserve</b>			
Opening Balance	13,973,316		8,000,509
Add: Trfd. From Surplus	8,747,401		5,972,807
Closing Balance	<b>22,720,717</b>		<b>13,973,316</b>
<b>c) Surplus</b>			
Opening Balance	138,814,731		155,256,470
Net Profit as per statement of Profit & Loss account	87,474,006		59,728,069
	<b>226,288,737</b>		<b>214,984,538</b>
Less:- Appropriations			
Trfd. To General Reserve	8,747,401		5,972,807
Interim Dividend paid	100,000,000		60,000,000
Dividend distribution tax	19,082,802		10,197,000
Fixed Assets when the remaining useful life of the asset is nil as on Mar-14	3,378,578		-
Add: Deferred Tax on above	(1,148,379)		-
	<b>130,060,402</b>		<b>76,169,807</b>
Closing Balance	<b>96,228,335</b>		<b>138,814,731</b>
<b>Grand total (a+b+c)</b>	<b>217,749,052</b>		<b>251,588,047</b>

**4. DEFERRED TAXES**

Particulars	As at		
	31-Mar-15		31-Mar-14
<b>a. DEFERRED TAX LIABILITY:</b>			
Tax impact of difference between carrying amount of fixed assets in the financial statements and the Income tax return	5,072,053		18,373,350
	<b>5,072,053</b>		<b>18,373,350</b>
<b>b. DEFERRED TAX ASSET:</b>			
Tax impact of disallowances under the Income Tax Act, 1961 which will be allowed in next years			
i) Gratuity and Leave encashment	4,478,927		3,684,770
ii) Provision for Commission to be claimed in next year taxable income	1,759,180		1,030,642
	<b>6,238,107</b>		<b>4,715,412</b>
<b>DEFERRED TAX LIABILITIES / (ASSETS) NET [ a-b]</b>	<b>(1,166,054)</b>		<b>13,657,938</b>

Deffered tax assets and deffered tax liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deffered tax assets and deffered tax liabilities relate to Income Taxes levied by the same taxation authority.



21/07/15

42

*(Handwritten signature)*

5. LONG TERM PROVISIONS			
Particulars	As at		
	31-Mar-15		31-Mar-14
Provisions for employees benefits			
a) Gratuity	7,756,725		7,059,430
b) Leave Encashment	4,107,209		3,781,318
	<b>11,863,934</b>		<b>10,840,748</b>
6. TRADE PAYABLES			
Particulars	As at		
	31-Mar-15		31-Mar-14
Trade Payables	6,138,311		5,664,854
	<b>6,138,311</b>		<b>5,664,854</b>
7. OTHER CURRENT LIABILITIES:			
Particulars	As at		
	31-Mar-15		31-Mar-14
a) Advance Received from Customers	4,022,816		6,370,374
b) Other Payables			
Statutory liabilities	2,930,209		2,984,796
Payable to employees	-		80,700
Other Payable	5,265,573		3,818,871
	<b>12,218,598</b>		<b>13,254,741</b>
8. SHORT TERM PROVISIONS:			
Particulars	As at		
	31-Mar-15		31-Mar-14
a) Current Tax	60,951,662		28,079,848
b) Auditor Remuneration	297,254		297,254
c) Commission	5,476,805		2,951,492
d) Gratuity	831,425		-
e) Leave Encashment	481,830		-
	<b>68,038,976</b>		<b>31,328,594</b>



AD

S. NO PARTICULARS		G R O S S A M O U N T				D E P R E C I A T I O N				N E T B L O C K	
		AS AT 01.04.14	ADDITION DURING THE PERIOD	SALES ADJUST- MENT	AS AT 31.03.2015	UP TO 31.03.14	ON SALE ADJUST- MENT	Fixed Assets when the remaining useful life of the asset is nil)	FOR THE PERIOD	UP TO 31.03.2015	AS AT 31.03.2015
<b>A) Tangible Assets:</b>											
1	PLANT & MACHINERY	101,960,736	1,913,962	-	103,874,697	33,882,314	-	31,318,158	65,200,472	38,674,225	68,078,421
2	PLANT & MACHINERY (IRD)	5,690,195	885,789	-	6,575,984	353,270	-	672,815	1,026,085	5,549,898	5,336,925
3	FURNITURE & FIXTURE	21,360,901	63,548	27,951	21,396,498	9,603,510	14,736	5,036,045	14,624,818	6,771,680	11,757,391
4	VEHICLE	7,804,797	2,102,858	2,287,515	7,620,140	2,128,557	1,111,772	1,164,058	2,180,843	5,439,297	5,676,240
5	OFFICE EQUIPMENTS	3,969,119	157,800	-	4,126,919	549,576	-	1,666,925	2,216,501	1,910,418	3,419,543
6	STUDIO EQUIPMENT	32,191,132	2,137,648	-	34,328,780	3,612,131	-	3,490,692	7,102,823	27,225,957	28,579,001
7	COMPUTER	26,981,366	1,859,717	868,680	27,972,403	14,694,727	825,246	6,347,626	20,217,107	4,376,718	12,286,639
		199,958,245	9,121,321	3,184,146	205,895,421	64,824,086	1,951,755	49,696,319	112,568,650	89,948,193	135,134,160
<b>B) Intangible Assets:</b>											
1	COMPUTER SOFTWARE	6,988,716	1,169,700	-	8,158,416	4,605,799	-	1,843,587	6,449,385	1,709,031	2,382,918
		6,988,716	1,169,700	-	8,158,416	4,605,799	-	1,843,587	6,449,385	1,709,031	2,382,918
	Grand Total (A+B)	206,946,962	10,291,021	3,184,146	214,053,837	69,429,884	1,951,755	51,539,905	119,018,035	91,657,224	137,517,078
	PREVIOUS YEAR	184,973,825	23,083,143	1,110,006	206,946,962	56,070,728	983,763	14,342,919	69,429,885	137,517,077	128,903,097

Note : With effect from April 01, 2014, the Company has revised the useful life of some of its fixed assets to comply with the useful life as prescribed by Schedule II to the Companies Act, 2013. The carrying amount of the asset as on date (i.e. April 01, 2014) has to be depreciated over the remaining prescribed useful life of the asset. Consequently, the depreciation charge for the year ended March 31, 2015 is higher by Rs. 361.69 lacs. Further, where the remaining useful life of an asset is nil, the carrying amount of the asset as on that date (i.e., April 01, 2014) has to be recognized in the opening balance of retained earnings. Accordingly, an amount of Rs. 33.79 lacs (net of deferred tax thereon of Rs. -11.48 lacs) has been adjusted in the opening balance of the surplus in the Statement of Profit and Loss.



10. LONG TERM LOANS AND ADVANCES:			
Particulars	As at		
	31-Mar-15		31-Mar-14
<u>unsecured, considered Good</u>			
Security Deposit	36,000,000		36,000,000
	<b>36,000,000</b>		<b>36,000,000</b>
11. INVENTORIES:			
Particulars	As at		
	31-Mar-15		31-Mar-14
Raw Stock of Cassettes & Tapes			
Valued at cost or net realizable value whichever is less:	109,303		157,428
	<b>109,303</b>		<b>157,428</b>
12. TRADE RECEIVABLES:			
Particulars	As at		
	31-Mar-15		31-Mar-14
i) Outstanding for a period exceeding six months from the date they are due for payment			
<u>Unsecured</u>			
Considered Good			
a) Due from Related Parties			
Zee Media Corporation Ltd	-		-
b) Due from others	23,046,684		21,239,998
	<b>23,046,684</b>		<b>21,239,998</b>
ii) Others			
<u>Unsecured</u>			
Considered Good			
a) Due from Related Parties			
Zee Media Corporation Ltd	26,140,539		8,489,253
b) Due from others	72,176,706		61,718,354
	<b>98,317,245</b>		<b>70,207,607</b>
<b>Grand tota(i+ii)</b>	<b>121,363,929</b>		<b>91,447,604</b>
13. CASH AND CASH EQUIVALENTS:			
Particulars	As at		
	31-Mar-15		31-Mar-14
a) Cash and Cash equivalent			
Cash on hand	68,496		50,577
<u>Balance with Banks</u>			
In current account	21,934,353		27,799,482
In deposit accounts less than 3 months	-		20,000,000
	<b>22,002,850</b>		<b>47,850,059</b>
b) Other Bank Balances			
Fixed Deposits with maturity for more than 3 months but less than 12 months	-		-
	-		-
<b>Grand total (a+b)</b>	<b>22,002,850</b>		<b>47,850,059</b>



27/03/15

A2

14. SHORT TERM LOANS AND ADVANCES:			
Particulars	As at		
	31-Mar-15		31-Mar-14
<u>unsecured, considered Good</u>			
a) Security Deposit	190,932		238,344
<u>b) Loans &amp; advances to Related Parties</u>			
Zee Media Corporation Ltd ( Formally known as Zee News Ltd.)	6,080,273		3,279,431
Advance Tax Paid/ TDS Receivable	56,411,102		29,564,078
Service Tax Credit Available	1,254,054		1,551,342
Prepaid Expenses	1,900,972		2,212,306
Advances Recoverable in Cash or in Kind or for value to be received	5,241,082		4,926,768
	<b>71,078,415</b>		<b>41,772,269</b>
15. OTHER CURRENT ASSETS			
Particulars	As at		
	31-Mar-15		31-Mar-14
Income Tax refund Due	12,631,095		10,977,677
Interest accrued on FDR	-		612,808
	<b>12,631,095</b>		<b>11,590,485</b>
16. REVENUE FROM OPERATIONS:			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
Advertisement	410,833,552		301,841,378
Subscription	21,716,227		21,684,804
	<b>432,549,779</b>		<b>323,526,182</b>
17. OTHER INCOME:			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
Interest Income	2,136,332		1,335,014
Miscellaneous Income	17,032		64,061
Balances Written Back	909		284,556
	<b>2,154,273</b>		<b>1,683,631</b>
18. COST OF OPERATIONS			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
Cassets & Tapes consumed	573,321		340,448
Subscription Charges	1,574,900		1,503,950
Consultancy and Professional Fee	9,561,876		9,109,006
Other Production Expenses	17,545,810		14,342,224
Vehicle running, maintenance and Hire charges	7,705,131		10,370,977
Travelling and Conveyance Expenses	1,613,679		1,732,515
Lease line and V-sat Expenses	1,297,852		2,046,392
Transmission Cost	23,144,315		24,992,677
	<b>63,016,883</b>		<b>64,438,189</b>



21/03/15

A



19. EMPLOYEE BENEFIT EXPENSES:			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
Salaries and wages	90,163,127		85,440,968
Contribution to provident and other funds	6,096,652		5,078,362
Contribution to ESIC	153,421		212,002
Staff welfare expenses	1,100,962		1,381,507
Bonus, Exgratia & Incentives	9,222,478		7,651,116
Gratuity and Leave Encashment	5,926,045		2,893,603
	<b>112,662,685</b>		<b>102,657,558</b>
20. FINANCE COST:			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
Intt. On Service Tax	34,696		3,056
Interest on TDS	-		2,620
Bank Charges	16,553		22,014
	<b>51,249</b>		<b>27,690</b>
21. DEPRECIATION AND AMORTIZATION:			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
Depreciation			
a) On Tangible Assets	49,696,319		12,261,656
b) On Intangible Assets	1,843,587		2,081,263
	<b>51,539,905</b>		<b>14,342,919</b>
22. OTHER EXPENSES:			
Particulars	For the year ended		
	31-Mar-15		31-Mar-14
<b>Administrative Expenses</b>			
Rent	10,635,022		9,962,500
Rates and Taxes	97,200		406,719
<b>Repairs and Maintenance</b>			
- Plant and Machinery	2,756,748		2,909,551
- Others	3,196,023		1,831,502
Insurance	238,851		285,747
<b>Payment to the auditors</b>			
- as auditor	465,400		290,400
- for reimbursement of Expenses	120,000		50,000
Electricity Expenses	9,886,642		9,169,500
Communication Expenses	2,844,605		2,960,509
Printing and Stationary	423,186		629,558
Miscellaneous Expenses	3,210,060		873,847
Hire & Service Charges	2,491,314		1,783,467
Conveyance and Travelling Expenses	10,059,037		5,312,769
Legal, Professional and Consultancy Charges	5,024,380		5,145,854
Loss on Sale of Fixed Assets	693,658		43,739
Bad Debts written off	404,647		2,899
<b>Selling and Distribution Expenses</b>			
Marketing, distribution, business promotion expenses	11,179,728		6,965,309
Advertisement Exp.	3,540,774		2,155,100
Commission	5,415,999		3,190,649
	<b>72,683,274</b>		<b>53,969,618</b>



21/05/15

AD

07



**23. EARNING PER SHARE (EPS)**

Particulars	31-Mar-15	31-Mar-14
Net Profit/(Loss) after tax	87,474,006	59,728,069
Weighted average no. of equity shares (Nos.)	4,000,000	4,000,000
Weighted average no. of diluted equity	4,000,000	4,000,000
Nominal Value of Equity Shares	10	10
Basic Earnings/(Loss) per share	22	15
Diluted Earnings/(Loss) per share	22	15

**24. SEGMENT REPORTING**

Since the company is engaged in single business i.e. running of channels only, the disclosure requirement relating to primarily and secondary segment as per Accounting Standard – 17 is not applicable to the company. Similarly the area of operation of the company is within one geographical segment only, the disclosure relating to geographical segment is also not applicable.

**25. RELATED PARTY DISCLOSURE****A. LIST OF PARTIES WHERE CONTROL EXISTS****i. Holding Company**

M/s Zee Media Corporation Ltd ( Formerly knows as Zee News Ltd.) (Extent to holding 60%)

**ii) Other related parties with whom transactions have taken place during the year and balance outstanding as on the last day of the year**

M/s Sky B (Bangla) Pvt. Ltd.

M/s Zee Entertainment Enterprise Ltd.

M/s Dish TV India Ltd.

**iii) Directors / Key Management Personnel & their relatives**

Sh. Avik Datta

Shri Alok Agrawal (Resignation on 12.05.2014)

Sh. Dinesh Garg

Sh. Bhaskar Dass (Appontment on 21.05.2014)

**B. TRANSACTIONS WITH RELATED PARTIES****i) Transaction with holding company: M/s Zee Media Corporation Ltd**

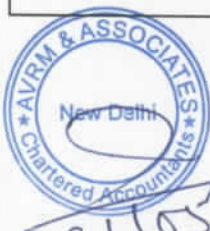
Particulars	31-Mar-15	31-Mar-14
Revenue from channel operation	53,066,800	24,117,574
Amount collected on behalf of our company	2,615,830	3,423,315
Amount collected by us on behalf of holding company	156,102	64,610
Expenses Incurred on Behalf of our company	2,750,166	1,350,000

**ii) Transaction with other related parties**

Particulars	31-Mar-15	31-Mar-14
<b>Revenue from Channel Operations</b>		
Zee Entertainment Enterprises Ltd.	1,681,660	2,005,240
Dish TV India Ltd	2,749,495	370,202
<b>Cost of Operations</b>		
Dish TV India Ltd	22,343,962	24,197,732
<b>Donation Paid</b>		
Zee Foundation	2,264,942	-

**C. BALANCE WITH:****i) Holding Company: M/s Zee Media Corporation Ltd**

Particulars	31-Mar-15	31-Mar-14
Face value of Equity Share held (60%)	24,000,020	24,000,020
Share Premium Account	59,280,000	59,280,000
Trade Receivable	26,140,539	8,489,253
Amount collected on behalf of our company	6,761,260	4,145,430
Amount collected by us on behalf of holding company	680,987	524,885
Amount payable towards expenses paid on behalf of co.	329,062	341,113



A7

ii) Other Related Parties		
Particulars	31-Mar-15	31-Mar-14
<b>a) Share Capital</b>		
Sky B (Bangla) Pvt. Ltd.	15,999,880	15,999,880
<b>b) Share Premium</b>		
Sky B (Bangla) Pvt. Ltd.	39,520,000	39,520,000
<b>c) Sundry Creditors</b>		
Dish TV India Ltd.	-	5,527,837
Zee Entertainment Enterprises Ltd.	700	700
<b>d) Sundry Debtors</b>		
Dish TV India Ltd.	1,237,473	-
Zee Entertainment Enterprises Ltd.	234,043	406,662

## 26. LEASES

### Obligation on non cancelable operating leases

The lease rental charged during the period and the maximum obligations on non cancelable operating leases payable as per the rentals stated in the respective agreements are as follows: The initial tenure of the lease period is generally for 11 to 36 months.

Particulars	31-Mar-15	31-Mar-14
a) Lease Rental charges for the year	10,635,022	9,962,500
<b>b) Future Lease Rental obligations payable</b>		
Not later than one year	11,549,338	7,750,750
Later than one year but not later than five years	19,726,253	Nil
Later than five years	Nil	Nil

## 27. EMPLOYEE BENEFITS:

The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuation being carried out on 31st March 2015. The defined benefit obligations are not funded.

Particulars	Gratuity Benefits	Leave Encashment Benefits
i) The reconciliation of opening and closing balance of the present value of the defined benefit obligations as at 31st March, 2015		
a) Obligation at the year beginning	7,059,430	3,781,318
b) Service cost	1,328,139	910,247
c) Interest cost	704,141	376,666
d) Actuarial (gain) loss	1,830,675	776,177
e) Benefit paid	(2,334,235)	(1,255,369)
f) Obligation at year end	8,588,150	4,589,039
ii) Cost for the year		
a) Service cost	1,328,139	910,247
b) Interest cost	704,141	376,666
c) Actuarial (gain) loss	1,830,675	776,177
d) Net cost	3,862,955	2,063,090
iii) Assumption used:		
Discount Rate	8.00%	8.00%
Rate of increase in salary	5.00%	5.00%

## 28. CONTINGENT LEABILTIE - NOT PROVIDED FOR

Nil

Nil

## 29. CAPITAL CONTRACTS

Estimated value of contracts remaining to be executed on capital account and not provided for

Nil

Nil

## 30. MANAGERIAL REMUNERATION

Nil

Nil



21/05/15

**31. REMUNERATION TO AUDITORS**

As Audit Fees	392,800	217,800
As Tax Audit Fees	72,600	72,600
for reimbursement of Expenses	115,000	50,000
	<u>580,400</u>	<u>340,400</u>

**32. DUE TO SMALL SCALE INDUSTRIAL UNDERTAKING**

There are no Micro and Small Scale Business which are outstanding for more than 45 days as at 31st March 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been Identified on the basis of information

Nil Nil

**33. SECURED LOANS**

Vehicle loan is secured by way of first charged on the vehicle.

**34. C.I.F. VALUE OF IMPORTS**

Of Capital goods	1,327,326	3,268,759
Of Capital goods (In-Transit)	Nil	Nil

**35. EXPENDITURE IN FOREIGN EXCHANGE**

Professional Charges	264,313	338,473
Equipment Hire Charges	1,178,742	Nil
Advance for Capital Goods	Nil	2,013,927

**36. EARNINGS IN FOREIGN EXCHANGE**

FOB Value of Exports	310,010	Nil
Others	Nil	Nil

37. The balances of Sundry Debtors, Sundry Creditors, Advances and Lenders are subject to confirmation / reconciliation and adjustments if any

Auditor's Report

As Per Our Separate Report of Even Date Annexed  
FOR AVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN. NO.: 003705N

For and on behalf of the Board of :  
ZEE AKAASH NEWS PVT. LTD.



(A.K. AGGARWAL)  
PARTNER, FCA  
M. NO.: 082695

(DIRECTOR)

(DIRECTOR)

PLACE:

DATE : 21.05.2015