

6TH ANNUAL REPORT
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Headlines Today
SHARP NEWS FOR SHARP PEOPLE

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the shareholders of the Company is scheduled to be held on Thursday, the 25th August, 2005 at 10.0 A.M at M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi - 110 054 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March 2005 and the Profit & Loss Account for the year ended on that date, together with the reports of the Auditors and Directors thereon.
2. To consider declaration of dividend on equity shares.
3. To appoint a Director in place of Mr. Anil Vig, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Price Waterhouse, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board of Directors and/or Committee thereof to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT Mr. Rakesh Kumar Malhotra, who was appointed as an Additional Director of the Company on 15th January 2005 and holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT pursuant to Section 61 and other applicable provisions, if any, of the Companies Act, 1956 the consent of the shareholders be and is hereby accorded for variation in the 'Objects of the issue' as mentioned in the Prospectus with reference to the deployment of balance IPO proceeds aggregating to Rs. 61.25 crores for the following purposes in addition to the purposes already specified in the Prospectus:

- a) Additional Engineering Equipments;
- b) Increase in upgradation of Transmission Equipment;
- c) Land, Building for studio, Corporate office and allied purposes;
- d) Increase in all production equipment and facilities;
- e) Any other up-gradation of technology / infrastructure;
- f) Hardware/equipment for new channels.

By order of the Board
For TV Today Network Limited

Place : New Delhi
Date : June 16, 2005

S.N. SRIDHAR
G.M. (Legal) &
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more persons as his proxies to attend and vote instead of himself and the proxy need not be a member of the company.
2. The proxy form in order to be effective should be duly stamped, signed and completed in all respects and must be deposited at the registered office of the company not less than 48 hours before the commencement of the aforesaid meeting.
3. No person shall be entitled to attend or vote at the meeting as a duly authorized representative of any body corporate which is a shareholder of the Company, unless a certified copy of the resolution appointing him/her as duly authorized representative has been deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will be closed from 16th August to 25th August, 2005 (Both days inclusive).
5. If the dividend on equity shares as recommended by the Directors is approved at the meeting, the payment of such dividend will be made to those members of the Company whose name appear on the Register of Members and as per beneficial owners position received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the close of 15th August, 2005
6. Members are requested to:
 - a. Notify promptly any change in their address either to the Company at its registered office or to the Company's Registrar and Share Transfer Agent, M/s. MCS Limited, Sri Venkatesh Bhawan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai - 400 093.
 - b. Send their queries, if any, at least 15 days in advance of the meeting at the Company's registered office at Videocon Tower, E-1, Jhandewalan Extension, New Delhi-110 055 so that the information can be made available at the meeting.
 - c. Fill the attendance slip for attending the meeting and those who hold the shares in dematerialised form are requested to bring their Client ID and DP ID for easy identification of attendance at the meeting.
7. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Items No. 5 & 6 of the Notice is appended hereto and forms part of this Notice.
8. Shareholders are advised that copies of the Annual Report will not be distributed at the venue of the Annual General Meeting and hence the shareholders are requested to bring their copies of the Annual Report, which are mailed to them at their registered addresses intimated and available in the records of the Company.



T.V. Today Network Limited

9. Mr. Anil Vig, Director retires by rotation and is eligible for re-appointment at the Annual General Meeting and Mr. Rakesh Kumar Malhotra is being proposed for appointment as a

Director liable to retire by rotation. Brief resumes of the said Directors are as under:

Name	Anil Vig	Rakesh Kumar Malhotra
Age	40 years	53 years
Qualifications	B.A. from Delhi University Degree from Paper Association of Finland, Helsinki	Graduate in Commerce from Hansraj College, Delhi University
Expertise in specific functional area	International Business	Industrialist
Date of appointment on the Board of the Company	2 nd August 2001	15 th January 2005
Name(s) of the Other Companies in which Directorship held	Anika International Limited Anika Global Trading Private Limited Ebony Fashions Private Limited	Thomson Press (India) Limited High Speed Construction & Marketing Private Limited Sanjha Properties Private Limited
Name (s) of Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement)	Member: Shareholders/ Investors Grievance and Share Transfer Committee - TV Today Network Limited	Chairman: Audit Committee-TV Today Network Limited Member: Audit Committee- Thomson Press (India) Limited
Shareholding in the Company	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. Rakesh Kumar Malhotra was appointed as an additional director by resolution passed by circulation by Board of Directors on January 15, 2005. As an additional director, Mr. Rakesh Kumar Malhotra holds the office up to the date of the ensuing Annual General Meeting of the Company.

Mr. Rakesh Kumar Malhotra is a commerce graduate from Hansraj College, Delhi University. He has about 28 years of experience in Business and Industry. Mr. Malhotra's rich experience in General Management, Export-Import etc. and his business acumen would be of immense help to the Company.

One of the members of the Company has given notice under Section 257 of the Companies Act, 1956 for appointment of Mr. Rakesh Kumar Malhotra on the Board of Directors of the Company.

Your Directors recommend the appointment of Mr. Rakesh Kumar Malhotra as director on the Board of the Company.

None of the Directors except Mr. Rakesh Kumar Malhotra is interested in the proposed resolution.

ITEM NO. 6

In the "Object of the Issue" in the Prospectus issued for the Initial Public Offer (IPO), the Company had represented that the IPO proceeds will be utilised for the following purposes:-

- Setting up / up-gradation of news bureaus;
- Up-gradation of existing news channels & news gathering infrastructure;
- For General Corporate purposes;
- Pay Channel infrastructure

Out of issue proceeds of Rs 95 crores, Company had utilized Rs 33.75 crores upto the financial year ended 31.03.2005 for the purposes specified at (i) to (iii) above.

In view of non implementation of CAS by the Government of India, the Company could not use the IPO proceeds for Pay Channel infrastructure specified at (iv) above. Thus there is a need for change in the utilization of the balance issue proceeds aggregating to Rs 61.25 crores for the following purposes in addition to the purposes already specified in the Prospectus:

- Additional Engineering Equipments;
- Increase in upgradation of Transmission Equipment;
- Land, Building for studio, Corporate office and allied purposes;
- Increase in all production equipment and facilities;
- Any other up-gradation of technology / infrastructure;
- Hardware/equipment for new channels.

Pursuant to Section 61 of the Companies Act 1956, for variation in the "Object of the Issue" of the Prospectus, i.e. with reference to the variation in the utilization of issue proceeds, shareholders approval is required.

Your Directors recommend the resolution as set out in the agenda item for your approval.

None of the Directors of the Company, in any way, is interested or concerned in the proposed resolution.

By order of the Board
For TV Today Network Limited

Place : New Delhi
Date : June 16, 2005

S.N.SRIDHAR
G.M (Legal) &
Company Secretary

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BOARD OF DIRECTORS

Aroon Purie, Chairman & Managing Director

Anil Mehra

Anil Vig

Rakesh Kumar Malhotra

Rajan Bharti Mittal

Rajeev Thakore

Audit Committee

Rakesh Kumar Malhotra, Chairman

Anil Mehra

Rajeev Thakore

Chief Executive Officer

G. Krishnan

GM (Legal) & Company Secretary

S.N. Sridhar

Auditors

Price Waterhouse

Chartered Accountants

New Delhi

Bankers

Canara Bank

IDBI Bank Limited

ICICI Bank Limited

Registered Office

Videocon Tower

E-1, Jhandewalan Extn.

New Delhi - 110 055

Registrar & Transfer Agents

MCS Limited

Sri Venkatesh Bhawan

Plot No. 27, Road No. 11

MIDC Area, Andheri (East)

Mumbai-400 093

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting you this sixth Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2005.

1. Financial Results

The financial results of the Company for the year ended 31st March, 2005 are summarized below for your consideration.

(Rs. in crores)

Particulars	Year Ended 31 st Mar'05	Year Ended 31 st Mar'04
Income from operations and other income	146.45	142.52
Profit before Interest, Depreciation and Tax	42.17	63.28
Interest and Finance Charges	0.09	1.19
Depreciation	15.87	11.44
Misc. Expenses Written off	0.73	0.73
Profit before tax	25.48	49.92
Provision for Tax (Including deferred tax of Rs. 0.39 cr (previous year Rs. 1.21 cr))	9.06	17.84
Net Profit	16.42	32.08
Balance amount brought forward (after adjustment for opening deferred tax assets)	42.76	18.08
Profit Available for appropriation	59.18	50.16
Transferred to General Reserve	2.50	2.50
Proposed Dividend	4.35	4.35
Corporate Dividend Tax	0.62	0.55
Balance Carried forward	51.71	42.76

2. Performance

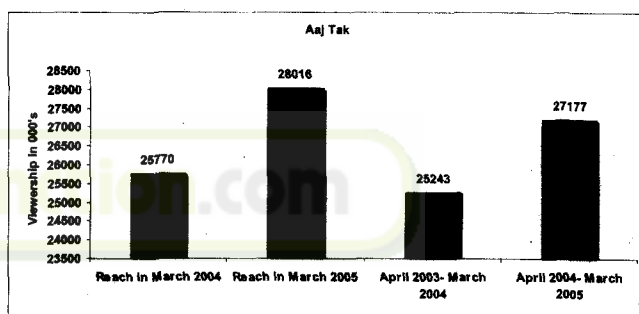
During the year, your Company's revenue from operations has been Rs. 139.06 crores compared to Rs. 140.17 crores last year. Cash Profit has been Rs. 33.02 crores compared to Rs. 44.25 crores last year. Profit before tax has been Rs. 25.48 crores compared to Rs. 49.92 crores last year. Net Profit has been Rs. 16.42 crores compared to Rs. 32.08 crores last year. The decrease in profit compared to previous year was mainly due to increase in the production costs incurred due to special events like Lok Sabha and Assembly elections in the States during the year and also due to increase in administrative and other costs incurred for changing the look and feel of Aaj Tak channel, international events like cricket, olympics etc. Also Headlines Today, in the full year of operation had substantial viewership, it could not generate much advertisement revenue due to time lag between the viewership and the advertisement bookings.

Aaj Tak

In a growing and competitive news broadcasting industry, "Aaj Tak" continued to maintain its leadership position in the Hindi news genre in terms of viewership despite increased competition from the existing as well as from a new channel launched during the year. This has been mainly due to its editorial excellence, introduction of innovative current affairs programmes catering to different segments, distribution and sales capabilities, customized state-of-the-art technology and a motivated team of well-qualified professionals.

Aaj Tak continues to be No. 1 News Channel in the Hindi genre with the largest number of viewers in India (27 million+).

The viewership of 'Aaj Tak' News Channel has increased from an average of 25.24 million during April-March'04 to an average of 27.17 million during April-March'05 registering a growth of 8%. During the month of March 2005, the viewership of Aaj Tak was 28.01 million compared to 25.77 million during the same month last year.



Source: TAM
TG: 4+ yrs cs
All India
Period: Average of 52 weeks of financial year

Aaj Tak's continued strong position in Hindi News genre has enabled it to bag several awards in the year 2004-2005 as well:

Indian Television Academy Award 2004

- Best News Channel Award

RAPA Awards 2004

- Best Anchor Award – Ritul Joshi;
- Best Film-based programme – Cinema Aaj Tak;
- Best 'Telecast of Live Programme' – Kyun Sune Aapki;
- Best Channel Promo Award – Aaj Tak's 'anti-smoking' campaign (to Code Red)

Limca Book of Records

- Entry recorded in the chapter on Communications for the largest number of SMSs received by a television channel as responses to contests, poll, etc.



T.V. Today Network Limited

over a period of two years from May 1, 2002–May 25, 2004

Promax & BDA India Awards

- Gold Award – Best Print Ad on the *Indo Pak huddle*;
- Silver award – Best news/current affairs promo for *Jurm*;
- Silver Award – Best public service announcement for *eve teasing (Romeo)*

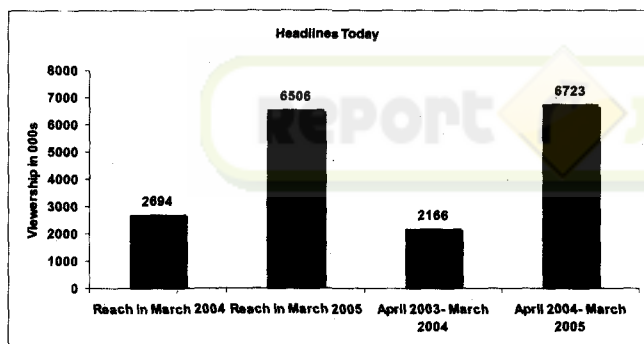
NAB Awards

- Outstanding contributions in the field of broadcasting for its innovative and creative marketing initiatives including its usage of the 2424 platform

Headlines Today

With its unique positioning and “News Crisply Told”, response to your Company’s 24 hours English News Channel ‘Headlines Today’ has been encouraging.

The viewership of Headlines Today has registered a phenomenal growth of over 300% from 2.17 million in 2003-04 to 6.72 million in 2004-05. The viewers response to Headlines Today is encouraging and the time spent is very close to No.1 English News Channel.



Source: TAM
TG: 4+ yrs cs
All India
Period: Average of 52 weeks of financial year

3. Dividend

Your directors are pleased to recommend for your consideration and approval payment of dividend @ 15% amounting to Rs. 0.75 per equity share of Rs. 5/- each for the financial year 2004-05. Total amount of dividend outgo for the financial year shall be Rs. 4.97 crores (including Corporate Dividend Tax amounting to Rs. 0.62 crores).

4. Initial Public Offer (IPO)

In the year 2003-04, your Company had raised capital from the public aggregating to Rs. 950,000,000 by fresh issue of 10,000,000 equity shares of Rs. 5 each at a premium of Rs. 90 per share. Under the head ‘Objects of the issue’, in the Prospectus, your Company had made a statement that the proceeds of the issue will be deployed

for upgrading and expanding the news broadcasting business and for other General Corporate purposes.

Out of Rs. 95 crores raised through fresh issue of capital in the IPO, as at the financial year ended March 31, 2005, your Company has utilized Rs. 33.75 crores for the purposes specified in the ‘Objects of the issue’ in the prospectus. Henceforth, it is proposed to use the unutilized issue proceeds aggregating to Rs. 61.25 crores for the following purposes in addition to the purposes already specified in the Prospectus :

- Additional Engineering Equipments;
- Increase in upgradation of Transmission Equipment;
- Land, Building for studio, Corporate office and allied purposes;
- Increase in all production equipment and facilities;
- Any other up-gradation of technology / infrastructure;
- Hardware/equipment for new channels.

Your Company can vary the deployment of issue proceeds for purposes other than those specified in the Prospectus with the approval of the shareholders in the General Meeting.

Your Directors recommend the utilization of balance unutilized issue proceeds of Rs. 61.25 crores for the aforesaid purposes including the purposes already specified in the Prospectus commencing from financial year 2005-06 onwards.

5. Directors

During the year, Mr. Rakesh Kumar Malhotra was appointed as an Additional Director on the Board of your Company. Mr. Rakesh Kumar Malhotra holds office up to the date of ensuing Annual General Meeting of the Company.

Notice under Section 257 of the Companies Act, 1956 has been received from a member proposing the candidature of Mr. Rakesh Kumar Malhotra for appointment as Director on the Board of the Company.

Your Directors recommend the appointment of Mr. Rakesh Kumar Malhotra as a Director on the Board of the Company at the ensuing Annual General Meeting.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Anil Vig, Director is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. Your directors recommend re-appointment of Mr. Anil Vig as director on the Board of the Company.

During the year, Ms. Bala Deshpande, nominee director of ICICI Trusteeship Services Limited (ICICI Emerging Sector Fund) resigned and ceased as Director of the Company w.e.f the close of business hours of the Company on 24th January 2005. Your Directors place on record their deep appreciation of the valuable contribution made by Ms. Bala Deshpande during her tenure as Director of the Company.

6. Director's Responsibility Statement

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors' subscribe to Directors Responsibility Statement and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2004-05 and of the profit or loss of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

7. Fixed Deposit

During the year, your Company has neither invited nor accepted/renewed deposits from the Public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if any.

8. Auditors

The statutory auditors of your Company M/s. Price Waterhouse, Chartered Accountants holds office up to the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if re-appointed, they would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment as Statutory Auditors of the Company.

9. Auditor's Report

There are no observation, qualification or adverse remark of the Auditors on the Accounts of the Company for the financial year ended 31st March, 2005 requiring comment from the Board of Directors.

10. Corporate Governance

Your Company has implemented and complies with the principles of Corporate Governance as required under Clause 49 of the listing agreement applicable to your Company as on date laying strong emphasis on transparency, disclosure and independent supervision to increase various stakeholder's value. Your Company shall comply with the requirements, if any, to be complied with in the revised Clause 49 of the listing agreement within the stipulated time.

The report on Corporate Governance is given as a separate section titled "Report on Corporate Governance"

and Certificate of Company Secretary in Practice as required under the revised Clause 49 of the listing agreement is appended herewith which forms part of this Annual Report.

11. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended herewith.

12. The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

In terms of the requirement of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" are given as under:

(a) Conservation of Energy	: Not applicable
(b) Technology Absorption	: Not applicable
(c) Transaction in Foreign Currency	
(i) Value of Imports (CIF basis)	: Rs 95,674,230
(ii) Expenditure in foreign currency (Accrued basis)	
(a) Traveling Expenses	Rs. 11,113,348
(b) Production Cost	Rs. 62,822,055
(c) Repair and Maintenance	Rs. 25,738,866
(d) Others	Rs. 4,893,937
(d) Income in foreign currency (Accrued basis)	Rs. 557,774

13. Particulars of Employees

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended) is annexed hereto and forms part of this report.

14. Acknowledgement

Your Directors wish to place on record their deep appreciation of the contribution made by the employees at all levels, for their all-round efforts, dedication, commitment and loyal services which helped your Company in achieving the performance during the year despite stiff competition from the existing as well as new players in the news and current affairs genre.

Your Directors also acknowledge with thanks the support given by the Central Government, bankers, shareholders and investors at large and look forward to their continued support.

For and on behalf of the Board of Directors

Place : New Delhi

Date : June 16, 2005

Anil Mehra

Director

Aroon Purle

Chairman &
Managing Director



T.V. Today Network Limited

Annexure to Directors' Report

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of Directors' Report for the year ended on March 31, 2005

S. No.	Name	Designation	Remuneration Rs.	Qualification	Experience (years)	Date of Joining	Age (years)	Last Employment, held before joining the Company	Share holding
A. Employed throughout the year and were in receipt of remuneration of not less than Rs. 24,00,000/- per annum									
1	Mr. G. Krishnan	Chief Executive Officer	13,899,764	B. Com. (Hon) M & B Management	27	01.10.2000	51	Executive Director - Living Media India Limited	20*
2	Mr. Q.W. Naqvi	News Director-Aaj Tak	4,619,758	M.A.	24	6.02.2004	50	Director-QS Media Guru (P) Ltd.	Nil
3	Mr. Rahul Kulshreshtha	Director-Technical & Operation	6,460,568	B. Com., Course in System Analysis & Design	21	01.05.2000	41	Technical Consultant - Living Media India Limited	Nil

B. Employed for the part of the year and were receipt of remuneration of not less than Rs. 2,00,000/- per month

1	Mr. Amitabh Srivastava	GM- Network Development	2,291,690	B.A, Certificate on IndianArt, Certificate on Elementaries- French & PGD-Media & PR	16	01.07.2000	35	National Manager-BBC Worldwide	Nil
2	Mr. Milind Khandekar	Executive Producer	729,444	B.Sc. & Bachelor of Journalism & Comm.	14	01.04.2000	34	Bureau Chief-Living Media India Limited	Nil
3	Mr. Ramkripal Singh	Executive Producer Assignment	1,052,235	B.Sch., L.L.B. & P.G.D.J.	27	15.10.2004	52	Senior Editor-Navbharat Times	Nil
4	Mr. Rajnish Rikhy	Vice President-Sales	2,502,276	B.Com, L.L.B & M.B.A	25	12.07.2004	45	Vice President(R)-BCCL New Delhi	Nil

* Holding shares as Nominee of Living Media (India) Limited, Promoter Company.

Notes:

1. Remuneration includes Salary, House Rent Allowance, Commission, Company's contribution to Provident Fund and Perquisites. Value of perquisites have been calculated on the basis of Income-Tax Act, 1961.
2. Information about qualification and last employment are based on particulars furnished by the employees concerned.

For and on behalf of the Board of Directors

Place : New Delhi
Date : June 16, 2005

Anil Mehra
Director

Aroon Purie
Chairman &
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

India has emerged as the third largest cable television viewing nation in the world after China & US. There are 85 million households in the country of which 44 millions receives Cable television services. As per recent FICCI-E&Y Report, television revenues are expected to grow at a CAGR of 17% to gross at Rs. 28852 crores by 2008. The Indian Television Broadcasting Industry has two main sources of revenues, namely, advertisement & subscriptions. The Industry is poised to see a good growth owing to increase in its advertisement revenues and the possible rise in its share of subscription revenues as per FICCI-E&Y Report. Currently, there are numerous news channels operating in the Indian Television Market. Ad spend on the channel's broadcasting news exhibited a growth of 16% in 2004-05 at Rs. 500 crores appx (which is 10% of the overall television ad spend). On the other hand, the viewership share of the news channels went up from 3% in 2003-04 to 5% in 2004-05 i.e. a growth of 70%. In the light of the 70% growth registered in the viewership share, 16% growth in the ad spend appears small.

News channels get a higher share of the total ad spend (in comparison to their viewership share) because they enjoy a higher reach between the SEC A and B, the target audience of the advertisers. Therefore, going forward, the share of the ad spend for the news channels is to grow at a higher rate compared to the overall television ad spend on the back of increasing viewership share and reach.

Outlook

The primary source of income for the Company is Ad sales revenue. Your Company has witnessed consistent growth in the Ad sales revenue during 2002-03 and 2003-04 at Rs. 108.18 crores and Rs. 139.97 crores but there is a marginal fall in the Ad-sales revenue during the year at Rs. 138.93 crores. The ad spend on a Channel depends on its market share, its reach and its being the preferred platform for mass communication. The leadership position of Aaj Tak as the No. 1 Channel consecutively for the past four years has contributed to the Ad sales revenue. Your Company's 24 hour English News Channel "Headlines Today" catering to the upmarket urban population has also been well received and has the great potential to contribute to the revenue growth of the Company in the coming years as it has registered a growth of over 300% in viewership. Although, Headlines Today, in the full year of operation had substantial viewership, it could not generate much advertisement revenue due to time lag between the viewership and the advertisement bookings.

Your Company's strategy to have one combined rate card for both Aaj Tak and Headlines Today introduced at the fag end of the year 2004-05 has also been well received by the advertisers. Your Company's dedicated advertisers have shown keen interest in the new combined rate card to be present in both the channels at an optimum price. As a result, your Company's English news channel, Headlines Today has also

registered a growth in the number of advertisers. Your Company is also exploring the possibility of distributing its channels in countries like USA, UK, Middle East, South Africa, Canada etc which has large Indian population for earning both advertisement and subscription revenue. Combined effect of the above would enable your Company to increase its revenue manifold in the coming years.

Opportunities and Threats

In India, although broadcasters heavily depend on the unorganised cable platform being the prime driver in reaching millions of homes, with the emergence of new platforms like Direct to Home (DTH), Broadband, Internet Protocol TV (IPTV), your Company would be exploiting the opportunity to be in those platforms as well so that Company's channels Aaj Tak and Headlines Today are more visible to the viewers even in the remotest place. Your Company's news channels, Aaj Tak and Headlines Today are the first to be in Doordarshan's DTH platform launched during the year by the Prime Minister of India. Your Company's channels are also in the Zee- DTH platform. With the Government of India also keen in promoting alternative platforms as above in the organised sector which requires huge investment in direct competition to the unorganised cable platform, your company envisages big opportunity both in terms of ad revenue as well as subscription revenue in these platforms. Your Company will also exploit the potential for launching new channels in the news genre. However, with more news channels in the pipeline, your Company is likely to face intense competition which may have an impact on the Company's revenue growth in the coming years.

Risks and Concerns

Non-implementation of addressable system (CAS), demand of heavy carriage fee by the MSO's/Cable operators and changes in the viewers habits could impact the Company's revenue. The Government's inability to put in place an effective addressable system which prevented your Company to convert both Aaj Tak and Headlines Today which are currently Free to Air (FTA) into pay channels and the expected launch of a slew of new news and current affairs channels in both Hindi and English could also have an adverse effect on the Company's revenue in the coming years.

Human Resources

During the year ended 31st March, 2005, your Company had 654 employees on its rolls. Your Company considers its human capital as one of the key elements of sustainable competitive advantage and shareholder value creation. Your company's human resource philosophy is to establish and build a strong performance and competence driven culture with greater sense of accountability and responsibility. The employees are exposed to various training programmes to help them upgrade their professional and inter-personal skills. Human Resource Development has been receiving high priority and the company is continuously working to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment. Your Company has a strong