

ONS WATCH THE TEHELKA SCAM AND SEE A NATION BEING CHEATED. 113 MILLION WOMEN SHARE KAJAL'S
 IN KOSHISH...EK AASHAA. CAR SEGMENT REGISTERS ALMOST 56% GROWTH. THOUSANDS OF GIRLS
 EVERY TIME HRITHIK MAKES AN APPEARANCE ON TV. SPICE GIRLS ADD FLAVOUR TO LIFE. THE MASTE
 ENSE SENDS CHILLS DOWN PEOPLE'S SPINES, IN THE 'ALFRED HITCHCOCK FESTIVAL'. 1.1 MILLION TO
 ITS GET SOLD. 'SILENCE OF THE LAMBS' LEAVES THE GENERAL PUBLIC SPEECHLESS. KIRSTIE ALLEY H
 G OUT OF HER HANDS. THE COUNTRY WATCHES THE COLA WAR TAKING PLACE. 2,34,875 FANS GET
 Y MARTIN'S LIST. RURAL INDIA GETS A CHANCE TO LOOK AT CITY LIFE. THE NATION WATCHES WIT
 A JAITLEY TAKES ON THE BEST OF THE REST, IN THE MISS UNIVERSE CONTEST. THOUSANDS
 DO WITHOUT 'FRIENDS' EVERY WEEK. AT LEAST 70,56,984 WOMEN ARE IMPRESSED
 RTISEMENTS. 'THE SOPRANOS' BECOMES AN INSTANT HIT WITH THE YOUNGER GENERATI
 AISES. PUNJABIS SEE THEIR MUSIC MAKING
 GA OVER BRITNEY. 'HERE'S LUCY' IS HERE AG
 JA BABU'. MEL GIBSON SWEEPS WOMEN O
 ANSFERABLE LIPSTICK. 35,000 DATES GET CA
 HER FANS GLUED TO THEIR SEATS. MAHARAS
 HALMAYA'. UNBELIEVABLE INCREASE IN TH
 DREAM-COME-TRUE, IN THE MONTH OF M
 HE RICH CULTURE OF BENGAL IS BROUGHT
 IGH T SHOW WITH DAVID LETTERMAN'. TEA
 A LEVEL. THE GUJARATI COMMUNITY EXPERI
 D TO THE 'MOVIE OF THE MONTH'. THE COU
 RS A LAUGH, IN 'POLICE ACADEMY'. COLONI
 M OF 1,00,000 WOMEN GO OUT AND BUY S
 LLION. 'THE SOPRANOS' BECOMES AN INSTA
 MALE COLLEGE STUDENTS BEGGING FOR MORE. JOHN TRAVOLTA, GENE HACKMAN AND DANNY
 ETHER IN 'GET SHORTY'. ZEE MUSIC PLUS CHECKS OUT COLLEGE FESTIVALS AND POP CONCERTS.
 AS 55 MILLION MUSIC LOVERS SINGING ITS PRAISES. THE 'CARRY ON' SERIES LEAVES YOUTHS
 HE TERMINATOR BLOWS AWAY HIS COMPETITION. PRIYANKA CHOPRA HAS THE WORLD AT HER FEET.
 Y HAS MEN EATING OUT OF HER HANDS. OVER 100 MILLION PEOPLE WATCH LALA LAHORI RAM BRING UP
 HYERS. MOVIE BUFFS SKIP DINNER, TO WATCH HOLLYWOOD HITS. 2% RISE IN COFFEE CONSUMPTION,
 NUM. THOUSANDS OF TEENAGERS SLEEP LATE, THANKS TO 'LATE NIGHT SHOW WITH DAVID LETTERMAN'.
 PASTE ADVERTISEMENTS GIVE PEOPLE A LOT TO SMILE ABOUT. THE PRIDE OF PUNJAB IS CAPTURED ON A SINGLE
 NEL. 'PLATOON' DEPICTS THE FUTILITY OF WAR. FILM BUFFS LOOK FORWARD TO THE 'MOVIE OF THE MONTH'.
 COUNTRY SUPPORTS AAMIR KHAN'S FIGHT AGAINST CORRUPTION IN 'GHULAM'. BRYAN ADAMS HAS VIEWERS
 ING TO HIS TUNE. MILLIONS WATCH IN ABSOLUTE HORROR AS THE GUJARAT EARTHQUAKE TAKES ITS TOLL.

19th ANNUAL REPORT (2000 - 2001)



ZEE TELEFILMS LIMITED

225 million viewers worldwide. 14 channels. 1 Network.

Every single day, Zee Network reaches out to 32 million homes across the nation.

Thus touching lives of almost 200 million people in South Asia alone.

But there's more. Zee Network has also crossed international boundaries, travelling all the way to USA, Caribbean, the Middle East, Europe, Canada, Far East, Australia and New Zealand. And so, whether it's entertainment or education, news or music, Zee Network is continuously changing lives. For the better.

With its bouquet of 15 channels, there's so much to offer to every section of society - be it the masses, or the classes.

By bringing alive the colour and language of different regions, the regional channels go a long way in capturing their spirit and identity.

Zee Network is continuously building bonds with its viewers.

In fact, at any given point of time, someone, somewhere across the globe is always being entertained by Zee Network.

Zee Network. Entertainment like never before.

Board of Directors	2
Value Statement	3
Chairman's Statement	4
The Changing Face of Zee	8
Event Highlights	11
Zee Education	12
Zee Access	13
Corporate Structure	14
Zee Network - Global Reach	15
Human Capital at Zee	16
Last Five Years' Financial Highlights	17
Performance Ratios - An Analysis	18
Zee Telefilms Ltd. 19 th Annual Report 2000-2001	19
List of Indian Subsidiaries	59
List of Subsidiaries - Operating in Asia	125
List of Subsidiaries - Operating in the International Market	159
Corporate Address	208

con.

board of directors

Mr. Subhash Chandra
Chairman

Mr. Laxmi Narain Goel
Director

Mr. Vijay G. Jindal
Director

Mr. Ashok Kurien
Director

Mr. Vasant S. Parekh
Director

Mr. Rajeev Chandrasekhar
Director

Mr. Vipin Malik
Director

Mr. R. K. Singh
Whole Time Director

Mr. D. P. Naganand
Whole Time Director

Mr. Sandeep Goyal
Whole Time Director

executive committee

Mr. Subhash Chandra
Chairman

Mr. R. K. Singh
CEO - Corporate

Mr. D. P. Naganand
CEO - Access

Mr. Sandeep Goyal
CEO - Broadcasting

Mr. Raveesh Awasthy
CEO - Siticable

Mr. Amit Goenka
Managing Director - ZILS

Mr. Rajesh Jain
President, Corporate Finance & Strategy

M/s. MGB & Company
Auditors

Mr. Vikas Gupta
Company Secretary & VP (Fin)

135, Continental Building,
Dr. A.B. Road, Worli,
Mumbai 400 018.

ICICI Banking Corporation Ltd.
BNP Paribas
Standard Chartered Grindlays Bank Ltd.
HDFC Bank Ltd.

Visit us at www.zeetelevision.com

value statement

To maintain the company's pioneering status as a multimedia content and access provider, driven by viewer response and shareholder confidence.

We will continue to aim for greater growth in creativity and productivity by adding value to existing properties, both for our viewers and advertisers.

Convergence through flow of group synergies shall make innovation an inevitable part of the Zee brand.

Report Junction.com

CHAIRMAN'S STATEMENT

Dear Friends,

It has been one eventful year. A roller coaster ride that has taken us through a maze of experiences meandering over high hills, low plains in sunshine and in rain. And the greatest satisfaction for me is the feeling that I did not travel alone through this. You all have been part of this journey. You are truly the shareholders of our destiny and I am happy to say it is really in good hands. Thank you.

While that may sound as an end to my note, it is, in fact, only the beginning. I have much more to share with you. These are issues concerning all of us as shareholders in the country's biggest media conglomerate. Issues that affect your company's growth and future prospects. To some questions I do have answers but to others, we have to find answers together.

But before we do that, I would like to run you through the highlights of the year 2000-2001. In our commitment to add value to the company and to take it to a yet higher orbit vis-a-vis its international counterparts, we decided to undergo corporate restructuring. M/s. A. T. Kearney - a leading global management consultancy firm - was appointed for realigning the organization at par with the best business practices

prevalent the world over. You will be glad to know that the firm largely validated your company's business fundamentals. Their detailed recommendations have been implemented to obtain more synergy within the business units.

Having been with the company for so long, most of you are aware that Content, Access and Education are the three distinct focus areas of your company. The year was witness to discontinuities in Content. However, due to your company's unmatched strength of having the largest Network bouquet, it is the most viewed Network among the South Asian diaspora globally and this was reflected in ratings.

The year saw your Network retain highest share of eyeballs at 28%. Being on a clear winning streak for eight years continuously, we occupied the second position this time. I must admit that this shift gave us time for introspection and with that came the knowledge that we have to strengthen our consumer focus. But 'knowledge' on its own means nothing. 'Information' too, on its own means nothing. The application of knowledge is true learning and that is what sets apart Creators from Leaders. The former belongs to the 'knowledge economy' and the latter is restricted to

the company which created the Cable & Satellite industry in India; your company that has to its credit the longest running musical game show 'Antakshari' ever in the history of Indian television. In the genre of soaps too, 'Amanat' has been the longest running soap on any satellite channel. Again in our social endeavour too, the investigative series 'India's Most Wanted' reached the masses and united them in our common mission for a safe and secure India.

And, Tehelka followed.

A mere journalistic passion? A colourful figment of someone's imagination! An engineered piece of work? Politically motivated! Why on Zee Network? These are just some of the many sweeping statements and questions that came up. And, we answered. Why not on Zee Network? Business sense augured its telecast and we saw nothing more than that in it. Your company has the courage and substance to stand alone and yet be counted.

Television might be a great source of entertainment, information and education. However, it too cannot escape responsibility. In the world's largest democracy, that is defined by four glorious estates: Executive, Legislative, Judiciary and the Media, one would

expect a more mature cross-functional equation to discuss and debate core issues rather than letting them get concealed in a mire of chaos and controversy. While the first three estates are more Action-oriented, the Media or the watchdog of Democracy seeks to reflect and Communicate this Action within and outside India. However, with illogical media restrictions and a non-level playing field, the 'Action Estates' paralyse the fundamentals of 'knowledge economy' and that is where the disconnect takes place.

It is so ironical! While policy makers today take great pride in reiterating the excellence of homespun IT geniuses who have lofted India to greater heights, they forget that the single most important factor that catapulted the country to this fame is the absence of any 'defined' government body, hence a regulatory environment at that instant. Since ideas and creativity are known to blossom in the spring of freedom, the lack of bureaucratic control perhaps was a breath of fresh air that led to the birth of India's most talked about Creations.

In fact, taking a leap from here, your company now has a dedicated Ideation Cell that will focus solely

on creative concepts and other such potential winner properties. I am confident that over a period of time, this will give us growth in terms of multiples and not mere percentages!

It is not my intention to be critical of anyone here. However, as India's biggest Network, we do believe it is our duty to bring to light facts and information which can bring to this Nation greater glory still.

" I always say that the good thing about any 'change' is its impartial nature!

It hits all of us in one go at the same time. What matters then is the resilience and inner strength to change this change into a challenge.

We might not win but we shall certainly meet it.

That is the power of our belief in the Network. "

In the Media industry itself, there is immeasurable talent at home. We should seek partners to extend and build on our inherent strengths. However, we need not wait for others to create miracles or success stories when we ourselves have that platinum potential. It is sad that while external audiences shower accolades on us, internal policy makers still hesitate in putting forth their appreciation. Being so dynamic by its very nature, this industry

has the turbo power to innovate and unleash a multitude of versatile products and ideas that will descend on the globe like never before. For that, our decision makers and honoured leaders need to remove the cobwebs set by time and open their minds to let the winds of change flow through. It is they who have to initiate 'Change'. I always say that the good thing about any 'change' is its impartial nature! It hits all of us in one go at the same time. What matters then is the resilience and inner strength to change this change into a challenge. We might not win but we shall certainly meet it. That is the power of our belief in the Network.

And friends, that is the reason that despite the fluctuations in the broadcast industry, your Network commands the greatest share of eyeballs. Zee Cinema, Zee News, Alpha Marathi and Alpha Gujarati continue to lead in their respective segments.

As I stated earlier, alliances that are in line with business objectives and enhance creativity should be explored and adopted. It is with this mindset that your company decided to explore the possibility of inducting a strategic partner. A leading international merchant banker has been identified for the same.

Keeping with alliances, MGM - a leading Hollywood Studio - showed keen interest to partner with your company in the genre of English movies. Zee MGM, Zee English channels too have gained through this branding. With inclusion of Zee English & Zee MGM, the DTO bouquet thus offers a complete array of entertainment.

There is focus on the pay markets as trends indicate a clear shift towards the pay regime. Advertising shall however continue to remain the major source of revenues for the Network for some time. The DTO bouquet launched by your company this year registered a fantastic growth of more than 75% in just nine months of operation. Besides DTO, Syndication and Film Production are the additional revenue streams. Your company's first big budget movie initiative 'Gadar' has been released and is being received very well.

Internationally, U.K. operations did not show such bright results during the year owing to digital migration and other competitive factors. While the African business continued to remain stable, U.S.A. showed a splendid upward movement of 80% growth in revenues. Your company is pursuing the Caribbean, Canada, Australia and New Zealand as new markets.

The strength of compelling content needs an equally strong distribution network. Siticable, a ZTL subsidiary and India's largest Multi System Operator (MSO) was trying to induct a strategic partner. However, due to the downturn in the cable industry worldwide, there was not much interest. Siticable is making significant investments in acquiring last mile connectivity and is specifically working on Interactive packages and Value Added Services for consumers.

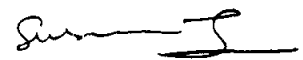
The third focus area of your company, 'Education' under the aegis of Zee Interactive Learning Systems (ZILS), a subsidiary of your company, has emerged among the top 5 IT education providers in the country. Consolidated revenue of the education business stood at Rs. 299 million!

I would like to emphasize that good results depend on the quality of human capital one employs. Besides business sense, administrative prowess is equally important. In fact, for any nation too, good administration is the foundation for a good economy. It is a well-known fact that our country is burdened with surplus staff in government offices. Time and again, there is talk of downsizing with an objective to maximize quality workforce

and cut down on 'baggage' expenses. While this has yet to see light of the day, your company has learnt this in good time. Downsizing has been done with an aim to retain human capital that is open-minded, forward-looking, has strength of conviction and is value-driven towards Network growth: both business and social. And that takes me to Gujarat. The earthquake tragedy can never be forgotten. I take this opportunity to thank each and everyone of you who contributed to restoring normalcy there. As a media network we had the resources to reach out and hand-hold the victims. Still, we wish we could do more to help our people. I request all of you to continue to pray for them.

As we stand on the threshold of a decade of the company's inception, we once again dedicate our full commitment to the shareholders in ZeeNetwork.

Thank you.



SUBHASH CHANDRA

the changing face of zee



"Change, it is said, 'is the only constant.' Because what is top of mind today, could be way down the order tomorrow. The need of the hour is to change perceptions. Alter definitions. And, focus on a fresh approach to entertainment. Along with a whole new look.



Keeping this change in mind, Zee Network now brings viewers, a bouquet of 14 channels. Which reaches out to 32 million households across the country. And touches 225 million people worldwide. Not surprisingly, it happens to be the only network that's synonymous with Indian entertainment.





Being in the business of entertainment, research plays an important role in planning the content of all channels. Viewer feedback is of immense value and is always taken into consideration. This goes a long way in providing viewers not just what they want.



Over the years, Zee Network has always kept pace with the ever-changing needs of the viewers. It is continuously evolving to match their varied lifestyles and appeal to every generation.



'When it comes to innovation, Zee Network has always led the way. In every genre, whether family dramas or game shows, soap operas or chat shows, it has already earned a reputation for being a "pioneer".'

network bouquet



- Zee TV
- Zee Cinema
- Zee News
- Zee Music
- Zee MGM
- Zee English
- Alpha Gujarati
- Alpha Bangla
- Alpha Marathi
- Alpha Punjabi
- Bharathi
- Kaveri
- ZED TV
- UTN