

ZEE NEWS LIMITED
Inform, Entertain, Empower.



NURTURING THE MINDS OF A FLOURISHING NATION.

Inform, Entertain, Empower.

ਇਨਫੋਰਮ, ਐਂਟਰਟੇਨ, ਇੰਪਾਵਰ

ਭਾਸ਼ਾਮਾ, ਆਰਟੀਸਟਿਕ, ਆਪਰੇਟਿਵ

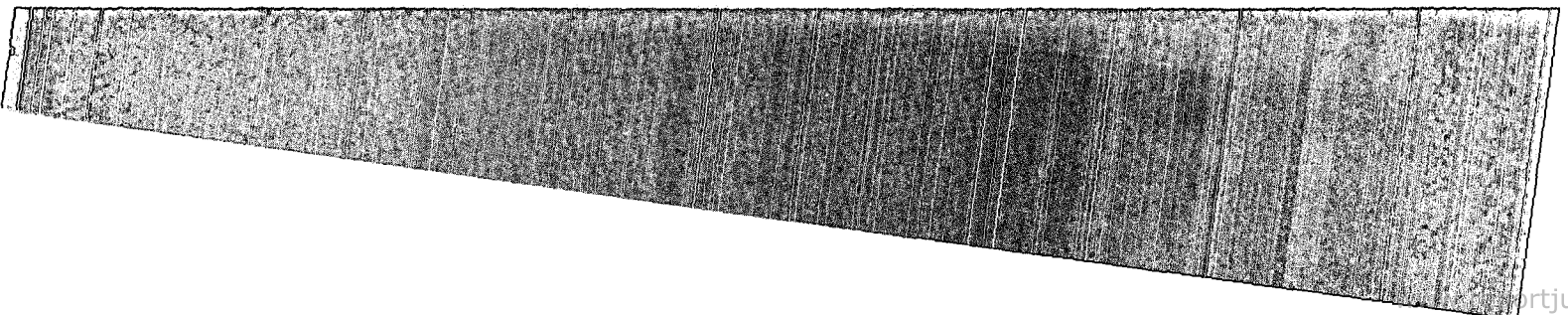
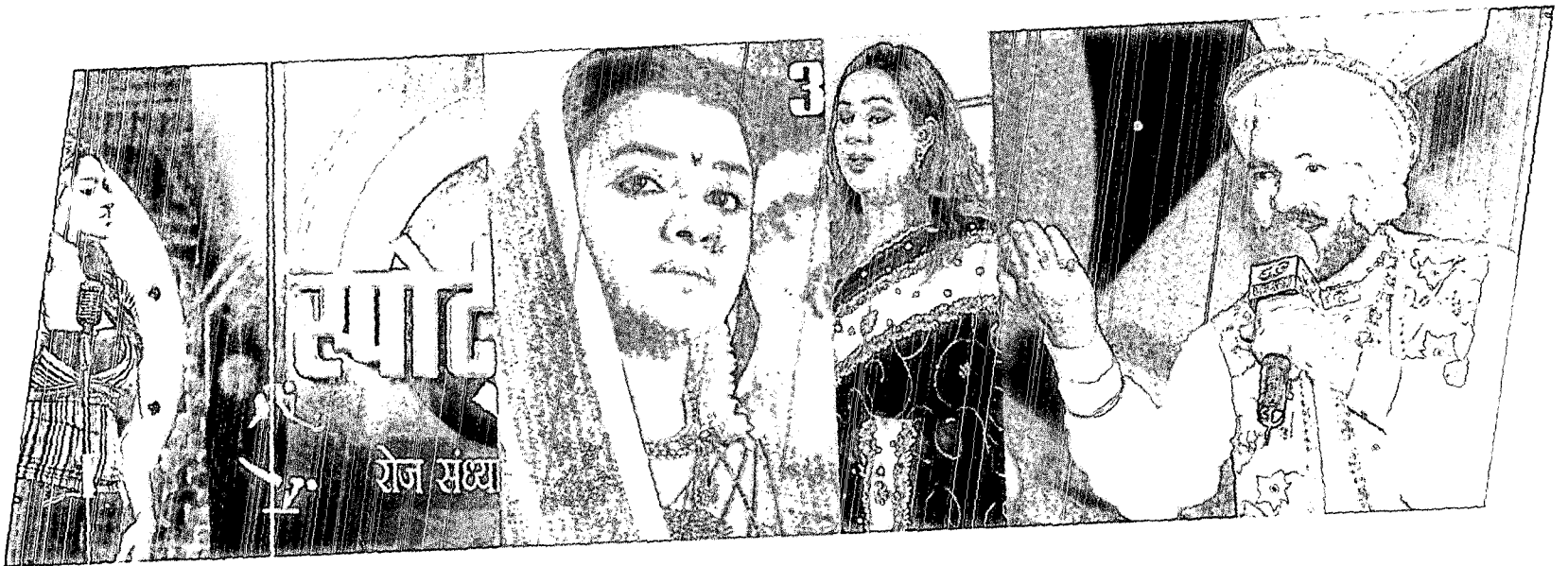
ਭਾਸ਼ਾਮਾ, ਆਰਟੀਸਟਿਕ, ਆਪਰੇਟਿਵ

ਭਾਸ਼ਾਮਾ, ਆਰਟੀਸਟਿਕ, ਆਪਰੇਟਿਵ

ਭਾਸ਼ਾਮਾ, ਆਰਟੀਸਟਿਕ, ਆਪਰੇਟਿਵ

ਭਾਸ਼ਾਮਾ, ਆਰਟੀਸਟਿਕ, ਆਪਰੇਟਿਵ





BOARD OF DIRECTORS

Subhash Chandra

Chairman

Laxmi Narain Goel

Managing Director

Naresh Bajaj

Director

Vinod Bakshi

Director

K.U. Rao

Director

V.V. Ranganathan

Director

Corporate Directory

Registered Office

135, Continental Building,
Dr. Annie Besant Road,
Worli, Mumbai 400 018, India

Corporate Office

Essel Studio FC-19, Sector 16A
NOIDA 201 301, (U.P.) India

Company Secretary

Pushpal Saighavi

Auditors

MGB&Co., Chartered Accountants

Bankers

BNP Paribas

Standard Chartered Bank

ICICI Bank Ltd.

Senior Management

Barun Das

CEO

G. Ramprasad

CEO-South

Nitin Vaidya

Zee Marathi, Zee Bangla,

Zee Gujarati & Zee Punjabi

R K Agarwal

CFO

Amit Tripathi

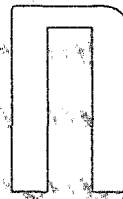
Sales

Divya Varma

Human Resources



Mission & Value Statement	03
Chairman's Letter	04
Managing Director's Letter	06
Channels at a Glance	08
Notice of Annual General Meeting	20
Certification on Financial Statements of the Company	23
Directors' Report	24
Statement Pursuant to Section 212	27
Corporate Governance Report	28
Shareholders' Information	36
Management Discussion & Analysis	41
Auditors' Report	51
Standalone Financial Statements	54
Cash Flow Statement	71
Balance Sheet Abstract & Company's General Business Profile	72
Performance Ratios & Analysis	73
Consolidated Financial Statements	75
Financial Statements of Subsidiary	90

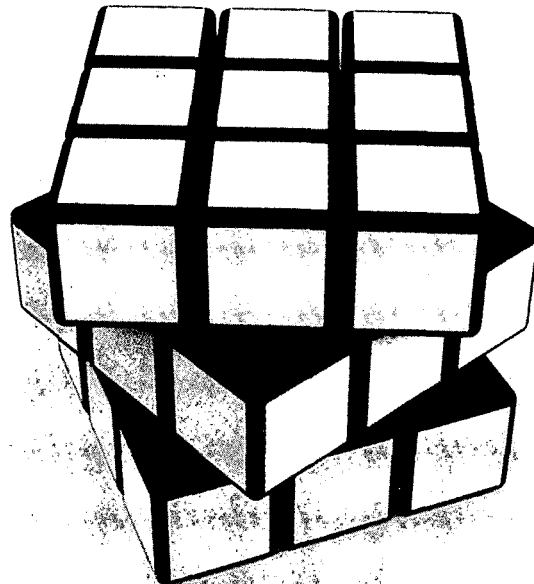


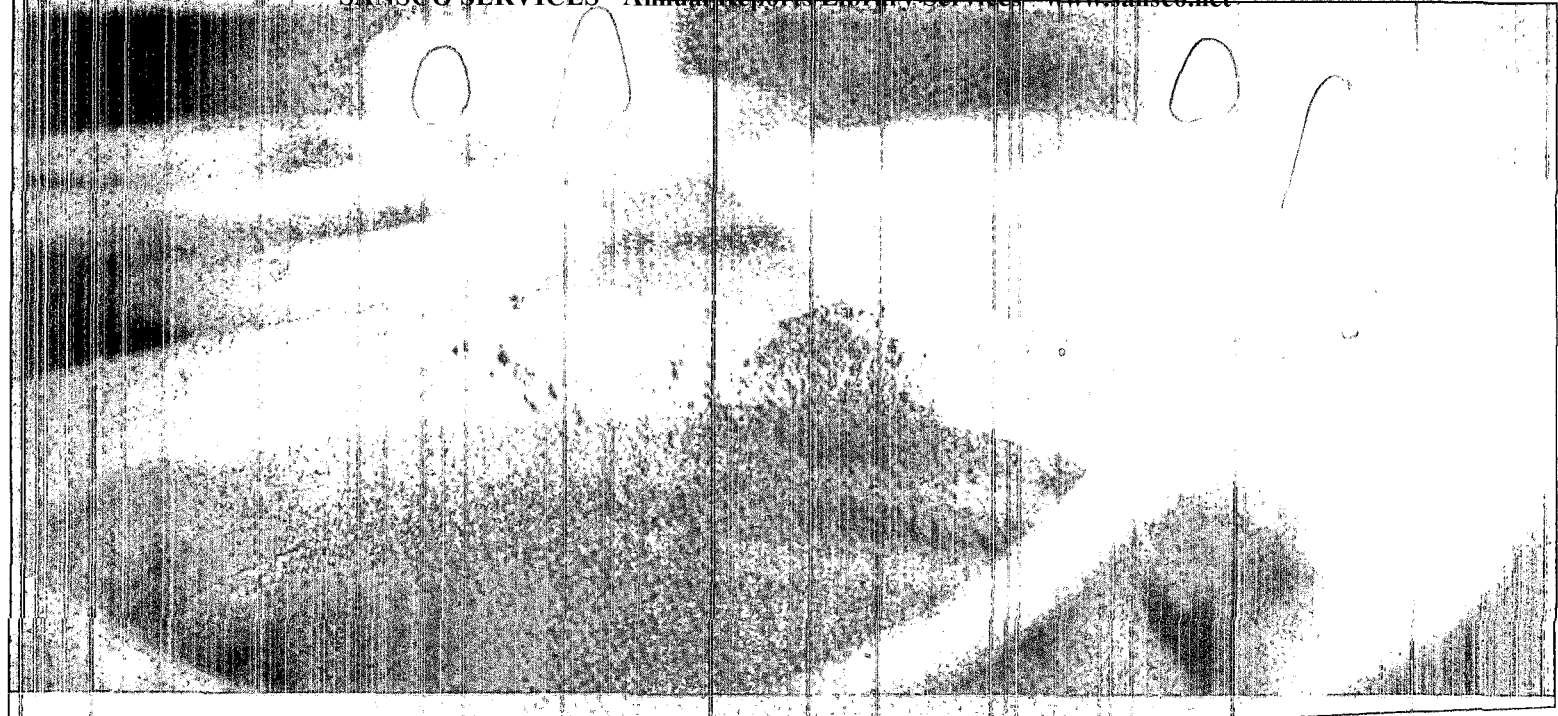
ews... a phenomenon that is continuous, global and all pervasive. What is the latest news one minute is stale the next. What is big news for one can be a trivial for the other. Local and global, scientific and superstitious, serious and funny, path-breaking and banal... news keeps happening all the time. The challenge lies in capturing it at the right time, in the right context and with responsibility.

In keeping with its mission to conduct a fair and informed discourse on the issues affecting regional aspirations, Zee News Limited has set up a chain of regional news & entertainment channels. This bouquet covers the concerns and issues as well as the rich culture, heritage and language of various regions.

Zee News Limited is a company that has taken up this mission in earnest and has set itself the objective: INFORM, ENTERTAIN, EMPOWER. It has channelised rich experience, state-of-the-art technology and sharp viewer understanding to bring the best programming, impressive talent and high quality to millions of viewers all over the world.

Inform,
Entertain,
Empower.





To be India's pre-eminent provider of news and regional entertainment content to viewers belonging to all regions and linguistic denominations. Also, by engaging audiences in their native language through a mix of news and entertainment to truly 'Inform, Entertain, Empower' the people of India and in doing so provide value to advertisers. As a corporation, we will be profitable, productive, creative, trend setting and financially sound with care and concern for all stakeholders.

Mission

Our Values

Customer Focus:

Our company's strategies are driven by the needs of the customer. Our success can be measured by the satisfaction achieved by our customers.

Creativity:

The key to our value system is innovation and originality. We recognise and have a high regard for individual expression and creative freedom in our quest to provide customer satisfaction.

Integrity:

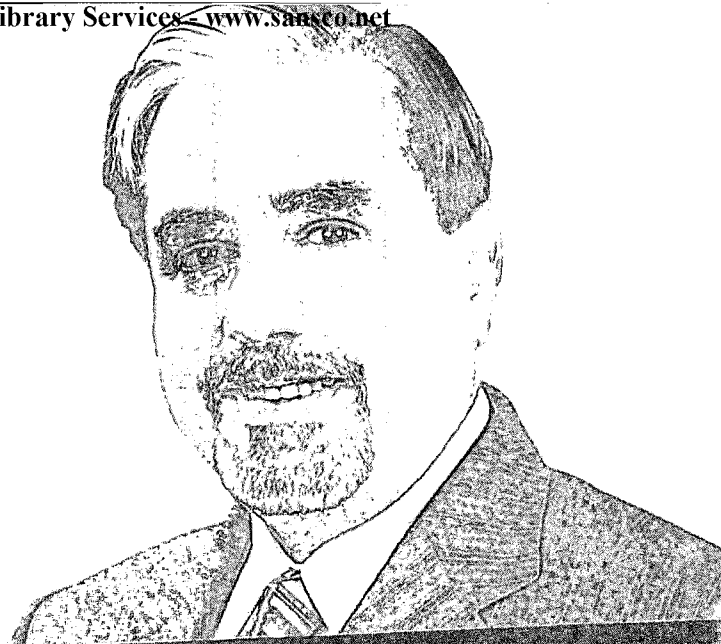
We observe strict ethical standards through editorial independence and creative expression in order to earn the trust of our viewers and subscribers

Excellence:

We accord a high premium to maintaining superlative standards throughout our company. We encourage our employees to come up with smarter ideas within the fastest possible time.

Growth Driven:

We are committed to delivering consistent revenue and cash flow growth in order to provide our shareholders a good return. Our objective is to grow our people, markets and businesses around the world.



Chairman's Statement

Dear Shareholders,

It gives me immense pleasure to present before you the annual results of Zee News Limited for the Financial Year 2007-2008. Last year, through these pages I had talked about how Zee News Limited, with its unique focus on news and regional entertainment, is poised to ride the unprecedented economic boom that India is experiencing. One year later, I am happy to share with you the strong operating results that most of our businesses have achieved. This has helped us consolidate our activities and lay the foundation for sustainable growth ahead.

A

YEAR OF CONSOLIDATION: The Indian Media and Entertainment Industry continued to enjoy strong growth in 2007. The year witnessed the industry notch up a healthy 17% growth over the previous year. The Indian Television Industry grew from approx. Rs. 190 billion in 2006 to around Rs. 226 billion in 2007. Over the last four years, television industry showed a growth of 21%. A clear trend that emerged was the contribution of subscription revenue which stood at 22%, the highest, followed by advertising at a healthy 19%. For your company, the financial year 2008 was a year of perceptible growth both in the advertising and subscription revenues and sequentially each quarter recorded a higher growth than the preceding one. We continued to successfully leverage our properties to grow our subscription revenues, which went up 18% to Rs. 669 million. While overall growth was strong, your company is likely to witness a significant change in its revenue composition due to the higher share of subscription revenue. The year also saw the relaunch and repositioning of Zee News. In a market where the quality of news content is revolving around the absurd and the ridiculous, Zee News has decided to step aside from the crowd and give sensible news a fresh lease of life. The channel changed colours and content to cater to the growing need of every news consumer for news that matters to them. It is still work in progress but every effort will be made to establish Zee News as the most credible and sensible disseminator of news.

News and regional entertainment are among the fastest growing segments.

Zee News is uniquely poised to make the future count.

C COMMITMENT TO SUSTAINED GROWTH

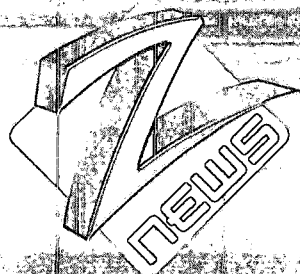
Growth through regional expansion: We have always believed that the regional media market has a humongous scope for growth and our vision of investing in regional properties has been on course. Over the past years, your company has built a valuable portfolio of television programming assets including Zee News, Zee Business, Zee Marathi, Zee Bangla, Zee Telugu, Zee Kannada, Zee Punjabi, Zee Gujarati and the regional news channels. Your company has decided to launch more channels this year to further strengthen the programming assets. The new channels to be launched this year are Zee Tamil – a 24-hour entertainment channel and Zee Telugu News – a 24-hour news channel. We also are working on launching a Global English News and an English Business channel soon. Launch of Zee Malayalam – a 24-hour Malayalam channel is also in the pipeline.

Growth through related business expansion: Digitization is the new mantra of Indian television distribution networks. With emerging distribution platforms like digital cable, DTH and IPTV ready to take over the market, your company sees significant scope to generate better and multiple revenue streams by capitalizing on the trend. We are also committed to finding out and implementing new organic and inorganic growth strategies as well as expand presence in other key markets.

Looking ahead: The Indian Media and Entertainment industry continues to outshine the Indian economy and the trend is expected to continue for the next few years. News and regional entertainment are amongst the fastest growing segments of the television industry in India. Your company, by virtue of its established presence across these growing segments is ready to play a leading role in the revolutionary phase that the industry is going through. I am confident that our focus of developing unique content across genres, expansion in related businesses, aggressive marketing and branding efforts will continue to keep your company ahead of the pack.

With Best Wishes,

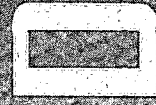
Subhash Chandra
Chairman



ZEE NEWS LIMITED
Inform, Entertain, Empower.

LETTER FROM

Managing Director



ear Shareholders,

The year 2007-08 saw Zee News Limited consolidate its position and achieve record turnover and profits. Your company always believed that the regional media market in India is going to witness explosive growth and that prophecy has turned out to be true. The Indian Media & Entertainment Industry is growing at a steady phase and the Television Industry has actually outperformed the industry itself. The Indian media consumer's propensity to pay for regional media consumption has resulted in regional channels finding place in the Top 10 growing channels genre.

PERFORMANCE REVIEW

The financial year 2008 saw your company set new records in turnover and profits. Consolidated advertisement revenue increased by an outstanding 72% from Rs.1706 mn in 2007 to

Rs. 2931 mn in 2008 while the subscription revenue increased by 14% from Rs. 585 mn in 2007 to Rs. 669 mn in 2008. It is heartening to share that your companies EBITDA recorded a phenomenal increase of 780% from Rs. 77 mn in 2007 to Rs. 678 mn in 2008. Profit after Tax registered a growth of 395% and stood at Rs. 371 mn. The highlight of the year was the sterling performance of our channels. As a result, the all channel share of Zee News Limited channels in the total C&S Universe grew from 4.9% in 4Q FY08 as compared to 3.9% in the corresponding quarter last fiscal. To further propel our growing popularity in the Hindi news genre, we did a high-profile relaunch of Zee News in May '08. With this relaunch, Zee News is well poised to attain imagery leadership of a credible and serious news channel. Both Zee Marathi and Zee Bangla continued to maintain number one position in their respective genres. Our vision of investing in regional properties has been right on course, the success being enjoyed by Zee Telugu and Zee Kannada is worth mentioning here. 24 Ghanta has won wide acceptance for its quality Bengali news programming. The year also saw your company re-engineer the business process of the channels which have not come up as per our expectations. I am confident that the result of this re-engineering will be very encouraging.

