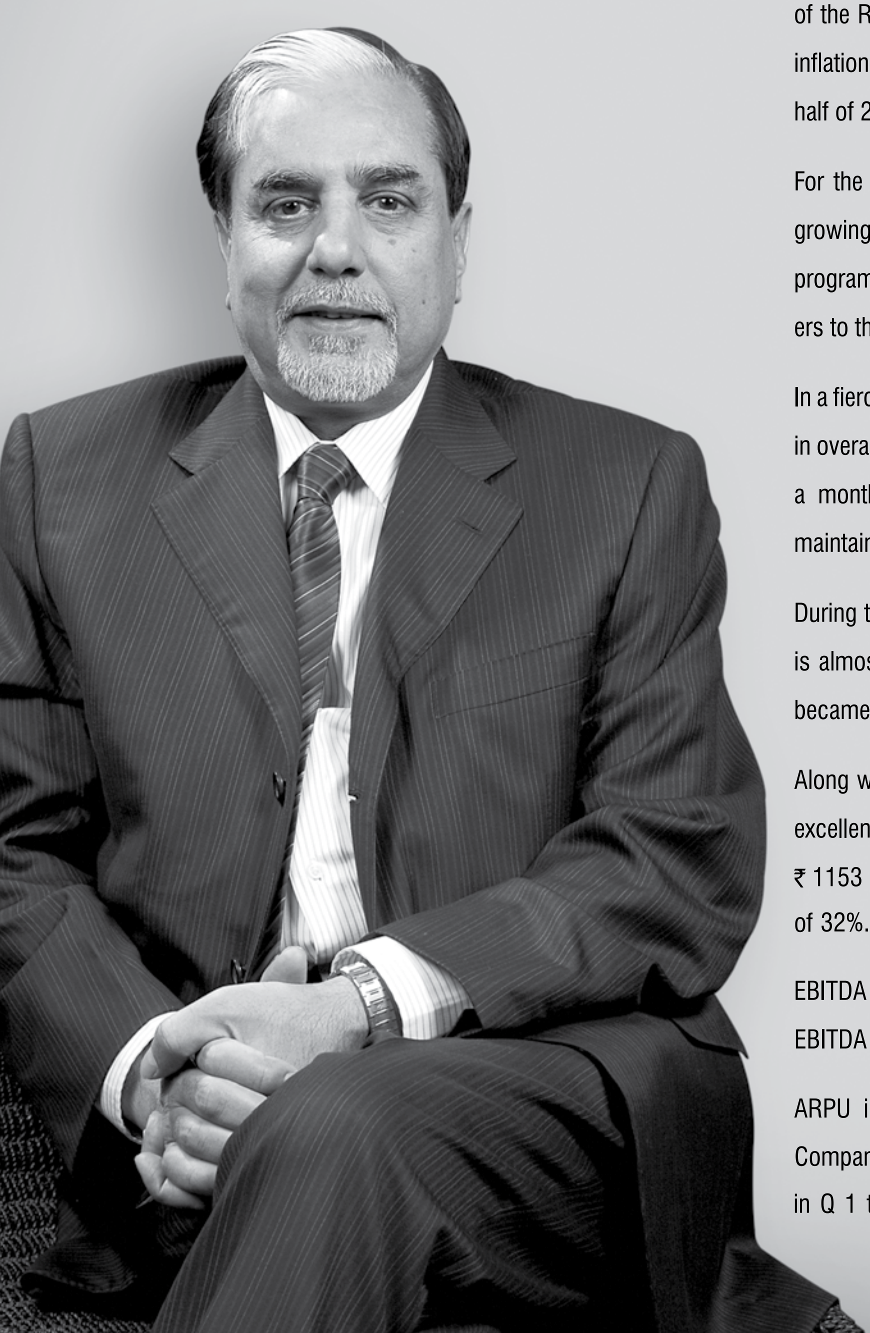
BOARD OF DIRECTORS

Subhash Chandra	Chairman
Jawahar Lal Goel	Managing Director
B. D. Narang	Independent Director
Arun Duggal	Independent Director
Pritam Singh (Dr.)	Independent Director
Ashok Kurien	Non-Executive Director
Eric L. Zinterhofer	Independent Director
Lakshmi Chand	Independent Director
Mintoo Bhandari	Non-Executive Nominee Director
Sanjay H. Patel	Alt. Director to Mintoo Bhandari

Ranjit Singh	Company Secretary
M/s B S R & Co. Chartered Accountants	Auditors
ICICI Bank Standard Chartered Bank State Bank of India Yes Bank Bank of India Central Bank of India Dena Bank IDBI Bank Ltd. Union Bank of India Axis Bank Ltd.	Bankers
Essel House B-10, Lawrence Road Industrial Area, Delhi – 110035 Tel: +91-11-66088432/30 Fax: +91-11-27184863/27147627	Registered Office
FC-19, Sector 16A, Noida, UP – 201301, India Tel: +91-120-2599555/391 Fax: +91-120-4357078	Corporate Office

Website: www.dishtv.in

CHAIRMAN'S MESSAGE



Coming off a strong growth performance in FY 2010, the Indian economy is expected to continue to expand at a healthy albeit slower rate of 8.2% during FY 11. The fiscal year gone by has marked the rapid recovery of the Indian Economy from the Fiscal crisis of 2008/2009.

In the process of this recovery however some significant headwinds in the form of inflation have reared its head, however the commendable actions of the Reserve Bank of India in being well ahead of the curve in fighting inflation means that in all likelihood inflation will moderate in the second half of 2011, further providing stimulus to growth.

For the DTH industry, FY 2010-11 marked a watershed year where the growing acceptance of DTH as the means of choice for the delivery of TV programming resulted in all time record additions of 13.5 Million subscribers to the DTH fold, a phenomenal growth of over 60% over the prior year.

In a fiercely competitive six player market your Company continued to lead in overall market share as well as lead in market share for the additions on a month on month basis, holding overall market share at 31% and maintaining its incremental share at 27%.

During the year Dish TV added a record of 3.5 Million subscribers which is almost double of what it added in the prior fiscal, and in the process became the World's fourth largest DTH platform.

Along with the growth in subscribers, your Company continued to show excellent progress on all the key metrics. Total revenue increased from ₹ 1153 Crores in FY 2009-10 to ₹ 1524 Crores in FY 2010-11, a growth of 32%.

EBITDA increased from ₹ 100 Crores to ₹ 253 Crores, a growth of 153%. EBITDA margins improved from 9% to 17%.

ARPU improved from ₹ 139 to ₹ 142 and throughout the year your Company was able to further improve ARPU from ₹ 139/- per subscriber in Q 1 to ₹ 150 in Q 4, 2011.

Your Company continues to pioneer new initiatives in the DTH market in India so as to provide its customers the best viewing experience money can buy.

In December 2010 your Company signed an agreement to enhance capacity through ISRO for an additional 216 Mhz on AsiaSat 5 paving the launch in February for India's largest High Definition offering providing 35 channels in High Definition for the Indian market.

The HD launch is expected to be a game changer for the Company, providing unmatched viewing experience for the customers as well as higher realizations and ARPU for the Company.

Your Company continues to invest in marketing and brand building. Dish TV was ranked 9th amongst the brands most visible during the ICC World Cup 2011. Taking its association with cricket further Dish TV was proud to be associated as a sponsor of the Kolkata Knight Riders, which is owned by Dish TV's brand ambassador, Shahrukh Khan.

During the year, we continued to strengthen our reach into the deepest interiors of the Indian market and at the same time bolstered our standing amongst the High profile key accounts in the major metro cities.

Dish TV has a network of over 60,000 retail outlets where our products are available and has a very strong presence in Key electronics retailers. During the World Cup, Dish TV executed a very successful partnership with Samsung LCD televisions.

During the year the Government has also outlined the digital policy with a sunset date within 3 years from now. We believe this will give added momentum to the DTH industry which has rapidly emerged as the medium of choice for the Indian consumer. Your Company continues to be the trendsetter in this industry as we strive to bring the latest innovations and the best value offerings to all our consumers in our quest to deliver the best in class returns to all our stakeholders.

Subhash Chandra

Chairman

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DISH TV INDIA LIMITED

Regd. Office: Essel House, B-10, Lawrence Road Industrial Area, Delhi - 110 035
Corporate Office: FC-19, Sector-16A, Noida (U.P.) - 201 301

NOTICE

Notice is hereby given that the **23rd Annual General Meeting** of the Members of Dish TV India Limited will be held at NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016, on Tuesday the 30th day of August, 2011, at 11:30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2011, the Profit & Loss Account for the Financial Year ended on that date on a stand-alone and consolidated basis and the Reports of the Auditors' and Board of Directors' thereon.

2. To appoint a Director in place of Mr. Ashok Mathai Kurien, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Bhagwan Dass Narang, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint M/s B S R & Co., Chartered Accountants, Gurgaon, having Firm Registration No. 101248W, as the Statutory Auditors of the Company to hold such office from the conclusion of this meeting until the conclusion of next Annual General Meeting at a remuneration to be determined by the Board of Directors of the Company.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** pursuant to the approval of the Selection Committee and the Board of Directors of the Company, provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) read with Director's Relatives (Office or Place of Profit) Rules, 2011 and subject to the approval of the Central Government, Mr. Gaurav Goel, relative of Mr. Subhash Chandra, Chairman and Mr. Jawahar Lal Goel, Managing Director, of the Company, be and is hereby appointed in the Company to hold an Office or Place of Profit as 'Zonal Head – Delhi Zone' with effect from October 1, 2011 (or any other designation and roles which the 'Board' - the term which shall include any committee thereof, as may decide from time to time) at a remuneration of ₹ 32,40,000 (Rupees Thirty Two Lacs and Forty Thousand) per annum and such other terms (including any increase or modification in remuneration during the period of appointment as may be approved by the Board from time to time), as detailed in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT upon commencement of employment of Mr. Gaurav Goel with the Company, which shall be upto his retirement age as per the policy of the Company, Mr. Gaurav Goel will also be eligible for all other perquisites and benefits including medical benefits, group medical insurance, gratuity, leave encashment and other benefits as per the policy of the Company, applicable to other employees of the Company under similar cadre/grade, but such benefits shall exclude Stock Options under the ESOP Scheme of the Company.

RESOLVED FURTHER THAT subject to the approval by the Board of Directors, Mr. Gaurav Goel shall also be entitled to merit based annual increment not exceeding 25% of remuneration per annum, promotion, incentive/performance linked bonus from time to time as per the policy of the Company.

RESOLVED FURTHER THAT the appointment of Mr. Gaurav Goel and terms thereof will be subject to such modification as the Central Government may suggest or require which the Board of Directors are hereby authorized to accept on behalf of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute and file all such applications, documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the aforesaid resolution."

By order of the Board

Place : Noida
Date : July 20, 2011

Ranjit Singh
Company Secretary

Registered Office:
Essel House, B-10,
Lawrence Road Industrial Area,
Delhi - 110 035

NOTES:

1. **A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on a poll on his behalf. A proxy need not be a member of the Company.**

   Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Corporate Members are requested to send to the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
3. Members/Proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name and attending the meeting will be entitled to vote.
5. Members/Proxies should bring their Attendance Slips along with copy of the Annual Report to the meeting.
6. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
7. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed.
8. Brief details of all Directors including those proposed to be re-appointed, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Report of Corporate Governance, forming part of the Annual Report.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 11, 2011 to Thursday, July 14, 2011 (both days inclusive)
10. Queries on accounts and operations of the Company, if any, may be sent to the Company Secretary, seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
11. Recognizing the spirit of the Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, the Company proposes to send Annual Report and other documents/notices to shareholders to the email address provided to the Depository/Company. Shareholders are requested to register and/or update email address with the respective Depository Participant or the Company, to ensure that documents from the Company reach their preferred email address.
12. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 2 P.M. to 4 P.M. upto the date of the Annual General Meeting.
13. Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar and Share Transfer Agent, Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road,

Sakinaka, Andheri (East), Mumbai 400 072, India. Members holding equity shares in dematerialized form are requested to notify change of their address/bank account details with their Depository Participants.

14. Under Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form No.2B in duplicate (which will be made available on request) to M/s. Sharepro Services (India) Pvt. Ltd.

By order of the Board

Place : Noida
Date : July 20, 2011

Ranjit Singh
Company Secretary

Registered Office:
Essel House, B-10,
Lawrence Road Industrial Area,
Delhi - 110 035

Important intimation to Members

Ministry of Corporate Affairs, Government of India ('MCA') has recently introduced 'Green Initiative in Corporate Governance' by allowing paper less compliance by Companies, i.e. service of notice/documents including Annual Report by e-mail to its members. Keeping in view the underlying spirit and pursuant to the said initiative of MCA, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in respect of electronic holding with the Depository through their respective Depository Participants. Members holding the shares in physical mode are also requested to register their e-mail addresses with Company's Registrar & Share Transfer Agent viz. Sharepro Services (India) Pvt. Ltd.

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

ITEM NO. 5

The Board of Directors, the Selection Committee and the Remuneration Committee of the Board at their respective meetings held on July 20, 2011 have approved the appointment of Mr. Gaurav Goel as 'Zonal Head – Delhi Zone' with effect from October 1, 2011 upto his retirement age, as per the terms mentioned below and as per the policy of the Company, which appointment will be deemed to be holding an Office or Place of Profit under the extant provisions of the Companies Act, 1956, and shall be subject to approval of the Shareholders and the Central Government.

The Company is continuously on lookout for well qualified personnel particularly in the area of emerging domain, Industry Practices and pro-activeness and Mr. Gaurav Goel, is a suitable candidate both in terms of qualification as well as experience. Mr. Gaurav Goel is a graduate in Business Administration with specialization in finance and marketing and has rich experience of over eight years in the media industry. He has developed the ability to innovate business processes to fit the business needs. He was Head of Business for business relating to retail food chains across the country and Vice President-Service of the Company's erstwhile subsidiary, Integrated Subscriber Management Services Limited (presently known as Essel Business Processes Limited), a Company engaged in provision of Subscriber Management and Back-end support services.

Brief of terms of appointment including remuneration payable to Mr. Gaurav Goel during the period of his appointment in the Company are as under:

a) **Date of appointment:** October 1, 2011

b) **Period of appointment:** From October 1, 2011 upto retirement age as per the policy of the company with remuneration being paid for such appointment effective October 1, 2011. The employment may be terminated by either party by giving two month's notice.

c) **Position:** Zonal Head – Delhi Zone

d) **Location:** The appointee shall be located at Delhi

e) **Salary:**

The Basic Salary of Mr. Gaurav Goel shall be ₹ 109,750 per month, with the authority to the Board of Directors to determine any merit based increase from time to time.

f) **Perquisites, Allowances and other benefits:**

In addition to the Basic salary, Mr. Goel shall also be entitled to the following Perquisites, Allowances and other benefits:

- House Rent Allowance of ₹ 54,875 per month (being 50% of Basic Salary);
- Personal Allowance of ₹ 30,005 per month;
- Medical reimbursement of ₹ 1,250 per month;
- Leave Travel Allowance of ₹ 6,250 per month, Car Allowance of ₹ 14,500 per month, Car Maintenance allowance of ₹ 2,500 per month, Fuel re-imbursement of ₹ 18,000 per month, Driver Salary of ₹ 9,000 per month, Entertainment re-imbursement of ₹ 5,000 per month, Uniform Allowance of ₹ 4,000 per month, Children Education Allowance of ₹ 200 per month, Re-imbursement of residential telephone expenses upto ₹ 1,500 per month and re-imbursement of actual mobile telephone expenses used for official purposes, personal accident & medical insurance, and such other perquisites and allowances in accordance with policy of the Company applicable to employees in similar Grade.
- Company's contribution to Provident Fund, Gratuity and Leave Encashment as per the policy of the Company; and
- Annual incentive/performance linked bonus, if any, based on the performance criteria as laid down by or approved by the Board.

At the current scale, the Annual Emolument payable to Mr. Gaurav Goel works out to ₹ 3,240,000 per annum and any merit based increase in the salary and perquisites, which may be considered by the Board from time to time shall be subject to an overall limit of 25% per annum and the annual incentive/ performance linked bonus, if any, payable to Mr. Goel, as applicable to other employees in similar grade, shall be considered over and above these limits.

The Board of Directors of the Company (which term shall mean and include Committees of the Board) shall have the authority to grant merit based annual increment not exceeding 25% of remuneration per annum, promotion, incentive/performance linked bonus and other benefits from time to time as per the policy of the Company to Mr. Gaurav Goel.

Mr. Gaurav Goel is related to the Chairman, and Managing Director of the Company and hence his appointment as 'Zonal Head – Delhi Zone' in the Company would amount to holding of Office or Place of Profit under the provisions of Companies Act, 1956 and shall require your consent and the approval of the Central Government in terms of Section 314 of the Companies Act, 1956, read with Director's Relatives (Office or Place of Profit) Rules, 2011. The approval of the Members is therefore being sought by way of Special Resolution for the above appointment of, and remuneration payable to, Mr. Gaurav Goel pursuant to the provisions of Section 314(1B) of the Companies Act, 1956.

None of the Directors of the Company except Mr. Subhash Chandra and Mr. Jawahar Lal Goel, being relatives of Mr. Gaurav Goel, are concerned or interested in the passing of the said resolution.

Your Directors recommend the Special Resolution as set out in item no. 5 for the approval of the members.

By order of the Board

Place : Noida
Date : July 20, 2011

Ranjit Singh
Company Secretary

Registered Office:
Essel House, B-10,
Lawrence Road Industrial Area,
Delhi - 110 035

Certification Pursuant to Clause 49 V of the Listing Agreement

We, Jawahar Lal Goel, Managing Director and Rajeev K Dalmia, Chief Financial Officer of Dish TV India Limited ('the Company') do hereby certify to the Board that :-

a. We have reviewed financial statements and the cash flow statement of the Company for the year ended March 31, 2011 and that to the best of our knowledge and belief :

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2011 are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. During the year :-

   - there has not been any significant change in internal control over financial reporting;
   - there have not been any significant changes in accounting policies; and
   - there have been no instances of significant fraud of which we are aware that involve management or other employees having significant role in the Company's internal control system over financial reporting.

Jawahar Lal Goel	**Rajeev K Dalmia**
Managing Director	Chief Financial Officer

Place : Noida
Date : May 23, 2011

Directors' Report

To the Members,

Your Directors are delighted to present the Twenty Third Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended March 31, 2011.

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2011 is summarized below:

(₹ / Thousand)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Sales & Services	14,365,518	10,847,945
Other Income	8,80,295	6,86,071
Total Income	**15,245,813**	**11,534,016**
Total Expenses	17,142,719	14,155,599
Profit/(Loss) before Tax	(1,896,906)	(2,621,583)
Provision for Taxation (net)	-	(258)
Profit/(Loss) after Tax	**(1,896,906)**	**(2,621,325)**
Profit/(Loss) for the Year	(1,896,906)	(2,621,325)
Add: Balance brought forward	(14,037,516)	(11,416,191)
Amount available for appropriations	(15,934,422)	(14,037,516)
Appropriations :		
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
General Reserve	Nil	Nil
Balance Carried Forward	(15,934,422)	(14,037,516)

BUSINESS OVERVIEW

The penetration in Direct to Home (DTH) is happening at a much faster rate than expected under continued investment by the DTH players and increase in the affordability on account of rise in disposable income. The industry added 13.5 Million subscribers in the period under review as against 8.5 Million subscribers in the previous period. DTH accounted for more than 70% of the incremental cable and satellite homes during the year under review leaving only marginal share for the Analog and Digital cable platform. This phenomenon is likely to continue which would be further led by the digitalization push by the Government, lower entry cost in the DTH service and wide variety of choice being offered by the DTH operators.

During the year under review, your Company added almost double the number of subscribers as compared to the previous year and was also ahead of the competition on all aspects including incremental subscriber acquisition and overall subscriber base. Your Company continues to retain the leadership position in the DTH segment holding 31% of the total DTH subscriber base. The investment made by the Company in brand building, creation of sales and distribution infrastructure, expansion of service outlets, retaining and training the talent have reaped rich fruits and are likely to be the key differentiator in the days to come.

Our long term Agreements with the content providers, satellite service providers and other vendors gave the key edge in terms of cost, competitiveness and margin push. The rate of growth of revenue continues to be much higher than rate of increase in cost.

Your Company understands that the next level of DTH revolution will be on technology absorption and enhancement in revenue by proper mix of content layered with new value added services. In view of the same, your Company acquired additional bandwidth to augment the capacity in order to be able to provide the maximum number of channels. Going forward, this will also be a key differentiator among all the DTH players. Your Company also became the leading HD service provider of the country and the push towards acquiring the HD customers was supported by various tie-ups including the tie-up with Samsung, a key player in HD TV market.

The year gone by saw major sporting events like FIFA World Cup, ICC World Cup, Common Wealth Games, Indian Premier League etc. being conducted all across the globe which resulted in hightended activity around the DTH industry, resulting into the phenomenal growth of the industry, both in terms of acquisition as well as revenue. To further strengthen the brand positioning and visibility, your Company also associated with Kolkata Knight Riders for the IPL 3 season as an Associate Brand Sponsor.

The key challenges in the future will be to manage subsidy being offered to the subscribers on the DTH hardware, steep taxation, slow growth in ARPU and unorganized cable sector.

COPORATE RESTRUCTURING & SUBSIDIARIES

Your Directors approved the Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Limited (ASSL), Integrated Subscriber Management Services Limited (ISMSL), to demerge the Non DTH business of the Company into ISMSL, followed by merger of ASSL with ISMSL with effect from March 31, 2010, being the Appointed Date. The Hon'ble High Court of Delhi, vide its order dated March 03, 2011 and corrigendum dated March 31, 2011 was pleased to approve the said Scheme and accordingly the Scheme has been given effect to in the Annual Financial Statements from the Appointed date of March 31, 2010.

Upon effectiveness of the said Scheme, ASSL stands amalgamated with ISMSL from the Appointed Date of March 31, 2010. ISMSL divested its entire holdings in Agrani Convergence Ltd during the Financial Year 2010-11 and consequently, Agrani Convergence Limited ceases to be a Subsidiary of your Company. In order to further simplify the Corporate Structure and to capitalize the growth prospects, the Board felt that it is necessary for the Company to have enhanced focus on its core DTH operations so that it can expand customer base, raise revenue contributions through product innovations and provisions of various value added services. To achieve the same, your Company has transferred its entire shareholding in ISMSL, which is engaged in the business of providing services pertaining to subscribers' management, collection and maintenance of subscribers' information, and call centre activities, on June 1, 2011. Accordingly, ISMSL ceased to be a Subsidiary of your Company from the date of transfer.

The Ministry of Corporate Affairs, Government of India has allowed general exemption to Companies from complying with Section 212 (8) of the Companies Act, 1956, provided such companies publish the audited consolidated financial statements in the Annual Report. Your Board has decided to avail the said general exemption from applicability of provisions of Section 212 of the Companies Act, 1956, and accordingly, the Annual Accounts of the Subsidiary of the Company viz. ISMSL for the financial year ended March 31, 2011 are not being attached with the Annual Report of the Company and the specified financial highlights of the said Subsidiary Company are disclosed in the Annual Report, as part of the Consolidated Financial Statements. The audited Annual Accounts and related information of the subsidiary will be made available, upon request and also be open for inspection at the Registered Office, by any Shareholder.

As required by the Accounting Standard AS – 21 issued by the Institute of Chartered Accountants of India, the financial statement of the Company reflecting the Consolidation of the Accounts of its subsidiaries to the extent of equity holding of the Company in these Companies are included in this Annual Report.

SHARE CAPITAL

During the year, your Company issued and allotted 557,060 fully paid equity shares upon exercise of Stock Options by the employees under the 'ESOP Scheme – 2007' of the Company.

During the Financial Year 2008-09, your Company had come up with Rights Issue of 518,149,592 equity shares of ₹ 1 each, issued at ₹ 22 per share (including premium of ₹ 21 per share), payable in three installments. Upon receipt of valid first and second call money, during the year under review, the Company converted 16,151 equity shares from 0.50 paid up to 0.75 paid up and 1,376,629 equity shares from 0.75 paid up to fully paid up.

Pursuant to the issue of further shares under ESOP and subsequent to conversion of partly paid shares, the paid up capital of your Company during the year has increased from ₹ 1,062,070,492 comprising of 1,059,006,947 equity shares of ₹ 1 each, fully paid up, 3,429,124 equity shares of ₹ 1 each - paid up ₹ 0.75 per share and 983,404 equity shares of ₹ 1 each - paid up ₹ 0.50 per share to ₹ 1,062,975,747 comprising of 1,060,940,636 equity shares of ₹ 1 each, fully paid up, 2,068,646 equity shares of ₹ 1 each - paid up ₹ 0.75 per share and 967,253 equity shares of ₹ 1 each - paid up ₹ 0.50 per share. As on March 31, 2011 the Company has not received the valid Second call on 2,068,646 partly paid shares and first and second call on 967,253 partly paid shares.

RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF

Out of the total Right Issue size of ₹ 113,992.91 Lakhs, the Company has received a sum of ₹ 113,672.66 Lakhs towards the Share application and call money as at March 31, 2011, the details of which has been provided under the preceding heading.

The utilization of Rights Issue proceeds are placed before the Audit Committee on quarterly basis. Further, the Company also provides the details of the utilization of Rights Issue proceeds to the Monitoring Agency on half yearly basis and furnishes the Monitoring Report to Stock Exchanges.

The Board at its meeting held on May 28, 2009 approved to make change in the manner of usage of rights issue proceeds as hereunder:

Particulars	**Amount (₹ in Lacs)**
Acquisition of Consumer Premises Equipment (CPE) including Leased CPE	26,000.00
Repayment of loans	28,421.44
Repayment of loans received after launch of the Rights Issue	24,300.00
General Corporate Purpose/ Operational Expenses	34,696.46
Issue Expenses	575.01
Total	**113,992.91**

The manner of utilization of rights issue proceeds as on March 31, 2011, is as under:

Particulars	**Amount (₹ in Lacs)**
Repayment of loans	28,421.44
Repayment of loans received after launch of the Rights Issue	24,300.00
General Corporate Purpose/ Operational Expenses	14,405.94
Acquisition of Consumer Premises Equipment (CPE) including leased CPE	26,000.00
Issue Expenses	544.52
Total	**93,671.90**

The Fourth and Fifth Monitoring Report for half year periods, July 2010 - December 2010 and January 2011 – June 2011 respectively, containing deviation from the original proposed expenditure plan and in accordance with the revised plan was recorded by the Audit Committee and the Board at their respective meetings and necessary compliance in this regard has been carried out.

GLOBAL DEPOSITORY RECEIPT

The Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs at a price of US $ 854.50 per GDR, each GDR representing 1,000 fully paid equity shares of the Company was fully subscribed by Apollo India Private Equity II (Mauritius) Limited.

The manner of utilisation of GDR proceeds as on March 31, 2011, is as under:

Particulars	**Amount (₹ in Lacs)**
Assets purchases including CPE	7,353.31
Issue Expenses	344.63
Advance to subsidiary	56.14
Repayment of Bank Loans	755.22
Operational Expenses	20,678.70
Less: Interest Earned	-423.37
Margin Money	500.00
Bank Balances	17,319.85
Total	**46,584.48**

EMPLOYEE STOCK OPTION SCHEME

In pursuance of the Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999, your Board had authorized the Remuneration Committee to administer and implement the Company's Employees' Stock Option Scheme (ESOP – 2007) including deciding and reviewing the eligibility criteria for grant and/or issuance of stock options to the eligible employees/ directors under the Scheme. Further, in view of the growing frequency of allotment of equity shares pursuant to exercise of stock options by eligible employees/ directors, your Board constituted an ESOP Allotment Committee to consider, review and allot equity shares to the eligible Employees/Directors exercising the stock options under the Employees' Stock Option Scheme (ESOP – 2007) of the Company.

During the period under review, your Company allotted 5,57,060 fully paid equity shares upon exercise of the stock options by eligible employee under th ESOP – 2007. During the year, your Board approved the grant of 10,38,300 shares to the eligible employees under ESOP – 2007. Applicable disclosures relating to Employee Stock Options as at March 31, 2011, pursuant to Clause 12 (Disclosure in the Directors' Report) of the SEBI (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999 are given as 'Annexure A' to this Report.

A certificate, as prescribed under Clause 14 of the said Guidelines, obtained from Statutory Auditors shall be available for inspection at the Annual General Meeting and a copy of the same shall be available for inspection at the registered office of the Company.

GROUP

Based on the intimation received by the Company from the Promoters, the names of Promoters and entities comprising 'group' for the purpose of Clause 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, are disclosed in the Annual Report as 'Annexure B'.

PUBLIC DEPOSITS

During the year, your Company has not accepted any Deposits under Section 58A and Section 58AA of the Act, read with Companies (Acceptance of Deposits) Rules, 1975.

CORPORATE GOVERNANCE

It is your Company's constant endeavor to adopt best governance practices as laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. In pursuance of this objective, your Board has approved and implemented a Corporate Governance Manual which serves as a guide to day to day business and strategic decision making in the Company.

A comprehensive report on Corporate Governance pursuant to the requirement of Clause 49 of the Listing Agreement with the Stock Exchanges together with Auditors' Certificate confirming compliance is attached to this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Statement for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India is separately attached hereto and forms a part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is the deliberate inclusion of public interest into corporate decision-making. CSR is at the core of your Company's vision and mission which is achieved by focusing on the interest of the employees, customers and shareholders of the Company and the society at large.

Your Company as part of the Essel Group of Companies, has at a unified and centralized level, put in place Corporate Social Responsibility policy. The CSR Policy is based on a belief that a Business cannot succeed in a society that fails and therefore it is imperative for business houses, to invest in the future by taking part in social building activities.

DIRECTORS

Mr. Sanjay H. Patel was appointed as an Alternate Director to Mr. Mintoo Bhandari effective October 27, 2010 pursuant to Section 313 of the Companies Act, 1956. Mr. Mintoo Bhandari held his office as an Additional Nominee Director up to the date of previous Annual General Meeting i.e. December 16, 2010 and being eligible was appointed as a Nominee Director from the same date. Pursuant to provisions of Section 313 of the Companies Act, 1956, Mr. Patel automatically ceased to hold office as an Alternate Director with effect from the date of Annual General Meeting at which the term of Additional Director expired. Thereafter Mr. Sanjay H Patel was appointed as Alternate Director to Mr. Bhandari by the Board at its meeting held on March 25, 2011.

In accordance with the provisions of Companies Act, 1956, Mr. Ashok Mathai Kurien and Mr. Bhagwan Dass Narang, Directors, retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, have offered themselves for re-appointment. Your Board has recommended their re-appointment in the overall interest of the Company.

Brief profile of the Directors proposed to be re-appointed has been included in the Report on the Corporate Governance forming part of the Annual Report.

AUDITOR

The Statutory Auditors M/s. B S R & Co., Chartered Accountants, Gurgaon, having Firm Registration No 101248W, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Your Company has received confirmation from the Auditors to the effect that their reappointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for re-appointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT

The report of the Statutory Auditor of the Company contains qualification statements.

The response of the Board to the qualification of the Statutory Auditor mentioned at serial number 4 (f) of the Audit Report is as follows – The Lease rental is a financial transaction based on cost of fund, taxation and cash flow consideration. Depreciation is not directly linked with the lease period but it is more to do with life of the set top box, repair, maintenance and other service related issues. However the Company will streamline the process of charging depreciation on Consumer Premises Equipment

The response of the Board to the qualification of the Statutory Auditor mentioned at serial number 4 (g) of the Audit Report is as follows – In order to simplify the group structure and have focused attention, the Board of Directors approved the Scheme of Amalgamation and Arrangement, wherein the non-DTH related business of the Company is transferred to ISMSL followed by the merger of ASSL with ISMSL. The appointed date of the Scheme is March 31, 2010. The Scheme has been approved by the Hon'ble High Court of Judicature at Delhi vide its order dated March 3, 2011 and corrigendum dated March 31, 2011.

As per the Scheme, the Company reduced the book value of the assets and liabilities alongwith relatable provisions, demerged pursuant to the Scheme, with a corresponding debit/credit to the Business Restructuring Reserve account. The balance in the Business Restructuring Reserve account has been adjusted against the balance in General Reserve account of the Company in terms of the Scheme.

The response of the Board to the qualification of the Statutory Auditor mentioned at serial number 4 (h) of the Audit Report is as follows – The Company has received a notice from Income Tax Department about the short deduction of TDS on account of payment made to various content providers. We are firmly of the opinion, on the basis of various judicial pronouncements and legal advice received, that we are not required to provide for such short deduction.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Your Company is in the business of providing Direct to Home service. Since the said activity does not involve any manufacturing activity, most of the Information required to be provided under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

However the information, as applicable, are given hereunder:

Conservation of Energy:

Your Company, being a service provider, requires minimal energy consumption and every endeavor is made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.

Technology Absorption:

In its endeavor to deliver the best to its viewers and business partners, your Company is constantly active in harnessing and tapping the latest and best technology in the industry.

Foreign Exchange Earnings and Outgo:

Particulars of foreign currency earnings and outgo during the year are given in Note no.7, 8 and 9 to the notes to the Accounts forming part of the Annual Accounts.

HUMAN RESOURCE MANAGEMENT

Your Company aims at adopting the best practices for achieving competitive advantage through people and 'building profits by putting people first'. It endeavors to devise strategies to attract the best talent and to ensure their retention by building trust and instilling loyalty in them. Your Board believes that to build a sound and growing business in a difficult and complex industry, employees are vital to the Company. Pay revisions and other benefits are designed in such a way to compensate for good performance of the employees of your Company. In addition to the basic salary which is based on the industry standards, your Company provides a number of benefits to its employees such as employee stock options, awards and training etc.

The talent base of your Company has steadily increased and your Company has created a favourable work environment which encourages innovation and meritocracy. The Company has also set up a scalable recruitment and human resource management process which enables us to attract and retain high caliber employees.

PARTICULARS OF EMPLOYEES

Your Board wishes to express their appreciation to all the employees of the Company for their outstanding contribution to the Operations of the Company during the year under review. The information required under Section 217(2A) of the Companies Act, 1956 ('Act') read with the Companies (Particulars of Employees) Rules, 1975 is required to be set out in an annexure to this report. However, in terms of Section 219(1)(b) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid annexure. Any shareholder interested in obtaining copy of the same may write to the Company Secretary at the Corporate Office. None of the employees, except Mr. Jawahar Lal Goel, listed in the said annexure are related to any Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, in relation to the Annual Financial Statements for the Financial Year 2010-11, your Directors confirm the following:

a) The Financial Statements have been prepared on a 'going concern' basis and in such preparation the applicable accounting standards had been followed with proper explanation relating to material departures;

b) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011, and of the profit or loss of the Company for the year ended on that date;

c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities; and

d) Adequate internal systems and controls are in place to ensure compliance of laws applicable to the Company.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the dedication and commitment of employees at all levels that have contributed to the success of your Company. Your Directors thank and express their gratitude for the continued support and co-operation received from the Central and State Governments, the Ministry of Information and Broadcasting (MIB), the Department of Telecommunication and Foreign Investment Promotion Board (FIPB), Ministry of Finance, the Telecom Regulatory Authority of India (TRAI), the Stock Exchanges - and other stakeholders including viewers, vendors, bankers, investors, service providers as well as other regulatory and governmental authorities.

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : July 20, 2011

Annexure ‘A’ to Directors’ Report

Statement as at March 31, 2011 pursuant to Clause 12 (Disclosure in the Directors’ Report) of the Securities and Exchange Board of India (Employees’ Stock Option Scheme and Employees’ Stock Purchase Scheme) Guidelines, 1999

S. No.	Particulars	Details		
A	Details of Options Granted and Exercise Price per option	Date of Grant	No. of Option Granted	Exercise Price Per Equity Share
		August 21, 2007 April 24, 2008 August 28, 2008 May 28, 2009 October 27, 2009 October 26, 2010 January 21, 2011	3,073,050 184,500 30,000 589,200 160,900 201,250 837,050	₹ 75.20* ₹ 63.25* ₹ 37.55 ₹ 47.65 ₹ 41.45 ₹ 57.90 ₹ 58.95
B	Pricing formula	The pricing formula as approved by the Shareholders of the Company, shall be the “market price” as per the SEBI Guidelines, i.e. the latest available closing price prior to the date of grant of option at the Stock Exchange where there is highest trading volume		
C	Total number of Options Granted	5,075,950 (includes Options granted which were added back to ‘Options available for Grant’ on account of lapse of Options)		
D	Total number of Options vested (includes option exercised)	859,904		
E	Options exercised	569,140		
F	the total number of shares arising as a result of exercise of options	569,140		
G	Total number of options lapsed	2,213,590		
H	Variation of terms of options	Pursuant to approval dated August 28, 2008 of Remuneration Committee of the Board of Directors and Shareholders, the options granted on August 21, 2007 and April 24, 2008 were re-priced at ₹ 37.55 per option.		
I	Money realized by exercise of options	₹ 21,912,808		
J	Total number of options in force	2,293,220		

K. Employee wise details of options granted (as on March 31, 2011):

(i) **Senior managerial personnel**

Name	Designation	No. of Options Granted	No. of Options outstanding
R C Venkateish	CEO	563,400	563,400
Amitabh Kumar	President - Technology	164,700	114,700
Rajiv Khattar	President – Projects	167,950	67,180
Rajeev Kumar Dalmia	CFO	171,100	68,440
Salil Kapoor	COO	142,950	114,360

(ii) **Any other employee(s) who received a grant in any one year of option amounting to 5% or more of option granted during the year**

Name	Designation	No. of Options granted
R C Venkateish	CEO	563,400
Gurpreet Singh	Senior Vice President - Sales	141,450
Rajesh Sahni	Senior Vice President – Customer Service Delivery	96,400
Sanjiv Chaudhary	Vice President – Collection and Retention	76,800
Ajay Kumar David	Deputy Vice President – South I	55,400
Jaspreet Singh	Deputy Vice President – West Zone	54,600

S. No.	Particulars	Details
	(iii) Identified employees who were granted options, during any year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
L	Diluted earning per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with accounting standard (AS – 20) ‘Earning per share’	Please refer to Note no. 20 to Schedule 22 of the Financial Statement

			Date of Grant						
			21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09	26-Oct-10	21-Jan-11
M	where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Expenses accounted for during the period based on intrinsic value of the option	-	-	-	-	-	-	-
		Additional Expense had the Company recorded the ESOP expense based on fair value of option (using Black Scholes method)	5,833,121	-	147,745	3,182,218	1,516,732	1,345,432	2,550,995
		Impact on profits and EPS in case of fair value method was employed for accounting of ESOP	Loss for the year ended 31 March, 2011 increased by ₹ 12,058,818 and EPS decreased by ₹ 0.01 per share						
N	Weighted – average exercise prices and weighted – average fair values of options, separately for options whose exercise price either equals or exceeds or is less than the market price of the stock (Exercise Price has been revised which is equal to the market price of the Stock)		Date of Grant						
			21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09	26-Oct-10	21-Jan-11
		Weighted – average exercise price (Pre re-pricing) (₹)	75.20	63.25	37.55	47.65	41.45	57.90	58.95
		Weighted – average exercise price (Post re-pricing) (₹)	37.55	37.55	37.55	47.65	41.45	57.90	58.95
		Weighted – average Fair Value (Pre re-pricing) (₹)	40.45	-	23.87	30.61	26.64	36.57	37.54
		Weighted – average Fair Value (Post re-pricing) (₹)	21.49	-	23.87	30.61	26.64	36.57	37.54

O	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted – average information							
		Date of Grant						
		21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09	26-Oct-10	21-Jan-11
	i) risk-free interest rate	8.45%	-	8.48%	6.36%	7.35%	7.89%	8.01
	ii) expected life (yrs.)	5	-	5	5	5	5	5
	iii) expected volatility	68.23%	-	68.23%	73.47%	71.72%	64.89%	63.65
	iv) the price of the underlying share in the market at the time of option grant. (₹), and	75.20*	-	37.55	47.65	41.45	59.25	61.05
	v) expected dividends	The shares issued under stock options shall rank *pari-passu*, including the right to receive dividend. Expected dividend payouts to be paid during the life of the option reduce the value of a call option by creating drop in market price of the stock. Adjustments for known dividend payouts over the life of the option are made to the formulae under Black Scholes method. However, in the present case, as the life of the option is greater than one year, there is considerable difficulty in estimating the amount and time of future dividend payouts with certainty. Hence, future dividend payouts have not been incorporated in the valuation analysis.						

* Re-priced at ₹ 37.55 on August 28, 2008

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : July 20, 2011

Annexure ‘B’ to Directors’ Report

Entities comprising of “Group” for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

Sr. No.	Name	Sr. No.	Name
1	Churu Trading Co. Pvt. Ltd.	34	Essel Sports Pvt. Ltd.
2	Ganjam Trading Co. Pvt. Ltd.	35	Aqualand India Ltd.
3	Prajatma Trading Co. Pvt. Ltd.	36	Wire and Wireless (India) Ltd.
4	Briggs Trading Co. Pvt. Ltd.	37	Zee News Ltd.
5	Premier Finance and Trading Co. Ltd.	38	Zee Entertainment Enterprises Ltd.
6	Jayneer Capital Pvt. Ltd.	39	Shirpur Gold Refinery Ltd.
7	Veena Investments Pvt. Ltd.	40	Zee Learn Ltd.
8	Ambience Business Services Pvt. Ltd.	41	Solid Containers Ltd.
9	Churu Enterprises LLP	42	Essel Ahmedabad Godhra Toll Roads Ltd.
10	Prajatma Enterprises LLP	43	EOP PTE Limited, Singapore
11	Jayneer Enterprises LLP	44	Jay Properties Pvt. Ltd.
12	Delgrada Limited, Mauritius	45	Edisons Continental Laboratories Pvt. Ltd.
13	Afro Asian Satellite Communications Ltd., Mauritius	46	Essel Ship Breaking Ltd.
14	Intrex India Ltd.	47	Continental Drug Company Pvt. Ltd.
15	Essel Infraprojects Ltd.	48	Rama Associates Ltd.
16	Lazarus Investments Ltd., Mauritius	49	Essel International Ltd.
17	Essel Airport Infrastructure Pvt. Ltd.	50	Essel Agro Pvt. Ltd.
18	Pan India Infrastructure Pvt. Ltd.	51	ICL Rockets Sports Pvt. Ltd.
19	Essel Infra Projects International Holding PTE. Ltd.	52	Lahore Badshahs Pvt. Ltd.
20	Essel Sagar Damoh Toll Roads Ltd.	53	Dhaka Warriors Sports Pvt. Ltd.
21	Essel Bhind Mihona Gopalpur Toll Roads Ltd.	54	Royal Bengal Sports Pvt. Ltd.
22	Essel Bina Khimlasa Malthon Toll Roads Ltd.	55	ICL Lions Pvt. Ltd.
23	Essel Damoh-Jabalpur Toll Roads Ltd.	56	Essel RPW Projects Pvt. Ltd.
24	25FPS Media Pvt. Ltd.	57	Rupee Finance and Management Pvt. Ltd.
25	ICL Heroes Sports Pvt. Ltd.	58	Essel Holdings Ltd., Mauritius
26	Buddha Films Pvt. Ltd.	59	Packaging Products Investments Ltd., Mauritius
27	Cyquator Media Services Pvt. Ltd.	60	Agrani Holdings (Mauritius) Ltd.
28	New Media Broadcast Pvt. Ltd.	61	Essel Media & Entertainment Ltd., Mauriius
29	Pan India Network Infravest Pvt. Ltd.	62	Essel Media Corporation PLC, UK
30	Pan India Network Ltd.	63	Essel EM Infra Holding Co. Ltd., Mauritius
31	Prime Publishing Ltd.	64	Asian Satellite Broadcast Pvt. Ltd.
32	Mediavest India Pvt. Ltd.	65	Essel Corporate Resources Pvt. Ltd.
33	Vasant Sagar Properties Pvt. Ltd.		

Annexure to Directors' Report

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

1.	**Name of the Subsidiary Company**	**Integrated Subscriber Management Services Limited**
2.	Financial year of the Subsidiary Company ended on	31-Mar-11
3.	Holding Company's interest	100%
4.	Shares held by the Holding Company in the subsidiary	150,000 Equity Shares of ₹ 10/- each
5.	The net aggregate amount of profit/(losses) of the subsidiary so far as it concerns the members of the holding Company and is dealt with in account of holding Company:	
	a) For the Financial Year ended on March 31, 2011	Nil
	b) For the previous Financial Years of the Subsidiaries since it became a subsidiary.	Nil
6.	The net aggregate amount of profit / (losses) of the subsidiary so far as it concerns the members of the holding Company and is not dealt with in account of holding Company:	
	a) For the Financial Year ended on March 31, 2011	72,019,762
	b) For the previous Financial Years of the Subsidiaries since it became a subsidiary.	(203,393,522)

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place : Noida
Date : July 20, 2011

Report on Corporate Governance

Your Company firmly believes that maintaining the highest standards of Corporate Governance is imperative in its pursuit of leadership in the DTH Industry. Your Company strongly believes that Good Governance is a pre-requisite for establishing a relationship of trust between the Company and its stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and maintaining an appropriate balance between the stakeholders, the directors and the managers of the Company. It is about how an organization is managed and operated. This includes its corporate structure, culture, policies and the manner in which it deals with various stakeholders.

Corporate Governance Philosophy of Dish TV India Limited (Dish TV) stems from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including Shareholders, Subscribers, Employees, etc. Your Company further believes that the quest for excellence in performance rests on unflinching adherence to the core values of integrity, honesty, transparency and accountability in all business transactions. These beliefs are based on a rich legacy of fair and ethical business practices and steadfast commitment to uphold professional integrity.

Your Company is committed to adopt best governance practices and its adherence in its true spirits at all times. Your Company has laid strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place systems, processes and technologies. In its endeavor to improve on the Corporate Governance practices, your Board has adopted a Corporate Governance Manual which serves as guide to various activities and decisions in the ordinary course of business.

Your Board performs a pivotal role in the governance system focusing on Good Governance in order to ensure that the endeavor to maximize value for the entire spectrum of its stakeholders leads to long term benefits to the society at large. Our disclosures seek to achieve best practices in international Corporate Governance. We also endeavor to enhance long term shareholders' value and respect minority rights in all our business decisions.

In accordance with the requirement of Stock Exchanges and applicable provisions of the Listing Agreement, the compliance report on the Corporate Governance is as under:

BOARD OF DIRECTORS

Your Company is in strict compliance with the Board composition requirements of the Listing Agreement and the Companies Act, 1956. The day-to-day management of the Company is entrusted to the Key Management personnel led by the Managing Director who operates under the superintendence, direction and control of the Board. The Board reviews and approves strategy and oversees the actions and performance of the management to ensure that the long-term objective of enhancing stakeholders' value is met.

The majority of your Board members, i.e. 5 (five) out of 9 (nine), are Independent Directors and the Audit, Remuneration and Selection Committees of the Board comprise of majority of Independent Directors.

a) **Composition of Board**

Your Company has a balanced Board with combination of Executive and Non-Executive Directors, to ensure independent functioning and the composition of the Board is in conformity with Clause 49 (I)(A) of the Listing Agreement. Independent Directors of the Company provide appropriate Annual Certifications to the Board confirming satisfaction of the conditions of their being Independent as laid down in Clause 49 of the Listing Agreement

Composition of the Board as at March 31, 2011

Category of Directors	No. of Directors	% to total No. of Directors
Executive Director	1	11
Non-Executive Independent Directors	5	56
Other Non-Executive Directors	3	33
Total	**9**	**100**

b) **Board Membership & Term**

The Non-Executive Directors are liable to retire by rotation and one third of the said Directors retire every year and if eligible offer themselves for re-appointment. The Board has also constituted a Nomination Committee comprising of 3 (three) Board members to determine/recommend appropriate criteria, expertise and skills for the Board membership in the Company, the framework for evaluation of performance of the Board and the Directors, and recommend appointment of Directors.

Mr. Subhash Chandra, Chairman of the Board is Chairman of the Nomination Committee and Mr. Ashok Kurien, Non-Executive Director and Mr. Lakshmi Chand, Non-Executive Independent Director are members of the said Nomination Committee.

c) Board Meetings and Procedures

During the Financial Year 2010-11 under review, 7 (Seven) meetings of the Board were held on the following dates - May 8, 2010, June 11, 2010, July 22, 2010, October 26, 2010, November 15, 2010, January 21, 2011 and March 25, 2011. The intervening period between the Board Meetings were well within the maximum time gap prescribed under the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2010-11 and also their other directorships in Public Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) and membership of other Board Committees (excluding Remuneration Committee) as at March 31, 2011 are as under:

Name of Director	Category	Attendance at:		No. of Directorships of other Public Companies	No. of Memberships of Board Committees	
		Board Meetings (Total Seven Meetings)	22nd AGM held on December 16, 2010		As Member	As Chairman
Subhash Chandra	PD, NED	5	No	5	-	-
Jawahar Lal Goel	PD, ED	6	Yes	7	1	-
Ashok Kurien	PD,NED	6	Yes	2	2	2
B.D. Narang	NED,ID	7	Yes	9	6	4
Arun Duggal	NED,ID	4	No	10	3	1
Pritam Singh (Dr.)	NED,ID	5	No	4	5	-
Eric Zinterhofer	NED,ID	-	No	-	-	-
Lakshmi Chand	NED,ID	6	Yes	-	-	-
Mintoo Bhandari	NED,ND	2	No	-	1	-
Sanjay Hiralal Patel	ALT*	-	No	-	-	-

* Alternate Director to Mr. Mintoo Bhandari

PD: Promoter Director   NED: Non-Executive Director
ED: Executive Director   ID: Independent Director
ND: Nominee Director   ALT: Alternate Director

The annual calendar of meetings is broadly determined at the beginning of each year. Apart from the pre-scheduled meetings, additional Board meetings, as and when required, are convened by giving appropriate notice to address the business exigencies/urgencies/specific needs of the Company. Board meetings are generally held at the Corporate Office of the Company at Noida which are governed by a suitably structured agenda. The Company Secretary in consultation with the Chairman/Managing Director drafts agenda of the Meetings. In compliance of the prescribed Secretarial Standards, he further ensures timely delivery of the agenda along with the explanatory notes to all the Directors to enable them to take informed decisions and to facilitate meaningful and focused discussions at the meeting. Any Board Member may, in consultation with the Chairman, bring up any matter for consideration by the Board. To afford necessary insight into the working of the Company and for discussing corporate strategies, the Chief Executive Officer and Chief Financial Officer are invited to the Meetings of the Board. All information required to be placed before the Board of Directors as per Clause 49 of the Listing Agreement, are considered and taken on record/approved by the Board. The Board reviews Compliance Reports in respect of laws and regulations relevant to the Company.

d) **Brief Profile of Directors of the Company, including those to be re-appointed at the ensuing Annual General Meeting:**

1. **Mr. Subhash Chandra,** 60, is Non-Executive Chairman of the Company and promoter of Essel Group of Companies. His industry leading businesses include television networks and film entertainment, cable systems, satellite communications, theme parks, flexible packaging, family entertainment centers and online gaming. Mr. Chandra has been the recipient of numerous honorary degrees, industry awards and civic honors, including being named 'Global Indian Entertainment Personality of the Year' by FICCI for 2004, 'Business Standard's Businessman of the Year' in 1999, 'Entrepreneur of the Year' by Ernst & Young in 1999 and 'Enterprise CEO of the Year' by International Brand Summit. The Confederation of Indian Industry (CII) chose Mr. Chandra as the Chairman of the CII Media Committee for two successive years.

   Mr. Chandra has made his mark as an influential philanthropist in India. He set up TALEEM (Transnational Alternate Learning for Emancipation and Empowerment through Multimedia), an organisation which seeks to provide access to quality education and to promote research in various disciplines relating to health & family life, social & cultural anthropology, communication and media. He is also the trustee for the Global Vippassana Foundation, a trust set up for helping people in spiritual upliftment.

   Apart from the Company, Mr. Chandra holds directorship in five (5) other Indian Public Limited Companies viz., Essel Propack Ltd., Essel Infraprojects Ltd., Wire and Wireless (India) Ltd., Zee News Ltd. and Zee Entertainment Enterprises Ltd. Apart from the Company he is also the Chairman on the Board of Essel Propack Ltd., Wire and Wireless (India) Ltd., Zee News Ltd. and Zee Entertainment Enterprises Ltd.

   As on March 31, 2011 Mr. Chandra holds 500,000 equity shares comprising of 0.05% of the paid up capital in the Company.

2. **Mr. Jawahar Lal Goel,** 56, was appointed as the Managing Director of the Company on January 6, 2007. Mr. Goel is actively involved in creation and expansion of Essel Group of Industries. He has been an oracle in pioneering the Direct to Home (DTH) services in India and instrumental in establishing Dish TV as a prominent brand with India's most modern and advanced technological infrastructure. Mr. Goel has held the position of President of Indian Broadcasting Foundation (IBF) for three successive terms which takes up various issues relating to Broadcasting industry at various forums. He has also been an active member on the Board of various committees and task force, set up by Ministry of Information & Broadcasting (MIB), Govt. of India which takes care of several critical matters relating to the industry. Mr. Goel introduced the CATV Network concept. He is the architect in establishing India's most modern and advanced technological infrastructure for the implementation of Conditional Access System (CAS), Direct to Home (DTH) and Head End-in-the Sky (HITS) which has bought revolution in the distribution of various entertainment and electronic media products in India, which has enormously benefited consumers (TV viewers) in terms of value proposition.

   Apart from the Company, Mr. Goel holds directorship in seven (7) other Indian Public Limited Companies viz., Asian Sky Shop Ltd., Chiripal Industries Ltd., East India Trading Co. Ltd., Essel International Ltd., Essel Infraprojects Ltd., Rankay Investment and Trading Company Ltd. and Zee-Turner Limited.

   As on March 31, 2011 Mr. Goel holds 176,800 equity shares comprising of 0.02% of the paid up capital in the Company.

3. **Mr. Bhagwan Dass Narang,** 66, is an Independent Non-Executive Member of the Board. Mr. Narang is a Post Graduate in Agricultural Economics and brings with him 32 years of Banking experience. During this period, he also held the coveted position of the Chairman and Managing Director of Oriental Bank of Commerce. Mr. Narang has handled special assignments viz. alternate Chairman of the Committee on Banking procedures set up by Indian Banks Association for the year 1997-98, Chaired a panel on serious financial frauds appointed by RBI, Chaired a Panel on financial construction industry appointed by Indian Banks Association(IBA), appointed as Chairman of Governing Council of National Institute of Banking Studies & Corporate Management, elected member of Management Committee of IBA, Member of the Advisory Council of Bankers Training College(RBI) Mumbai,

Chairman of IBA's Advisory Committee on NPA Management, CDR Mechanism, DRT, ARC etc., elected as a Fellow and Member of Governing Council of the Indian Institute of Banking & Finance, Mumbai, elected as Deputy Chairman of Indian Banks Association, Mumbai and recipient of Business Standard "Banker of the year" Award for 2004.

Apart from the Company, Mr. Narang holds directorship in nine (9) other Indian Public Limited Companies viz., Shivam Autotech Ltd., Jubilee Hills Landmark Projects Ltd., Afcon Infrastructure Ltd., VA Tech Wabag Ltd., Amar Ujala Publications Ltd., Revathi Equipment Ltd., Karvy Stock Broking Ltd., DSE Financial Services Ltd. and Lakshmi Precision Screws Ltd.

As on March 31, 2011 Mr. Narang does not hold any shares in the Company.

4. **Mr. Ashok Kurien,** 61, is a Non-Executive member of the Board. Mr. Kurien has been in the business of building brands for over 35 years, particularly in the fields of media and communications. An early bird, Ashok Kurien has the keen eye of driving start-ups in emerging businesses and guiding them to size and scale, such as TV, Lottery, PR and dot coms, where he invested and mentored, which have been resounding success stories. Mr. Ashok Kurien, a well known personality in the Advertising world, founded Ambience Advertising, one of the most formidable creative powerhouse in its first decade. Ambience has come a long way, and was later sold to the Publicis Groupe. As a special advisor to the US$ 5 billion Publicis Groupe, he leads their mergers and acquisitions for India. He is founder and promoter of various business ventures including Hanmer & Partners, one of India's top-three Public Relations agencies, Flora2000, one of the leading global flower distribution services on the web, as well as a few other internet ventures.

   Despite the great heights he's achieved in his career, Ashok Kurien has his feet firmly rooted to the ground. He believes in commitment to society and is involved with a number of charities, NGOs and social service organizations.

   Apart from the Company, Mr. Kurien holds directorship in two (2) other Indian Pubic Limited Companies viz., Zee Entertainment Enterprises Ltd. and Asian Sky Shop Ltd.

   As on March 31, 2011, Mr. Kurien holds 1,174,150 equity shares, comprising of 0.11% of paid up capital of the Company.

5. **Mr. Arun Duggal,** 64, is an Independent Non-Executive member of the Board. Mr. Duggal is a Mechanical Engineer from Indian Institute of Technology, Delhi, and holds an MBA from the Indian Institute of Management, Ahmedabad. Mr. Duggal is a visiting Professor at the Indian Institute of Management, Ahmedabad where he teaches a course on Venture Capital & Private Equity. Mr. Duggal is a Senior Advisor to TPG Capital, a major Private Equity firm headquartered in San Francisco. He is an experienced international Banker and has advised companies and financial institutions on Financial Strategy, M&A and Capital Raising. He is a US National and Overseas Citizen of India.

   Mr. Duggal had a 26 years career with Bank of America, mostly in the U.S., Hong Kong and Japan. His last assignment was as Chief Executive of Bank of America in India from 1998 to 2001. He spent ten years (1981-1990) with the New York Corporate Office of Bank of America handling multinational relationships. From 1991-94 as Chief Executive of BA Asia Limited, Hong Kong he looked after Investment Banking activities for the Bank in Asia. In 1995, he moved to Tokyo as the Regional Executive, managing Bank of America's business in Japan, Australia and Korea. From 2001 to 2003 he was Chief Financial Officer of HCL Technologies, India.

   Mr. Duggal is involved in several initiatives in social and education sectors. He is a Trustee of Centre for Civil Society, New Delhi, which focuses on improving the quality and access of education to students especially for the poor. He is a Founder Director of Bellwether Microfinance Fund which provides equity capital to promising Micro Finance organizations.

   Apart from the Company, Mr. Duggal holds directorship in ten (10) other Indian Public Limited Companies viz., Patni Computer Systems Ltd., Shriram EPC Ltd., Shriram City Union Finance Ltd., Shriram Transport Finance Co. Ltd., Shriram Properties Ltd., Shriram Capital Ltd., Manipal Acunova Ltd., Info Edge (India) Ltd., Mundra Port and Special Economic Zone Ltd., and Zuari Industries Ltd.

   As on March 31, 2011 Mr. Duggal does not hold any shares in the Company.

6. **Pritam Singh (Dr.),** 69, is an Independent Non-Executive member of the Board. Dr. Singh is an M.Com (BHU), MBA (USA), Ph.D. (BHU) and author of seven academically reputed books and published over 50 research papers. Dr. Pritam Singh is one of the pioneers of management education in India who has devoted his life to the development of management education in India and abroad. Dr. Singh received the "Padam Shri" award in 2003 for his contributions in this field. He initiated a number of social projects focusing on Healthcare, Education, Water Management and Road Building for the surrounding community to improve the quality of life. Owing to his contributions towards building intellectual capital at Administrative Staff College and refocusing of IIM Bangalore as a truly integrated management school, he is branded as a Change Master par excellence and a Renaissance leader.

   Dr. Singh holds directorship in four (4) other Indian Public Limited Companies viz., Hero Honda Motors Ltd., Parsvnath Developers Ltd., Godrej Properties Ltd. and Dena Bank Ltd.

   As on March 31, 2011 Dr. Singh does not hold any shares in the Company.

7. **Mr. Eric Louis Zinterhofer,** 39, is an Independent Non-Executive member of the Board. Prior to co-founding Searchlight Capital Partners, L.P. in 2010, Eric was a senior partner at Apollo Management, L.P. ("Apollo") which he joined in 1998. Mr. Eric served on the Board of Directors of Affinion Group, Inc., IPCS Inc. and Unity Media GmbH. He is currently Chairman of the Board of Charter Communications, Inc. and a member of the Board of Directors at Central European Media Enterprises Ltd. From 1994-1996, Mr. Eric was a member of the Corporate Finance Department at Morgan Stanley Dean Witter & Co. From 1993-1994, he was a member of the Structured Equity Group at J.P. Morgan Investment Management. He graduated Cum Laude from the University of Pennsylvania with BA degrees in Honors Economics and European History and received his MBA from the Harvard Business School. Mr. Zinterhofer does not hold directorship in any other Indian Public Limited Companies.

   As on March 31, 2011 Mr. Zinterhofer does not hold any shares in the Company.

8. **Mr. Lakshmi Chand,** 66, is an Independent Non-Executive Director on the Board of the Company. Mr. Lakshmi Chand is a Post Graduate in M.A (Economics) from Punjab University and is a Law Graduate from Delhi University. He joined I.A.S. in 1969 in UP cadre. During his 36 years of service he served both the Union Government and the State Government whereby he handled a variety of assignments both at the policy formulation level and at the implementation level. While at the State level, in addition to the usual assignments of SDM/DM/DIV Commissioner, he worked on the posts of Secretary/Principal Tourism, Sugar Industry, CMD, UPSRTC and Chairman, Noida, Greater Noida, UPSIDC, UPFC, UP Nirman Nigam, UP Bridge Corporation, UP Textile Corporation etc. While at the Center he worked as Dy. Director (Admin) AIIMS, and Joint Secretary, Ministry of Development of Industrial Policy & Promotion. He retired as Secretary, Ministry of Development of North Eastern Region on July 31, 2005. He has widely travelled both in India & abroad. After retirement he joined the National Commission for Denotified, Nomadic & Semi-Nomadic Tribes as Member Secretary for 2 ½ years. He holds Directorship in Institutions and Organizations like RBI, National Housing Bank and Echelon Institute of Technology, Faridabad (Haryana) and also holds Chairmanship of the Southern Local Board, RBI and Audit Committee of NABARD.

   Mr. Lakshmi Chand does not hold directorship in any other Indian Public Limited Companies.

   As on March 31, 2011 Mr. Lakshmi Chand does not hold any shares in the Company.

9. **Mr. Mintoo Bhandari,** 45, is a Non – Executive Nominee Director of Apollo India Private Equity II (Mauritius) Limited on the Board of the Company with effect from October 27, 2010. Prior to that he was on the Board of the Company as an Alternate Director to Mr. Eric Zinterhofer. Mr. Bhandari graduated with an SB in Mechanical Engineering from MIT and with an MBA from the Harvard Business School.

   Mr. Bhandari is the Managing Director of AGM India Advisors Private Ltd., the Indian Advisor to Apollo Management. Prior to AGM India Advisors Private Ltd., Mr. Bhandari was Managing Director of The View Group, an India-focused Private Equity Firm. He was an early participant in the sourcing, execution and development of transactions and enterprises which leveraged operating resources in India and has been integrally involved with approximately twenty such transactions, several of which were pioneering in their structure, strategy and timing. Mr. Bhandari was also previously a member of the private equity team, and later a manager of hedge fund capital at the Harvard Management Company which manages the endowment of Harvard University.

Mr. Bhandari does not hold directorship in any other Indian Public Limited Company. Apart from the Company, Mr. Bhandari also serves on the Board of Directors of SOURCECORP.

As on March 31, 2011 Mr. Bhandari does not hold any shares in the Company.

10. **Mr. Sanjay Hiralal Patel,** 50, is an Alternate Director to Mr. Mintoo Bhandari on the Board of the Company with effect from October 27, 2010 to December 16, 2010 and then with effect from March 25, 2011. Mr Patel is Managing Partner and Head of International Private Equity at Apollo Management International, resident in the London office. He joined Apollo in March 2010 and sits on the Senior Management Committee. He was previously a partner at Goldman Sachs where he was co-head of European and Indian Private Equity for the Principal Investment Area (PIA).

    Mr. Patel was also a member of Goldman Sachs Partnership Committee and also a member of the Investment Committee of the Goldman Sachs Foundation. Mr. Patel started his career at Goldman Sachs in 1983 and spent seventeen years in PIA in New York and London. He also served as President of Greenwich Street Capital from 1998 to 2003. Mr. Patel serves on the Boards of Brit Insurance N.V., Countrywide Holdings Ltd. He is a Trustee of the American School in London and the Private Equity Foundation in the UK and a member of the Board of the Asian University for Women. He also serves on the Board of Overseers' Committee on University Resources for Harvard College. Mr. Patel received an engineering degree, magna cum laude, from Harvard College and received his MBA from Stanford University. He was educated at Eton College in the U.K., where he was a King's Scholar.

    Mr. Patel does not hold directorship in any other Indian Public Limited Company.

    As on March 31, 2011 Mr. Patel does not hold any shares in the Company.

e) **Code of Conduct**

In conformity with the Clause 49 of the Listing Agreement, the Company has adopted a Code of Conduct for the Board and the Senior Management of the Company. The Board and Senior Management Personnel annually affirm the compliance of such Code of Conduct. The Code has also been posted on Company's website viz. www.dishtv.in.

All the members of the Board and the Senior Management have affirmed compliance to the said Code of Conduct during the Financial Year ended March 31, 2011. A declaration affirming compliance with the code of conduct by the members of the Board and Senior Management personnel is given below:

Declaration pursuant to Clause 49 I (D) (ii) of the Listing Agreement

I confirm that the Company has obtained from all Directors and Senior Management personnel of the Company their affirmation of compliance with the 'Code of Conduct for Members of the Board and Senior Management' of the Company for the Financial Year ended March 31, 2011.

Jawahar Lal Goel
Managing Director

Noida, July 20, 2011

BOARD COMMITTEES

Your Board has constituted various Board and Executive Management Committees in order to expedite smooth and efficient day-to-day business of the Company. Relevant particulars of Audit Committee, Remuneration Committee, Selection Committee, Share Transfer and Investors Grievance Committee, Budget Committee and ESOP Allotment Committee are as detailed hereunder.

a) **Audit Committee**

The Audit Committee of the Board comprises of 5 (Five) members as on March 31, 2011, three of whom are Independent Directors, with Mr. B D Narang, a Non-Executive Independent Director, as its Chairman.

The Composition of the Audit Committee as on March 31, 2011, which complies with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement is as under:

Name of the Director	Designation	Category	Date of the Appointment
B D Narang	Chairman	Non-Executive Independent	January 6, 2007
Arun Duggal	Member	Non-Executive Independent	January 6, 2007
Pritam Singh (Dr.)	Member	Non-Executive Independent	April 27, 2007
Ashok Kurien	Member	Non-Executive – Promoter	February 1, 2009
Mintoo Bhandari	Member	Non-Executive Independent – Nominee	October 27, 2010

Primary Objective: The Primary objective of the Audit Committee of the Company is to scrutinize and provide effective supervision of the management financial reporting process in order to ensure precise, timely and proper disclosure and transparency, integrity and quality of financial reporting.

The functions and powers of the Audit Committee are as set out in Clause 49 of the Listing Agreement with Stock Exchanges and Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee *inter alia* include:

- Overseeing of Company's financial reporting process and disclosure of its financial information.
- Review with the management, quarterly and annual financial statements.
- Review of related party transactions.
- Review of Company's financial and risk management policies.
- Review with the management, Statutory and Internal Auditors, adequacy of internal control systems.
- Review of financial statements, investment, minutes and related party transactions of Subsidiary Company.
- Recommend to the Board the appointment, re-appointment and removal of the Statutory Auditor and Chief Internal Auditor, and fixation of their remuneration.
- Discussion with Statutory Auditors about the nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses observed by the Statutory Auditors.
- Reviewing with the Management, the Annual Financial Statements before submission to the Board in relation to items to be included for compliance of Section 217(2AA) of the Companies Act, 1956, compliance with listing and other requirements and qualifications in the Draft Audit Report, if any.
- Discussion of Internal Audit Reports with Internal Auditors and significant findings and follow up there on and in particular internal control weaknesses and reviewing the adequacy of internal audit function.
- Review the functioning of the Whistle Blower Mechanism.

Audit Committee meetings are generally attended by the Managing Director, Chief Executive Officer, Chief Financial Officer and representative of Statutory Auditors of the Company. Internal Auditor attends Audit Committee Meetings wherein the Internal Audit Reports are considered by the Committee. The Company Secretary acts as the Secretary of the Audit Committee.

Audit Committee Meetings

Five Audit Committee Meetings were held on the following dates - May 8, 2010, July 22, 2010, October 26, 2010, November 15, 2010 and January 21, 2011.

Attendance at Audit Committee Meetings:

Names of the Committee Members	Meeting Details			Whether attended last AGM (Y/N)
	Held during the tenure of Director	Attended	% of Total	
B.D. Narang	5	5	100	Y
Arun Duggal	5	3	60	N
Pritam Singh (Dr.)	5	3	60	N
Ashok Kurien	5	4	80	Y
Mintoo Bhandari	5	1	20	N

Mr. B.D. Narang, Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on December 16, 2010, to answer the Shareholder queries.

b) **Remuneration Committee**

The Remuneration Committee of the Company comprises of three (3) Non-Executive Directors, all of whom are Independent Directors. Mr. B. D Narang, Non-Executive Independent Director,is the Chairman of the Committee. The Company Secretary is the Secretary of the Committee.

The Composition of the Remuneration Committee as on March 31, 2011 is as under:

Name of the Director	Designation	Date of the Appointment
B D Narang	Chairman	January 6, 2007
Arun Duggal	Member	January 6, 2007
Pritam Singh (Dr.)	Member	April 27, 2007

The sphere of operation of the Remuneration Committee, *inter alia*, consists of reviewing the overall compensation policy, service agreements and other employment conditions of Senior Management and Executive Director(s). The Board of Directors consider the recommendations made by the Remuneration Committee, subject to the approval of the Shareholders, where necessary.

Additionally the Remuneration Committee has been vested with the powers for administration and implementation of Employees' Stock Option Scheme – 2007, including matters with respect to review and grant of options to the eligible employees under the Scheme.

During the year four (4) Remuneration Committee Meetings were held on the following dates - May 8, 2010, July 22, 2010, October 26, 2010 and January 21, 2011.

Attendance at Remuneration Committee Meetings

Names of the Committee Members	Meeting Details		
	Held during the tenure of Director	Attended	% of Total
B.D. Narang	4	4	100
Arun Duggal	4	3	75
Pritam Singh (Dr.)	4	2	50

Remuneration Committee Meetings are generally attended by the Managing Director and Chief Financial Officer of the Company also.

Remuneration paid to the Managing Director during the year:

Name	Position	Remuneration (₹) Salary and Allowances	Employer's Contribution to Provident Fund (₹)
Jawahar Lal Goel	Managing Director	7,531,200	388,800

Mr. Jawahar Lal Goel, Managing Director of the Company has been re-appointed w.e.f January 6, 2010 for period of 3 years in terms of resolution passed by the shareholders at the 21st AGM held on August 3, 2009. The said re-appointment and terms thereof has been approved by the Ministry of Corporate Affairs, Government of India vide their approval letter dated July 23, 2010.

Remuneration to Non-Executive Directors

During the Financial Year 2010-11, the Non-Executive Directors were paid sitting fee of ₹ 20,000 for each meeting of the Board of Directors and ₹ 15,000 for each Committee meeting, which is within the permissible limits prescribed by Section 310 of the Companies Act, 1956, read with Rule 10B Central Government (General Rules and Forms) 1956.

Particulars of Sitting Fees paid to Non-Executive Directors of the Company for Financial Year 2010-11 are as under:

S. No.	Name of Director	Sitting Fees (₹)
1	Subhash Chandra	1,00,000
2	B D Narang	275,000
3	Ashok Kurien	255,000
4	Arun Duggal	170,000
5	Pritam Singh (Dr.)	175,000
6	Eric Zinterhofer	Nil
7	Lakshmi Chand	150,000
8	Mintoo Bhandari	85,000
9	Sanjay Hiralal Patel	Nil

In addition to the above, on August 28, 2008 four Non-Executive Independent Directors were granted 7,500 Stock Options each (convertible into equivalent number of Equity Shares of ₹ 1 each of the Company) at an exercise price equivalent to Market Price, as per Securities and Exchange Board of India (Employees' Stock Option Scheme and Employees' Stock Purchase Scheme) Guidelines, 1999, as on the date of grant of Option i.e. ₹ 37.55 per Stock Option.

Particulars of Stock Options Granted to the Non-Executive Directors and outstanding as at March 31, 2011 is as under:

Name of the Directors	Category	No. of options granted	Options Vested
B D Narang	Non-Executive Independent	7500	3000
Pritam Singh (Dr.)	Non-Executive Independent	7500	3000
Arun Duggal	Non-Executive Independent	7500	3000
Eric Zinterhofer	Non-Executive Independent	7500	3000

During the year, no new stock options have been granted to the Directors under ESOP 2007 Scheme of the Company.

The Non-Executive Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than in normal course of business.

c) Selection Committee

The Selection Committee of the Board has been constituted on July 20, 2011, comprising of Mr. B. D. Narang, Non-Executive Independent Director, Mr. Lakshmi Chand, Non-Executive Independent Director and Mr. Barun Das (CEO of Zee News Limited) as on outside expert as members of the Committee. The said committee has been constituted pursuant to provisions of Section 314 (1B) of the Companies Act, 1956, read with Director's Relatives (Office or Place of Profit) Amendment Rules, 2011 to evaluate the process of selecting and appointing a Director or a relative of Director to hold any office or place of profit in the Company which carries a total monthly remuneration of not less than ₹ 2,50,000 per month.

d) Share Transfer and Investors Grievance Committee

The Share Transfer and Investors Grievance Committee of the Board comprises of Mr. Ashok Kurien, Non-Executive Director as Chairman and Mr. Jawahar Lal Goel, Managing Director as Member. The Company Secretary is the Secretary of the Committee.

Main function of this committee is to strengthen investor relations. The Committee is responsible for supervising and ensuring efficient and judicious transfer of shares and proper and timely attendance of investors' grievances like transfer of shares, non-receipt of balance sheet, etc. The Committee has delegated the power of approving transfer, transmission, rematerialization, dematerialisation etc. of shares of the Company to the officials of the secretarial department.

Mr. Ranjit Singh, Company Secretary is the Compliance Officer of the Company.

During the period under review, Share Transfer and Investors Grievance Committee met on July 22, 2010, October 26, 2010 and January 21, 2011. The meetings were attended by all Committee Members.

Details of number of requests/complaints received and resolved during the year ended March 31, 2011, are as under:

Nature of Correspondence	Received	Replied/Resolved	Pending
Non-receipt of Shares	1	1	-
Non-receipt of Annual report	5	5	-
Non-receipt of Dividend Payment	3	3	-
Total	**9**	**9**	**-**

e) Budget Committee

The Board at its meeting held on January 22, 2010 constituted a Budget Committee comprising of Mr. Jawahar Lal Goel, Managing Director, Mr. Eric Zinterhofer, Non-Executive Independent Director and Mr. Ashok Kurien, Non-Executive Director. The said committee was re-constituted on October 27, 2011 and presently comprise of Mr. Jawahar Lal Goel, Managing Director, Mr. Mintoo Bhandari, Non-Executive Nominee Director, and Mr. Ashok Kurien, Non-Executive Director as its members. The Committee is empowered to consider, review and approve the Company's Annual Budget, and to review, ratify and approve variation(s) in any particular revenue budgeted line item from the approved budget for that particular item. The Company Secretary is the Secretary of the Committee and Chief Financial Officer is a permanent invitee to the Committee.

During the period under review, the Budget Committee met on October 26, 2010 and March 25, 2011. The meeting was attended by all the members.

f) ESOP Allotment Committee

With a view to process and facilitate allotment of Equity Shares, from time to time, upon exercise of Stock Options granted under Company's ESOP Scheme, the Board of Directors at their meeting held on October 26, 2010, constituted an ESOP Allotment Committee comprising of Mr. Jawahar Lal Goel, Managing Director, Mr. Ashok Kurien, Non–Executive Director and Mr. Lakshmi Chand, Non-Executive Independent Director as its members.

Mr. Ranjit Singh, Company Secretary of the Company acts as Secretary to the Committee.

During the year two (2) ESOP Allotment Committee Meetings were held on December 13, 2010 and January 21, 2011.

Attendance at ESOP Allotment Committee Meetings

Names of the Committee Members	Meeting Details		
	Held during the tenure of Director	Attended	% of Total
Jawahar Lal Goel	2	2	100
Lakshmi Chand	2	2	100
Ashok Kurien	2	0	0

In addition to the above, your Board has constituted the following Committees:

1. Finance Committee to facilitate monitoring and expediting fund raising process of the Company, from time to time, as may be required. The Finance Committee comprises of Mr. Jawahar Lal Goel, Managing Director, Mr. Arun Duggal, Non-Executive Independent Director and Mr. Ashok Kurien, Non-Executive Director. Main function of the Finance Committee is to consider and approve financing facilities offered and/or sanctioned to the Company by various Banks and/or Indian Financial Institutions from time to time, in the form of Term Loans, Working Capital facilities, Guarantee Facilities, etc., including the acceptance of terms and conditions of such facilities being offered.
2. Cost Evaluation & Rationalization Committee to evaluate various options to rationalize the cost and work out the ways to increase the productivity/enhance the Average Return. Cost Evaluation & Rationalization Committee comprises of senior executives including Managing Director as its members.
3. Corporate Management Committee comprising of Key Executives including the Managing Director and CEO of the Company, to review, approve and/or grant authorities for managing day-to-day affairs of the Company within the limits delegated by the Board.

Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees. Minutes of the proceedings of each Committee meetings held after previous Board Meeting are circulated to the Board members along with agenda papers and are placed for record by the Board at its Meeting.

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Mr. Subhash Chandra, Non-Executive Director and Chairman and Mr. Jawahar Lal Goel, Managing Director are related as brothers. Apart from them, no other Directors, are, in any way related.

MANAGEMENT DISCUSSION AND ANALYSIS

This forms a separate section in this Annual Report.

SHAREHOLDERS DISCLOSURE REGARDING RE-APPOINTMENT OF DIRECTORS

According to the Articles of Association of the Company one-third of the Non-Executive Directors retire by rotation and, if eligible, may seek re-appointment at the Annual General Meeting. As per the provisions of the

Companies Act, 1956, Mr. Ashok Mathai Kurien and Mr. Bhagwan Dass Narang, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible have offered their re-appointment. Your Board has recommended the re-appointment of these retiring Directors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the Statutory Auditors' Certificate is annexed in this Annual Report.

CEO/CFO CERTIFICATION

In terms of Clause 49 (V) of the Listing Agreement with the Stock Exchanges, the CEO/CFO certification is annexed in this Annual Report.

GENERAL MEETINGS

The 23rd Annual General Meeting of the Company for the Financial Year 2010-11 will be held at 11:30 A.M. on August 30, 2011 at NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, Delhi - 110 016.

Details of Annual General Meetings held during last 3 years are as follows:

Financial year Ended	Date & Time	Venue	Special Resolution Passed
March 31, 2010	Thursday, December 16, 2010, 1130 Hrs	Seven Seas, B-28, Ring Road, Lawrence Road Industrial Area, Delhi - 110 035.	Appointment of Mr. Gaurav Goel, to hold an office or place of profit of or in Integrated Subscriber Management Services Limited; Raising of Long Term Funds upto USD 200 Million, through issue of Securities including through the QIP and/or GDR and/or ADR and/or FCCB and/or Preferential issue, subject to applicable SEBI Regulations, provisions under Section 81(1A) of the Companies Act, 1956 and the relevant permissions; Power to Board of Directors for creation of mortgage and/or charge on all or any of Company's immovable and/or movable assets, both present and future, pursuant to Section 293(1)(a) of the Companies Act, 1956
March 31, 2009	Monday, August 3, 2009 1130 Hrs	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016	Re-Appointment of Mr. Jawahar Lal Goel as Managing Director for a period of three years; Fund raising in the form of any security(ies), convertible into equity shares and / or equity linked securities, upto maximum of the equivalent of USD 200 Million; Alteration of Articles of Association of the Company by insertion of a new article 3A to enable the Company to issue inter-alia any Depository Receipts.
March 31, 2008	Thursday, August 28, 2008 1130 Hrs	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi - 110 016	Re-pricing of employees stock options; Delisting of equity shares from Calcutta Stock Exchange; Alteration of Articles of Association of the Company by insertion of a new Article 49A relating to Buy Back of Shares, Article 70A relating to Variation of Shareholders Rights and substitution of Article 102 relating to Common Seal.

All the above Special Resolutions were passed with requisite majority.

None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot in terms of Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001.

Postal Ballot

The following resolutions were passed by Postal Ballot Mechanism in Financial Year 2010-11 on September 1, 2010:

- Special Resolution under Section 31 of the Companies Act, 1956 was passed for alteration of Article 1, insertion of Article 100A and substitution of Article 80 of the Articles of Association of the Company
- Special Resolution under Section 17 of the Companies Act, 1956 was passed for alteration of the Other Object clause of the Memorandum of Association of the Company

Process of Postal Ballot:

The procedure prescribed under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001 was adopted.

Particulars of Special Resolution	Details of Voting Pattern	
	Votes Casted in Favour	**Votes Casted Against**
Pursuant to Section 31 of the Companies Act: Alteration of Article 1 of the Articles of Association of the Company under Section 31 of the Companies Act, 1956 for insertion of following interpretations: (a) Apollo Affiliate (b) Apollo (c) Budget Committee (d) GDRs Insertion of Article 100A after Article 100 in the Articles of Association relating to Rights of Apollo Substitution of Article 80 of Articles of Association relating to Appointment of Alternate Directors	826744049	2369
Pursuant to Section 17 of the Companies Act, 1956, alteration of Other Object Clause of the Memorandum of Association of the Company	826735043	2358

The procedure prescribed under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001 was duly followed. Mrs. Neelam Gupta, Neelam Gupta & Associates, was appointed as the Scrutinizer and the Postal Ballot result was declared on September 1, 2010. The result was published in the "Business Standard" (English all edition) and "Business Standard" (Hindi Delhi edition) on September 2, 2010.

Court Convened Meeting

During the Financial Year 2010-11, on November 11, 2010 Court Convened Meeting of the equity shareholders of the Company was held pursuant to directions issued by Hon'ble High Court of judicature at Delhi for considering the Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Limited and Integrated Subscriber Management Services Limited (presently known as Essel Business Processes Limited) and their respective shareholders and creditors.

The said resolution was approved by the Members with requisite majority.

DISCLOSURES:

a) Basis of Related Party Transactions:

A statement in summary form of transactions with related parties in the ordinary course of business, details of material individual transactions with related parties which are not in the normal course of business and details of material individual transactions with related parties which are not on an arm's length basis is required to be placed before the Audit Committee.

There are no materially significant related party transactions i.e transactions material in nature, between the Company and its Promoters, Directors or Management or their relatives etc. having any potential conflict with interests of the Company at large. The Company places all the relevant details before the Audit Committee and the Board on Quarterly and Annual Basis.

b) **Disclosure of Accounting Treatment**

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

In reference to the qualification of the Statutory Auditor mentioned at serial number 4 (f) of the Audit Report which relates to determining the life of Consumer Premises Equipment for the purpose of depreciation, your Management believes that the Lease rental is a financial transaction based on cost of fund, taxation and cash flow consideration. Depreciation is not directly linked with the lease period but it is more to do with life of the set top box, repair, maintenance and other service related issues. However, the Company will streamline the process of charging depreciation on Consumer Premises Equipment. In reference to the qualification of the Statutory Auditor mentioned at serial number 4 (g) of the Audit Report which relates to accounting treatment followed by the Company on implementation of the Scheme of Amalgamation and Arrangement, it is stated that as per the Scheme, the Company reduced the book value of the assets and liabilities alongwith relatable provisions, demerged pursuant to the approval of the Scheme by the Hon'ble High Court of Delhi, with a corresponding debit/credit to the Business Restructuring Reserve account. The balance in the Business Restructuring Reserve account has been adjusted against the balance in General Reserve account of the Company in terms of the Scheme.

c) **Risk Management**

The Company shall put in place procedures and guidelines for risk assessment and minimization for information of the Board Members. Such procedures need and shall be periodically reviewed in light of industry dynamics to ensure that executive management controls risk through means of a properly defined framework.

The Company has a comprehensive risk management policy and the same is periodically reviewed by the Board of Directors. The Risk Management and Internal Control is discussed in detail in the Management Discussion and Analysis that forms a part of this Annual Report.

d) **Proceeds from public issues, rights issues, preferential issues etc.**

In terms of Clause 49 IV (D) of the Listing Agreement with the Stock Exchanges, if the Company raises any Capital during the year, then it should disclose to the Audit Committee, the uses/applications of funds on a quarterly basis. Further, on an annual basis, the Company shall prepare a statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and place it before the audit committee. This statement shall be certified by the Statutory Auditors of the Company. Furthermore, where the Company has appointed a monitoring agency to monitor the utilization of proceeds, it shall place before the Audit Committee the monitoring report of such agency.

As per the disclosure requirements, the utilization of Rights Issue proceeds is placed before the Board and Audit Committee on quarterly and annual basis. The utilization is duly certified by the Statutory Auditors on half yearly basis. The Monitoring Report received from the Monitoring Agency for period July 2010 to December 2010 and January 2011 to June 2011 containing the deviation from the original proposed expenditure plan but in accordance with the revised plan as approved by the Board, was recorded by the Audit Committee and the Board at their meetings respectively and necessary compliance in this regard have been carried out. Similarly, the utilization of proceeds arising out of GDR proceeds are also placed before the Audit Committee and Board on quarterly and annual basis.

e) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority**

There has not been any non-compliance by the Company and no penalties or strictures imposed by SEBI or Stock Exchanges or any statutory authority on any matter relating to capital markets, during the last three years.

f) **Whistle Blower policy**

The Company has in place a Whistle Blower Policy and in terms of the said policy, no personnel has been denied access to the Audit Committee.

g) **Audit Qualification**

Management responses on the Audit qualifications have been duly provided in the Directors' Report.

COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

The Company confirms that it has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

The status of compliance with non-mandatory requirements of Clause 49 of the Listing Agreement are as detailed hereunder:

1. **Remuneration Committee -** The Company has set up Remuneration Committee to recommend/review overall compensation policy, service agreements and other employment conditions of Senior Management and Executive Director(s).
2. **Whistle Blower Policy -** The Board of Directors of the Company approved the Whistle Blower Policy, pursuant to which employees can raise concern relating to the fraud, malpractice or any other untoward activity or event which is against the interest of the Company and/or its stakeholders before the Audit Committee/Company Secretary.

MEANS OF COMMUNICATION

The Company had promptly reported every pertinent information relevant to the Company including declaration of quarterly financial results, press releases, etc. to the Stock Exchanges where the securities of the Company are listed. Such information has also been simultaneously displayed on the Company's corporate website i.e. www.dishtv.in. The Quarterly, Half Yearly and Annual Financial Results including other statutory information were duly communicated to the shareholders through advertisement in an English daily viz. 'Business Standard' and in a vernacular language newspaper viz. 'Business Standard' as per the Listing Agreement with the Stock Exchanges.

Official press releases and presentations made to institutional investors or to the analysts are displayed on Company's corporate website, www.dishtv.in. Further, the Company ensures hard copies of the said disclosures and correspondences are timely filed with the Stock Exchanges.

GENERAL SHAREHOLDER INFORMATION

The necessary information is provided in Shareholders' Information Section of this Annual Report.

AUDITORS' CERTIFICATE

To,

The Members of
Dish TV India Limited

We have examined the compliance of conditions of Corporate Governance by Dish TV India Limited ("the Company") for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Kaushal Kishore
Partner
Membership No. 90075

Place : Gurgaon
Date : July 20, 2011

Shareholders' Information

This section *inter alia* provides information pertaining to the Company, its shareholding pattern, means of dissemination of information, share price movements and such other information in terms of Point no. 9 of Annexure IC of Clause 49 of the Listing Agreement relating to Corporate Governance

A. Annual General Meeting

Date	:	Tuesday, August 30, 2011
Venue	:	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi – 110 016
Time	:	11:30 A.M.
Last date of receipt of Proxy Form	:	Sunday, August 28, 2011 (Before 11:30 A.M. at the Registered Office of the Company)
Book Closure	:	Monday, July 11, 2011 to Thursday, July 14, 2011 (both days inclusive)

B. Financial Year : 2010-11

C. Registered Office:

Essel House, B-10, Lawrence Road Industrial Area, Delhi -110 035
Tel: +91-11-66088430 / 66088432, Fax: + 91-11-27184863, Website: www.dishtv.in

D. Address for Correspondence:

FC – 19, Sector 16A, Noida – 201 301 U.P., India
Tel: + 91 -120-2599555/391, Fax: +91-120-435 7078

Investor Relation Officer: Mr. Ranjit Srivastava - Dy. Company Secretary
Dish TV India Limited, FC-19, Sector 16 A, Noida - 201 301, U.P., India
Tel: +91-120-2599555/391, Fax: +91-120-435 7078

Exclusive E-Mail ID for Investor Grievances: Pursuant to Clause 47(f) of the Listing Agreement, the following e-mail id has been designated for communicating investors' grievances: investor@dishtv.in

E. Listing details of Equity Shares:

The Equity Shares are at present listed at the following Stock Exchanges:

Name of the Stock Exchanges	**Stock Code/Symbol (Fully Paid Shares)**
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	DISHTV
The Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023	532839

ISIN at NSDL/CDSL: INE 836 F 01026 (Equity shares of ₹ 1 each, fully paid up)

F. GDRs Details

During the financial year 2009-10, Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs opened for subscription at a price of US $ 854.50 per GDR representing 1000 fully paid equity shares. Upon subscription of the GDR, the Company issued and allotted 117,035,000 fully paid equity shares of ₹ 1 each underlying Global Depository Receipts ("GDRs") on November 30, 2009. 117,035 Global Depository Receipts have been listed on the Euro MTF market since December 1, 2009.

The detail of the GDRs and listing thereof is as under:

Listed at	Societe DE LA Bourse De Luxembourg Société Anonyme, 11, Av De La Porte – Neuve, L-2227, Luxembourge

Overseas Depository	Deutsche Bank Trust Company Americas Trust & Securities Services Global Equity Services - Depositary Receipts 60 Wall Street, MS NYC60-2727 New York, NY 10005
Domestic Custodian	ICICI Bank Ltd. Securities Markets Services Empire Complex, 1st Floor, 414, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, India
ISIN code/Trading Code	US25471A1043
Common Code	045051439
Payment of Fee	Annual Service fee for the calendar year 2011 has been paid by the Company

Market Data Relating to GDRs Listed on Luxembourge Stock Exchange:

Luxembourge Stock Exchange (figures in USD)			
Month	**Monthly Closing (Maximum)**	**Monthly Closing (Minimum)**	**Average**
April 2010	867.20	798.65	835.34
May 2010	873.45	758.85	821.29
June 2010	1022.10	800.60	913.89
July 2010	995.85	944.40	966.23
August 2010	1107.40	1000.75	1062.53
September 2010	1273.75	1150.70	1210.16
October 2010	1337.65	1208.25	1259.88
November 2010	1594.70	1317.55	1457.69
December 2010	1680.65	1398.60	1517.17
January 2011	1606.40	1284.00	1394.92
February 2011	1401.85	1225.55	1306.45
March 2011	1506.35	1321.70	1389.55

G. Corporate Identity Number (CIN) : L51909DL1988PLC101836

H. Listing Fee:

Company has paid listing fees upto March 31, 2012 to the National Stock Exchange of India Ltd. ("NSE") and Bombay Stock Exchange Limited ("BSE")

I. Registrar & Share Transfer Agent:

Sharepro Services (India) Pvt. Ltd.
Unit: Dish TV India Ltd.
13AB, Samhita Warehousing Complex, Second Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka
Andheri (East), Mumbai – 400 072
Tel: +91-22- 67720300/67720400 / 28511872 Fax: +91 22 28591568 / 28508927
Email: sharepro@shareproservices.com

J. Change of Address

Members holding equity shares in physical form are requested to notify the change of address, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above. Members holding equity shares in dematerialised form are requested to notify the change of address, if any, to their respective Depository Participant (DP).

The MCA vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011, respectively (the said Circulars) has clarified that a company will be deemed to have complied with the provisions of Section 53 and 219(1) of the Companies Act, 1956, in case documents like notice, annual report etc., are sent in electronic form to its shareholders subject to compliance with the conditions stated therein.

The Company has intimated the adoption of the said initiative to the members who hold equity shares in electronic form and whose e-mail address have been made available to the Company by the Depositories. The Company will be sending the notice and annual report for the financial year 2010-11 in electronic form to the said members, in terms of the said circulars.

Members holding shares in electronic form but who have not registered their email address with their DP and members holding shares in physical form are requested to endeavor to register their email address with their DP/Company, as the case may be.

Members who have registered their email address with their DP/the Company but wish to receive the said documents in physical form are requested to write to "investor@dishtv.in" duly quoting their DP ID and Client ID/Folio No., as the case may be, to enable the Company to record their decision.

Please note that a shareholder of the Company is entitled to receive on request, a copy of the said documents, free of cost in accordance with the provisions of the Companies Act, 1956.

K. Shareholders' Correspondence

We endeavor to reply to all communications received from the shareholders within a period of 7 working days. All correspondence may be addressed to the Registrar & Share Transfer Agent at the address given above. In case any shareholder is not satisfied with the response or do not get any response within reasonable period, they may approach the Investor Relation Officer at the address given above.

L. Share Transfer System

Equity Shares sent for physical transfer or for dematerialisation are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents. Shares under objection are returned within two weeks. The Share Transfer committee has delegated the power for transfer etc, of the shares to the Compliance Officer of the Company who consider the transfer proposals generally on a fortnightly basis. SEBI vide its circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 clarified that for securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of such transfer of shares. The Company and its RTA is complying with the aforesaid provisions.

M. Unclaimed Shares

As per Clause 5A of the Listing Agreement inserted as per SEBI notification no. CIR/CFD/DIL/10/2010 dated December 16, 2010, amended Clause 5A of the Listing Agreements, details in respect of the physical shares, which were issued by the Company from time to time, and lying in the suspense account, is as under:

Description	Number of shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2010	134	75591
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2011	-	-
Number of shareholders to whom shares were transferred from the suspense account till March 31, 2011	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2011	134	75591

The voting rights on the shares outstanding in the suspense account as on March 31, 2011 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into one folio in the name of 'Unclaimed Suspense Account' in due course.

N. **Investor Safeguards:**

In order to serve you better and enable you to avoid risks while dealing in securities, you are requested to follow the general safeguards as detailed hereunder:

- **Demat your Shares**

  Members are requested to convert their physical holding to demat/electronic form through any of the nearest Depository Participants (DPs) to avoid the hassles involved in the physical shares such as possibility of loss, mutilation etc., and also to ensure safe and speedy transaction in securities.

- **Consolidate your multiple folios**

  Members are requested to consolidate their shareholding held under multiple folios to save them from the burden of receiving multiple communications.

- **Register Nomination**

  To help your successors get the share transmitted in their favor, please register your nomination. Member(s) desirous of availing this facility may submit nomination in Form 2B. Member(s) holding shares in dematerialized form are requested to register their nominations directly with their respective DPs.

- **Prevention of frauds**

  We urge you to exercise due diligence and notify us of any change in address/stay in abroad or demise of any shareholder as soon as possible. Do not leave your demat account dormant for long. Periodic statement of holding should be obtained from the concerned DP and holding should be verified.

- **Confidentiality of Security Details**

  Do not disclose your Folio No. / DP ID / Client ID to an unknown person. Do not hand-over signed blank transfer deeds/delivery instruction slip to any unknown person.

O. **Dematerialisation of Equity Shares & Liquidity**

As per extant guidelines, trading in equity shares of the Company is mandatory in dematerialised form. To facilitate trading in demat form, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreements with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these two depositories. As on June 30, 2011, 99.29% of the equity shares of the Company are in the dematerialized form.

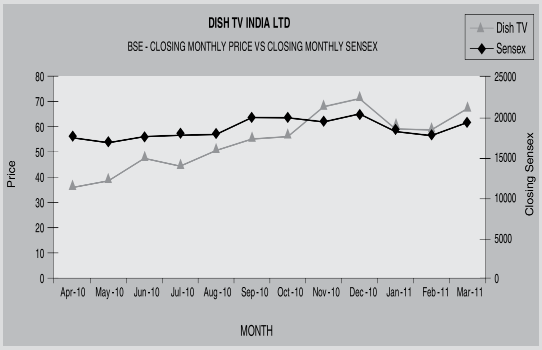
P. **Stock Market Data Relating to Shares Listed in India**

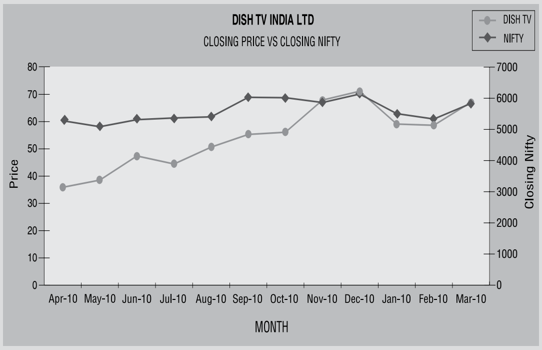
a) The monthly high and low prices and volumes of Company's shares traded on Bombay Stock Exchange and National Stock Exchange for the period April 2010 to March 2011 are as under:

Fully Paid Shares

MONTH	NSE			BSE		
	High (In ₹)	Low (In ₹)	Volume of Shares Traded	High (In ₹)	Low (In ₹)	Volume of Shares Traded
April 2010	39.15	35.30	36,118,110	39.10	35.40	9,954,771
May 2010	40.60	34.80	72,645,291	40.60	34.90	21,960,187
June 2010	49.05	36.80	90,241,060	49.10	37.50	27,374,474
July 2010	47.90	43.50	38,406,038	48.00	43.70	9,344,716
August 2010	52.10	44.60	73,145,903	52.00	44.50	20,115,135
September 2010	59.70	50.50	57,409,070	59.65	50.60	14,528,031
October 2010	60.30	53.45	43,724,486	60.30	53.00	11,244,634
November 2010	73.50	56.50	84,515,214	73.35	56.25	19,772,445
December 2010	77.25	57.15	73,791,228	77.35	54.50	19,221,522
January 2011	73.30	56.10	44,851,093	73.40	56.20	9,550,470
February 2011	64.95	54.05	43,385,433	64.80	54.30	9,032,186
March 2011	67.85	57.50	48,278,039	67.70	57.65	8,701,506

b) Relative Performance of Dish TV India Limited Shares Vs. BSE Sensex & Nifty Index





c) Distribution of Shareholding as on March 31, 2011 – Consolidated

No. of Equity Shares	Share holders		No. of Shares	
	Numbers	% of Holders	Number	% of Shares
Upto 5000	171,880	99.37	34,369,385	3.23
5001 – 10000	522	0.30	3,911,595	0.37
10001 – 20000	217	0.13	3,085,610	0.29
20001 – 30000	63	0.04	1,529,579	0.14
30001 – 40000	32	0.02	1,099,539	0.10
40001 – 50000	24	0.01	1,102,228	0.10
50001 – 100000	54	0.03	3,883,811	0.37
100001 and above	183	0.11	1,014,994,788	95.40
Total	**172,975**	**100**	**1,063,976,535**	**100**

d) Top 10 Public Equity Shareholders as on March 31, 2011 – Consolidated

S. No.	Name of Shareholder	No. of Shares held	% of Shareholding
1	Deutsche Bank Trust Company Americas	117,035,000	11.00
2	Reliance Capital Trustee Co. Ltd	15,496,000	1.46
3	Pranami Properties Private Ltd	13,251,540	1.25
4	T Rowe Price New Asia Fund	11,754,805	1.10
5	Life Insurance Corporation of India	10,954,447	1.03
6	Sundaram Mutual Fund A/c Sundaram Select Midcap	8,112,015	0.76
7	Napean Trading And Investment Co. Pvt Ltd	5,509,217	0.52
8	Sandstone Capital India Master Fund Ltd	5,356,888	0.50
9	Birla Sun Life Trustee Company Pvt Ltd	5,100,000	0.48
10	Matthews India Fund	4,737,097	0.45
	Total	**197,307,009**	**18.54**

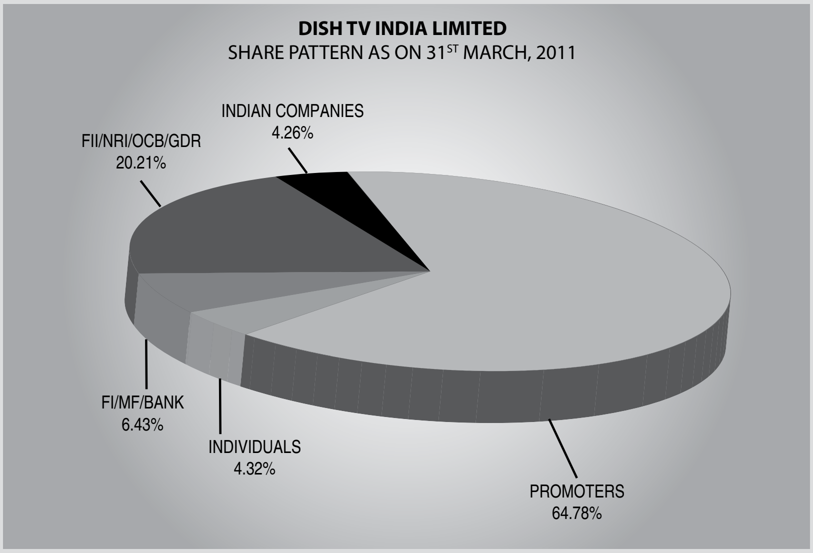
e) Promoter Shareholding as on March 31, 2011

S. No.	Name of Shareholder	No of Shares held	% of Shareholding
1	Afro Asian Satellite Communications Ltd	35,172,125	3.31%
2	Ambience Business Services Pvt Ltd	1,308,125	0.12%
3	Ashok Kumar Goel	625,250	0.06%
4	Ashok Mathai Kurien	1,174,150	0.11%
5	Briggs Trading Co. Pvt Ltd	11,469,419	1.08%
6	Churu Enterprises LLP	50	0.00%
7	Churu Trading Co. Pvt Ltd	188,450,063	17.71%
8	Delgrada Ltd	460,000	0.04%
9	Ganjam Trading Co. Pvt Ltd	21,433,573	2.01%
10	Jawahar Lal Goel	176,800	0.02%

S. No.	Name of Shareholder	No of Shares held	% of Shareholding
11	Jayneer Capital Pvt Ltd	1,032,125	0.10%
12	Jayneer Enterprises LLP	50	0.00%
13	Laxmi Narain Goel	1,006,500	0.09%
14	Nishi Goel	11,000	0.00%
15	Prajatma Enterprises LLP	50	0.00%
16	Prajatma Trading Co. Pvt Ltd	169,693,575	15.95%
17	Premier Finance & Trading Co. Ltd	32,717,231	3.07%
18	Priti Goel	11,000	0.00%
19	Subhash Chandra	500,000	0.05%
20	Suryansh Goel	5,100	0.00%
21	Sushila Devi	585,750	0.06%
22	Tapesh Goel	5,100	0.00%
23	Veena Investments Pvt Ltd	223,385,943	21.00%
	Total	**689,222,979**	**64.78%**

f) Categories of Shareholders as on March 31, 2011

Category	No. of Shares held	% of Shareholding
Promoters	689,222,979	64.78%
Individuals	46,001,961	4.32%
Domestic Companies	45,288,298	4.26%
FIs, Mutual funds and Banks	68,469,138	6.43%
FIIs, OCBs, NRI & GDRs	214,994,159	20.21%
Total	**1,063,976,535**	**100.00%**



SHAREHOLDERS SERVICES

Ranjit Singh
Company Secretary and Compliance Officer
Dish TV India Limited
FC-19, Sector 16A, Noida – 201 301, U.P., India
Tel.: +91 120 2599555/391 Fax: +91 120 4357078

Management Discussion and Analysis

Overview

Digitization continued to play a major role in transforming the face of the Indian media and entertainment industry with DTH being the single greatest force behind it. The Indian DTH industry grew exponentially in the previous fiscal, acquiring in its fold 13.5 million new subscribers far surpassing the previous year figure of 8.5 Million. A series of national and international sporting events and introduction of new age services like High Definition complemented the proliferation of DTH subscribers in the country. The cumulative DTH subscribers in India stand at around 35 Million currently.

India is the world's third largest TV market, next only to China and USA. The 140 Million TV households in the country continue to grow in the range of 7% per annum thereby expanding room for the DTH players to convert the existing terrestrial and analog households. The appetite for entertainment, infotainment and sports is increasing as a result of rise in level of education, high level of social connectivity, improved affordability, linguistic diversity and the rise of worldly outlook amongst the majority of educated Indians. Today around 550 satellite channels across multiple genres are available in the country. Rising consumerism in rural India and increased level of discretionary spends has heightened the aspiration quotient among all socio economic categories, thus enabling adoption of DTH in the country.

Meanwhile, some of the already digitized homes have begun upgrading to High Definition transmission. Various value added services have also supplemented the growth and popularity of DTH.

Dish TV not only maintained its leadership in the category but also consistently delivered higher operating margins in each successive quarter of the previous fiscal thus getting closer to achieving bottom-line profitability.

SWOT ANALYSIS

Strengths

Being the pioneer and the leader in the Direct-to-home (DTH) distribution space, the brand Dish TV today is a synonym for quality digital entertainment in the country. As a part of the Essel Group - which has diverse presence across media, packaging, entertainment, technology enabled services, infrastructure development and education and also the Zee Network - which is India's first and largest fully integrated media and entertainment company, Dish TV, enjoys superior brand equity.

Dish TV today is recognized for its largest bouquet of channels, pan-India selling and distribution network and the most advanced infrastructure and technology amongst others.

During the year under review, Dish TV acquired additional transponders on the Asiasat 5 satellite thus increasing its total transmission bandwidth to 648 MHz from 432 MHz previously. The increased transponder capacity enabled Dish TV to increase its standard definition channel capacity to over 320 and High Definition capacity to over 35 which is substantially higher than any competing DTH operator in both HD as well as SD transmission. The availability of bandwidth on the new satellite is a key differentiator and competitive advantage for Dish TV amongst other DTH operators.

A large upsurge in active trade partners (dealer, distributor, installer, service franchisee, Dish shoppee, Dish care centers, modern trade, chain stores and e-stores) across the nook and corner of the country have enabled ever deeper customer connectivity and door step availability of the product.

Weakness

Multiple taxation continues to be an area of concern for the entire DTH sector. This is especially considering the competition from unorganized cable operators who continue to under declare subscriber numbers and the income and thus manage to operate with minimal Average Revenue per User. Due to low declaration by cable operators, cable rates have been stagnant and restrictive to the growth of ARPU for the DTH sector. Dish TV continues to strive to increase its Average Revenue per User through measures like content enrichment, expansion of re-charge points, churn management and continuous up-gradation of service offered through the Dish TV platform.

Opportunities

Out of 140 million television households in the country around 116 million are Cable and/or Satellite (C&S) households. The difference being households having only terrestrial connection. For the DTH industry, both Cable and terrestrial households are potential targets. At present, the DTH market stands at 35 million subscribers thus providing sufficient room for conversion of analog and terrestrial TV households.

Moreover, the incidence of multiple TV sets in the same home is now a common phenomenon-close to 10% TV homes are now with two or more TV sets and the skews are fairly high in cities. This also expands the market for multiple Set Top Boxes per household.

Also, with the reduction in price of flat panel televisions, demand for quality television experience and hence DTH would grow.

With the advent of High Definition broadcasting, DTH is now two generations ahead in technology compared to the traditional analogue cable. The availability of content in HD format will keep the DTH category ahead of Analog and Digital cable in the coming years. Existing digital users have been upgrading to high definition viewing and expanding the consumption pie.

The Information & Broadcasting Ministry has announced its intent to implement the Digital Addressable Cable System by 2014 leading to a sunset for the analogue cable regime. The first phase comprising of four Metros is proposed to be implemented by 31 March 2012. Dish TV being the market leader in the digital distribution space expects this to have a significant upside for its business. As consumers are forced to evaluate digital viewing options, the majority are likely to choose DTH over cable due to inherent advantages of Value Added Services, HD, better picture and sound quality, choice of channels, flexibility of payment and movie on demand amongst others.

The recent judicial pronouncement reducing the cost of content for DTH operators from the existing 50% of non CAS rates to 42% of non CAS rates will further boost the financial health of the DTH industry.

Threats

Cut throat competition, from other DTH players as well as digital cable by undercutting prices is a clear threat. The result of such unreasonable competition can be slow growth in ARPU, and higher incidence of churn. Regulatory intervention restricting the growth and profitability of the DTH sector is also a potential threat.

Strategy

Commanding phenomenal growth and acceptance, DTH has finally established itself in the country as one of the most indispensible platform of entertainment. A highly competitive six player market incurring a combined marketing spend of close to ₹ 8 billion per annum has helped increase awareness levels and aided product penetration. A diversified country and overall eagerness to adopt new technology by the masses after the successful penetration of mobile phones has been the main reason for the growth of the DTH sector.

Going forward, the focus of the management will remain towards garnering maximum subscribers over the next few years, to grab the largest piece of the entertainment pie. However, the major component of revenue is accrued from existing subscribers, so the recharge and retention leg have already started taking center-stage and will continue to do so.

Higher acquisitions will continue to be driven through a judicious mix of brand equity, product packaging and pricing strategies that have helped Dish TV maintain its leadership position. This will be complemented by a sales and distribution network that enables proximity between the subscriber and box sales and recharge. Consumer-centric initiatives and services like Home Delivery, Call me, will continue to drive an emotional connect with existing and new subscribers alike.

The next level of DTH regime will be led by technology innovations such as HD STB, STB with video recorders and 3D ready STB. These new products coupled with launch of niche, HD content will address emerging consumer needs and drive higher engagement and ARPUs. The HD transmission of channels and increasing adoption and distribution of HD Set Top Boxes shall be the highpoint with a clear focus to address the high ARPU segment of the market.

Ensuring timely recharges through expansion of the recharge network and addition of newer and convenient modes of payment are integral to the health of the business. The subscribers are already availing the services of various payment windows like AP Online, Oxigen and Intrex. Various new outlets shall also be made available during the year. The entire objective is to bring the payment outlets closer to the subscribers thereby ensuring timely revenue generation and reduction in subscriber churn.

Strengthening subscriber relationships and delighting them at every touch-point are key essentials to a healthy retention model. Thus in addition to a seamless recharge experience, service delivery at the subscribers doorstep is the key. The Company is providing various kinds of services through the Services Franchisee's/Dish Shoppee/Dish care centers and the thrust will be towards expanding the same to at least 250 towns representing a larger section of the existing subscriber base. Similarly, a consistent delightful experience at call centre is being enabled through a robust mix of technology, resources and processes to ensure prompt resolutions and support.

Alternate streams of revenue have been set in motion through the concept of Ad Sales and teleport fees. The Company has ventured in providing unique interactive opportunities on the platform for advertisers and broadcasters to reach out to over 10 million Dish TV consumer base and communicate their brand message to them.

Key Performance Indicators

In view of intense competition in the DTH segment and a competitive pricing environment – providing subsidy on the DTH hardware, brand building, penetration in the rural market and up gradation of the existing subscribers to higher value packs drew the management attention all throughout the year. EBITDA margin continued to its upward movement throughout the year. Customer care, service quality, expansion of service franchisee and Dish care centers also remained the focal point for retaining and servicing the customers.

During the year key highlights of operational performance were as under:

- Gross subscriber base stood at 10.4 Million on 31 March 2011
- Operating Revenue for FY 2010-11 stood at ₹ 15.24 Billion
- EBITDA for FY 2010-11 stood at ₹ 2.53 Billion
- Total Number of Channels & Services – 267 being the highest in the category
- Total number of HD service stood at 35, once again the Highest in the category
- ARPU for FY 2010-11 stood at ₹ 142

Risk Management and Internal Control

Owing to the nature of the business, the Company is bound to come across various risks like political risk, competition risk, technology obsolescence risk, human resource risk and currency fluctuation risk. The Company has a robust Risk Management Policy to control and mitigate the risks to maximize opportunity and minimize adversity. Additionally, risk management and mitigation are integral part of the decision making process of the Company at all levels. Further, the Company has also in place Insurance policies to protect the assets of the Company from any loss arising out of damage or loss of property of the Company.

The Company also has a comprehensive system of Internal Control to safeguard the Company and its assets and to ensure proper authorization of financial transactions. The Company has instituted a process of Internal Control aimed at providing high degree of assurance regarding effectiveness and efficiency of operations, reliability of financial control and compliance with applicable laws and regulations. The internal control systems laid down by Company and their adoption and compliance is continuously monitored by independent Internal Auditors.

Talent Management

The Company has built a strong pool of talent by committed efforts to attract, transform and retain the best talent available. The Company has young and vibrant team of highly qualified professionals at all the levels of the Company. Significant emphasis is also laid on enhancing managerial and leadership qualities at senior management level to propel the Company towards stronger and more sustainable growth. A well laid down performance linked compensation plan has also been adopted by the Company that links compensation to individual performance as well as the performance of the Company. We aim to continue and nurture the talent management process of the Company which is the back bone and essential to continue the exponential growth of the Company.

Cautionary Statement

Statements in this report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of the applicable laws and regulations. The actual results may differ materially from those expressed in this statement. The Company does not undertake to make any announcement or update in case any of these forward looking statements become materially incorrect in future.

Auditors' Report

To,
The Members of,
Dish TV India Limited

1. We have audited the attached Balance Sheet of Dish TV India Limited ('the Company') as at 31 March 2011 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

   (a) 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;

   (b) 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;

   (c) the Balance Sheet, Profit and Loss Account and the Cash Flow Statement, dealt with by this report, are in agreement with the books of account;

   (d) *subject to our comment in paragraphs 4 (f) and (g) below regarding non compliance, primarily in relation to Accounting Standard (AS) 13 'Accounting for Investments'; AS 28 'Impairment of Assets'*; and AS 19 'Leases', in our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report, comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;

   (e) on the basis of written representations received from the directors of the Company as on 31 March 2011 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

   (f) *the life of the Consumer Premise Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. However, in certain cases, the one-time advance contributions towards the CPEs in the form of rentals are recognized as revenue over a period of three years, which is not in line with the estimated life of such assets, in terms of AS-19 'Leases', though the impact of which on the financial statements has not been ascertained by the management [Refer to note 16 (b) of schedule 22]; and*

   (g) *attention is invited to note 4 of schedule 22 which explains in details the accounting treatment followed by the Company on implementation of the Composite Scheme of Amalgamation and Arrangements between the Company and two of its subsidiary companies ('the Scheme'), duly approved by the High Court of Delhi. In terms of the Scheme, the excess of the book value of net assets of non- DTH related business, transferred to a subsidiary company, over the consideration received, has been adjusted directly in the 'General reserve' during the current year, instead of accounting for impairment of fixed assets transferred, as required by AS 28, and* *providing for diminution in the value of investment transferred, as required by AS 13, in the Profit and Loss Account in the previous year. Had the Company followed the above Standards in the previous year, the loss on impairment of the above fixed assets/ provision for diminution in the value of investments would have been adjusted in the Profit and Loss Account and loss for the previous year and the debit balance in the Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 1,743,523,943.*

Since the aforesaid loss on impairment of fixed assets/diminution in the value of investment have not been recognised even in the current year as a prior period item, which together with the impact of the transfer of other net assets/ liabilities in the current year, net of consideration received, have been adjusted in General Reserve directly as mentioned above, the loss for the year and the debit balance in the Profit and Loss Account at the end of the year are lower by ₹ 1,743,523,943. However, on implementation of the Scheme, the above net loss stands adjusted directly in the General Reserve in accordance with the accounting treatment prescribed in the Scheme approved by the High Court of Delhi.

This was a subject matter of qualification in the audit report on the financial statements for the year ended 31 March 2010 also; and

(h) *during the year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,05,614,101 in relation to an earlier year. The matter pertains to short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the abovesaid demand and has filed an appeal against the same with the tax authorities. The Company, based on a legal view obtained in the matter, has not made any provision in the financial statements and has not assessed the impact of the above position on the subsequent years. Pending final conclusion, we are unable to comment on the matter and its consequent impact on the Profit and Loss Account for the year and the debit balance in the Profit and Loss Account at the end of the year [Refer to note 3 (b) of schedule 22]*

Subject to our comments in paragraphs 4 (f), (g) and (h) above, the impact if which, to the extent ascertained, has been explained therein, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2011;

(ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **B S R & Co.**
Chartered Accountants
Firm Registration No.: 101248 W

Kaushal Kishore
Partner
Membership No.: 090075

Place : Gurgaon
Date : 23 May 2011

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of Dish TV India Limited on the accounts for the year ended 31 March 2011

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the fixed assets, other than consumer premises equipment (CPE), installed at the customer premises and those in transit or lying with the distributors, have been physically verified by the management as per a phased programme to cover over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. Discrepancies noticed on such verification were not significant and have been properly dealt with in the books of account. According to the information and explanations given to us, the existence of CPEs lying at the customer premises is considered on the basis of the 'active user status' of the CPE.

(c) According to the information and explanations given to us, the assets disposed off during the current year including those pursuant to the Composite Scheme of Amalgamation and Arrangement between the Company, Agrani Satellite Services Ltd ('ASSL'), Integrated Subscriber Management Services Ltd ('ISMSL') and their respective shareholders and creditors ('the Scheme') were not substantial and do not effect the going concern assumption.

(ii) (a) According to the information and explanations given to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory of stock in trade consisting of CPEs and accessories in the Company's possession. In our opinion, the frequency of physical verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventories, we are of the opinion that the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b) to (g) of the Order are not applicable.

(iv) According to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods/ services sold are for the specialised requirements of the buyers and suitable alternative sources are generally not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any major weaknesses in the aforesaid internal control system.

(v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred to in para (v) (a) above, and exceeding the value of ₹ 5 lakhs with any party during the year have made at price which are reasonable having regard to the prevailing market price except for certain transactions which are for the specialized requirements of the respective parties and for which suitable alternate sources are not available to obtain comparable quotations.

(vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of Sections 58A and 58AA or other relevant provisions of the Companies Act, 1956 and the rules framed there under.

(vii) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues, as applicable, have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues, as applicable, were in arrears as at 31 March 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

(Amount in ₹)

Name of the Statute	Nature of the dues	Amount involved	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
Delhi Value Added Tax Act, 2004	Value Added Tax	16,045,548	-	January 2007 to March 2007	Special Commissioner-I, New Delhi
		668,627	668,627	March 2010	Special Commissioner-I, New Delhi
	Value Added Tax (including penalty and interest)	24,446,261	-	April 2007 to March 2008	Special Commissioner-I, New Delhi
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax (including interest)	34,447,104*	1,818,709	March 2008 to September 2008	Andhra Pradesh High Court
	Value Added Tax (including penalty and interest)	28,608,770	28,608,770	2006-08	State Tribunal Appellate Authority, Hyderabad
Bihar Value Added Tax Act, 2005	Value Added Tax	4,749,874	4,701,344	2008-09	Commercial Tax Officer, Patna

Name of the Statute	Nature of the dues	Amount involved	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
UP Trade Tax Act, 1948	Value Added Tax (including interest)	67,388	-	April 2005 to March 2006	Joint Commissioner (Appeal),
	Value Added Tax	100,000	100,000	2006-07	Additional Commissioner Appeal-1, Noida
		272,712	272,712	2006-07 and 2007-08	Deputy Commissioner, Noida
		413,250	413,250	2009-10	Additional Commissioner (Commercial Tax), Noida
		36,000	36,000	2010-11	Deputy Commissioner- 3, Noida
Income-tax Act, 1961	Income tax and interest	4,05,614,101	-	Assessment year 2009-10	The Assistant Commissioner of Income Tax, Noida.
Indian Customs Act, 1962	Special Additional Duty	149,406,086	-	April 2008 to June 2009	The Commissioner, ICD

* Including disputed dues aggregating ₹ 34,447,104 in respect of Value Added Tax which have been stayed by the respective authorities.

(x) *The accumulated losses of the Company are more than fifty percent of its net worth at the end of the year*. The Company has not incurred cash losses during the year and in the immediately preceding year.

(xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institutions or debenture-holders during the year.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) According to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.

(xvi) According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have been used for long-term investments primarily for acquisition of fixed assets for ₹ 6,828,844,657.

(xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year. The Company has only received outstanding call money against the rights issue made in the previous year.

(xxi) Based on the audit procedures performed and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **B S R & Co.**
Chartered Accountants
Firm Registration No.: 101248 W

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurgaon
Date: 23 May 2011

Balance Sheet as at 31 March 2011

(All amounts in Rupees)

	Schedule	As at 31 March 2011	As at 31 March 2010
Sources of Funds			
Shareholders' funds			
Share capital	1	**1,062,975,747**	1,062,070,492
Reserves and surplus	2	**15,314,033,961**	15,282,337,772
		16,377,009,708	16,344,408,264
Loan funds			
Secured loans	3	**10,762,715,809**	9,142,218,238
Total		**27,139,725,517**	25,486,626,502
Application of Funds			
Fixed Assets			
Gross block	4	**23,520,474,433**	16,976,908,146
Less: accumulated depreciation/amortisation		**9,883,300,704**	6,826,373,857
Net block		**13,637,173,729**	10,150,534,289
Capital work-in-progress including capital advances		**4,580,307,506**	2,250,348,293
		18,217,481,235	12,400,882,582
Investments	5	**2,001,500,000**	4,505,565,728
Current assets, loans and advances			
Inventories	6	**44,401,825**	27,799,312
Sundry debtors	7	**215,377,158**	338,472,722
Cash and bank balances	8	**3,201,862,369**	5,422,248,010
Other current assets	9	**19,025,301**	6,757,457
Loans and advances	10	**3,168,450,264**	6,039,029,286
		6,649,116,917	11,834,306,787
Less: Current liabilities and provisions			
Current liabilities	11	**12,471,158,287**	13,887,051,744
Provisions	12	**3,006,803,291**	1,708,736,286
		15,477,961,578	15,595,788,030
Net current liabilities		**(8,828,844,661)**	(3,761,481,243)
Debit balance in Profit and Loss Account	13	**15,749,588,943**	12,341,659,435
Total		**27,139,725,517**	25,486,626,502
Significant accounting policies and notes to the accounts	22		

The accompanying schedules form an integral part of the financial statements.

As per our report attached

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Kaushal Kishore
Partner
Membership No. 090075

Place : Gurgaon
Dated : 23 May 2011

For and on behalf of the Board of Directors of
Dish TV India Limited

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Noida
Dated : 23 May 2011

Profit and Loss Account for the year ended 31 March 2011

(All amounts in Rupees)

	Schedule	For the year ended 31 March 2011	For the year ended 31 March 2010
Income			
Sales and services	14	**14,365,518,337**	10,847,944,445
Other income *	15	**880,294,665**	686,071,296
		15,245,813,002	11,534,015,741
Expenditure #			
Cost of traded goods	16	**22,650,214**	23,083,581
Operating expenses	17	**7,858,096,824**	7,007,060,797
Personnel cost	18	**566,423,122**	398,540,196
Administration and other expenses	19	**683,068,756**	454,317,427
Selling and distribution expenses	20	**2,847,076,550**	2,018,272,737
Financial expenses	21	**1,511,373,867**	1,216,378,403
Depreciation/amortisation	4	**3,654,029,234**	3,037,946,316
		17,142,718,567	14,155,599,457
Loss before taxation		**1,896,905,565**	2,621,583,716
Provision for taxation			
- Excess provision in earlier years written back		**-**	(258,388)
Loss for the year	13	**1,896,905,565**	2,621,325,328
Basic and diluted earnings per equity share (in ₹) [Face value ₹ 1 each]		**(1.79)**	(3.19)
Significant accounting policies and notes to the accounts	22		

The accompanying schedules form an integral part of the financial statements.

* includes prior period income of ₹ Nil (previous year ₹ 22,849,593), refer to note 24 of schedule 22

includes prior period expenses of ₹ 9,898,687 (previous year ₹ 1,570,056), refer to note 24 of schedule 22

As per our report attached to the Balance Sheet

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Kaushal Kishore
Partner
Membership No. 090075

Place : Gurgaon
Dated : 23 May 2011

For and on behalf of the Board of Directors of
Dish TV India Limited

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Noida
Dated : 23 May 2011

Cash Flow Statement for the year ended 31 March 2011

(All amounts in Rupees)

			For the year ended 31 March 2011	For the year ended 31 March 2010
A.	**Cash flows from operating activities**			
	Net loss before tax		**(1,896,905,565)**	(2,621,583,716)
	Adjustments for:			
	Depreciation/amortisation		**3,654,029,234**	3,037,946,316
	Loss on sale/discard of fixed assets		**170,956,741**	80,162,621
	Profit on sale/discard of fixed assets		**(2,318)**	-
	Profit on redemption of units of mutual funds		**(35,672,797)**	(1,413,550)
	Foreign exchange fluctuation (net)		**38,188,383**	65,807,835
	Provision for marked to market loss on derivatives		**12,448,574**	-
	Interest expenses		**1,279,650,713**	1,123,218,566
	Interest incomes		**(733,784,247)**	(632,943,242)
	Amount written off		**1,016,574**	2,924,090
	Operating Loss before working capital changes		**2,489,925,292**	1,054,118,920
	Adjustments for:			
	(Increase)/decrease in Inventories		**(16,602,514)**	3,133,837
	Decrease in sundry debtors		**123,095,564**	163,273,452
	Decrease in loans and advances		**1,273,541,908**	2,184,806,246
	Increase/(decrease) in trade and other payables		**(236,379,619)**	(1,343,074,114)
	Cash generated from operations		**3,633,580,631**	2,062,258,341
	Income taxes paid		**82,206,499**	15,363,180
	Net cash flow from operating activities		**3,551,374,132**	2,046,895,161
B.	**Cash flows from investing activities**			
	Purchases of fixed assets (including capital work-in-progress)		**(10,047,559,972)**	(3,602,514,418)
	Proceeds from sale of fixed assets		**1,909,507**	738,984
	Purchases of investments		**(5,924,095,575)**	(6,560,518,316)
	Proceeds from sale of investments		**7,520,824,060**	5,000,876,180
	Loan given to body corporates		**(7,900,000)**	(1,405,000)
	Refund of loans given to body corporates		**875,561,515**	-
	Deposit with financial institution		**-**	(2,000,000,000)
	Advance against share application money given to subsidiaries		**-**	(260,789,266)
	Refund of advance against share application money given to subsidiaries		**452,999,895**	90,000,000
	Refund of loan by subsidiaries		**-**	5,000,000
	Interest received		**712,023,511**	326,550,678
	Net Cash flow used in investing activities		**(6,416,237,059)**	(7,002,061,158)
C.	**Cash flows from financing activities**			
	Interest paid		**(1,151,703,288)**	(1,024,217,591)
	Proceeds from issue of capital/call money received		**32,601,444**	12,905,672,620
	Advance call money on shares		**23,434,715**	5,482,761
	Share issue expenses		**-**	(66,432,844)
	Proceeds from long term borrowings		**3,578,752,214**	1,598,396,848
	Repayments of long-term borrowings		**(1,817,941,896)**	-
	Proceeds/(repayment) of vehicle loans		**(1,987,695)**	344,403
	Proceeds from short-term borrowings		**-**	339,109,410
	Repayments of short-term borrowings		**-**	(3,851,932,906)
	Net cash flow from financing activities		**663,155,494**	9,906,422,701
D.	**Effect of exchange difference on translation of foreign currency cash and cash equivalents**		**(18,678,208)**	(69,379,132)
	Net cash flows [increase/(decrease)] during the year (A + B + C + D)		**(2,220,385,641)**	4,881,877,572
	Cash and cash equivalents at beginning of the year (refer to Schedule 8)		**5,422,248,010**	540,370,438
	Cash and cash equivalents at end of the year (refer Schedule 8) #		**3,201,862,369**	5,422,248,010
Significant accounting policies and notes to the accounts		22		

The above cash flow statement has been prepared under the Indirect method set out in Accounting Standard 3 “Cash Flow Statements”.

\# include ₹ 31,038,506 (previous year ₹ 5,482,761) against share call money in respect of rights issue; unutilised proceeds of GDR Issue amounting to ₹ 1,731,984,526 (previous year ₹ 2,165,121,837); and ₹ 481,164,551 (previous year ₹ 380,336,319) fixed deposits pledged with banks

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Kaushal Kishore
Partner
Membership No. 090075

Place : Gurgaon
Dated : 23 May 2011

For and on behalf of the Board of Directors of
Dish TV India Limited

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Noida
Dated : 23 May 2011

Schedules to the accounts

(All amounts in Rupees)

		As at 31 March 2011	As at 31 March 2010
1 .	**Share capital**		
	Authorised		
	1,350,000,000 (previous year 1,350,000,000) equity shares of ₹ 1 each	**1,350,000,000**	1,350,000,000
	Issued, subscribed and paid-up		
	1,063,976,535 (previous year 1,063,419,475) equity shares of ₹ 1 each fully paid up *	**1,063,976,535**	1,063,419,475
	Less: calls in arrear		
	- By others	**1,000,788**	1,348,983
		1,062,975,747	1,062,070,492

Notes:

* Of 1,063,976,535 (previous year 1,063,419,475) equity shares includes:

a) 249,300,890 (previous year 249,300,890) equity shares of ₹ 1 each fully paid up were allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective from 1 April 2006.

b) 569,140 (previous year 12,080) equity shares issued to the employees under Employee Stock Option Plan i.e. ESOP 2007.

c) 117,035,000 (previous year 117,035,000) equity shares of ₹ 1 each fully paid-up, for underlying 117,035 nos. (previous year 117,035 nos.) Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of ₹ 1 each.

		As at 31 March 2011	As at 31 March 2010
2 .	**Reserves and surplus**		
	Securities premium		
	Opening balance	**15,282,337,772**	2,792,321,328
	Add: received during the year	**31,696,189**	12,530,899,727
		15,314,033,961	15,323,221,055
	Less: applied against rights issue/GDR expenses	**-**	40,883,283
		15,314,033,961	15,282,337,772
	General reserves		
	Opening balance	**1,695,856,798**	1,695,856,798
	Less: adjustment pursuant to the Composite Scheme of Amalgamation and Arrangements (refer to note 4 of schedule 22)	**1,511,023,943**	-
		184,832,855	1,695,856,798
	Less: debit balance in Profit and Loss Account per contra	**184,832,855**	1,695,856,798
		-	-
		15,314,033,961	15,282,337,772

Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
3 . Secured loans		
Loans and advances from banks:		
- Term loans	**5,315,700,000**	6,590,700,000
- Buyer's credits	**5,445,431,835**	2,481,930,309
- Vehicle loans	**701,016**	1,638,985
- Interest accrued and due	**-**	66,016,260
Loans and advances from others:		
- Vehicle loans	**882,958**	1,932,684
	10,762,715,809	9,142,218,238

Notes:

Term loans

(a) Term loan of ₹ 2,590,700,000 (previous year ₹ 2,590,700,000) is under syndicate debt facility and secured by all movable assets, uncalled capital, intellectual property, goodwill and all investments, all rights, title, interests of all insurance contracts (both present and future), all contracts, government approvals and licenses relating to direct to home services, all amounts in the accounts or other receivables liable to be credited to the accounts in the course of the business, all amounts and receivables from whomsoever person, both present and future in relation to direct to home service business and floating charge on other assets. Further, the Company is required to maintain minimum reserve amount with the banks which is guaranteed by a related party. Due within a year ₹ 485,756,250 (previous year ₹ Nil).

(b) Term loan from a bank ₹ 625,000,000 (previous year ₹ 1,000,000,000) is secured by subservient hypothecation charge on whole of current assets, movable and immovable fixed assets of the Company (present and future) and unconditional and irrevocable corporate guarantee by a related party. Due within a year ₹ 500,000,000 (previous year ₹ 375,000,000).

(c) Term loan of ₹ 2,100,000,000 (previous year ₹ 3,000,000,000) is secured by second *pari passu* charge on entire fixed assets of the Company and is guaranteed by two directors and also collaterally secured by immovable property and corporate guarantee provided by related parties. Due within a year ₹ 2,100,000,000 (previous year ₹ 900,000,000).

Buyer's credits

(d) Buyer's credit of ₹ 762,894,854 (previous year ₹ Nil) is secured by pari passu first charge on the movable and immovable fixed assets and current assets of the Company. Due within a year ₹ Nil (previous year ₹ Nil).

(e) Buyer's credit of ₹ 1,699,406,237 (previous year ₹ Nil) is secured by *pari passu* charge on all present and future tangible movable and immovable current assets of the Company including proceeds account; exclusive charge on reserve account; assignment of rights, titles and interest of the Company in all the contracts, authorisations, approvals, and licenses (to the extent the same are capable of being assigned); and assignment of all insurance policies. Due within a year ₹ Nil (previous year ₹ Nil).

(f) Buyer's credit of ₹ 1,068,925,018 (previous year ₹ Nil) is secured by *pari passu* charge on all present and future movable and immovable assets, including but not limited to inventory of set-top-box and accessories etc., book debts, operating cash flows, receivables, commissions, revenue and on all intangibles assets including but not limited to goodwill and uncalled capital of the Company. Due within a year ₹ Nil (previous year ₹ Nil).

(g) Buyer's credit of ₹ 757,849,183 (previous year ₹ 1,312,883,628) is secured by exclusive charge by way of hypothecation on consumer premises equipment imported under buyer's credit facility including spares, tools, accessories, software, whether installed or not, be in or about the hypothecator's factories, premises and godowns. Due within a year ₹ 757,849,183 (previous year ₹ 546,717,624).

Schedules to the accounts

(All amounts in Rupees)

(h) Buyer's credit of ₹ 1,156,356,543 (previous year ₹ 1,169,046,681) is secured by first *pari passu* charge on entire stocks of raw materials, semi-finished and finished goods, consumable stores, capital goods and spares and such other movables including book debts, bills whether documentary or clean outstanding monies, receivables both present and future. Due within a year ₹ 594,961,250 (previous year ₹ Nil).

Vehicle loan

(i) Vehicle loans are secured against hypothecation of vehicles. Due within a year ₹ 803,780 (previous year ₹ 1,456,895).

4. Fixed assets

Particulars	Gross block				Depreciation/amortisation				Net block	
	As at 31 March 2010	Additions	Sale/ adjustment	As at 31 March 2011	Up to 31 March 2010	For the year	Sale/ adjustment	Up to 31 March 2011	As at 31 March 2011	As at 31 March 2010
Intangible assets										
Goodwill	451,177,637	-	-	451,177,637	293,265,463	90,235,527	-	383,500,990	67,676,647	157,912,174
License fees	117,362,250	-	-	117,362,250	71,076,788	13,472,450	-	84,549,238	32,813,012	46,285,462
Software	214,810,762	187,881	1,946,914	213,051,729	139,791,097	35,562,720	4,914	175,348,903	37,702,826	75,019,665
Total intangible assets	**783,350,649**	**187,881**	**1,946,914**	**781,591,616**	**504,133,348**	**139,270,697**	**4,914**	**643,399,131**	**138,192,485**	**279,217,301**
Tangible assets										
Plant and machinery	1,423,797,468	388,521,753	482,323,433	1,329,995,788	458,880,180	131,224,749	49,874,160	540,230,769	789,765,019	964,917,288
Consumer premises equipments	14,655,921,323	7,429,742,259	821,354,383	21,264,309,199	5,816,413,374	3,368,794,229	541,201,463	8,644,006,140	12,620,303,059	8,839,507,949
Computers	58,649,845	15,626,848	167,104	74,109,589	25,662,708	10,542,544	142,202	36,063,050	38,046,539	32,987,137
Office equipments	13,648,579	3,982,058	493,404	17,137,233	2,556,732	938,976	114,754	3,380,954	13,756,279	11,091,847
Furniture and fixtures	8,755,453	12,206,713	441,202	20,520,964	3,088,449	559,182	129,262	3,518,369	17,002,595	5,667,004
Vehicles	24,975,932	8,768,766	5,550,979	28,193,719	7,999,729	2,635,381	2,443,060	8,192,050	20,001,669	16,976,203
Leasehold improvements	7,808,897	-	3,192,572	4,616,325	7,639,337	63,476	3,192,572	4,510,241	106,084	169,560
Total tangible assets	**16,193,557,497**	**7,858,848,397**	**1,313,523,077**	**22,738,882,817**	**6,322,240,509**	**3,514,758,537**	**597,097,473**	**9,239,901,573**	**13,498,981,244**	**9,871,316,988**
Grand Total	**16,976,908,146**	**7,859,036,278**	**1,315,469,991**	**23,520,474,433**	**6,826,373,857**	**3,654,029,234**	**597,102,387**	**9,883,300,704**	**13,637,173,729**	
Previous Year	13,122,759,845	4,656,613,030	802,464,729	16,976,908,146	4,316,329,372	3,037,946,316	527,901,831	6,826,373,857		10,150,534,289
Capital work-in-progress [including capital advances ₹ 159,364,019 (previous year ₹ 69,092,106)]									4,580,307,506	2,250,348,293
									18,217,481,235	**12,400,882,582**

Foot notes:
(1) refer to note 16 of schedule 22 for details of assets given on operating and finance leases.
(2) refer to note 16(b) of schedule 22 regarding depreciation on consumer premises equipment.
(3) refer to note 25 of schedule 22 for foreign currency difference capitalised/adjusted during the year.
(4) refer to note 13 of schedule 22 for amount adjusted on account of adjustment of borrowing cost in previous years.

	As at 31 March 2011	As at 31 March 2010
5. Investments		
Long-term investments (at cost) - unquoted		
Trade investments		
In subsidiary companies (fully paid-up)		
Integrated Subscribers Management Services Limited	**1,500,000**	500,000
150,000 (previous year 50,000) equity shares of ₹ 10 each fully paid-up		
[includes 100,000 (previous year Nil) equity shares of ₹ 10 each fully paid up acquired in pursuance to Scheme (refer to note 4 of schedule 22) during the year]		

Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
5. Investments (Contd.)		
Agrani Satellite Services Limited	-	944,010,040
Nil (previous year 94,401,004) equity shares of ₹ 10 each fully paid-up		
[transferred pursuance to Scheme (refer to note 4 of schedule 22)]		
Agrani Convergence Limited	-	124,705,440
Nil (previous year 12,470,544) equity shares of ₹ 10 each fully paid-up		
[transferred pursuance to Scheme (refer to note 4 of schedule 22)]		
	1,500,000	1,069,215,480
Non trade investments		
Balance of unutilised monies raised by issue		
Certificate of deposit**	**2,000,000,000**	2,000,000,000
	2,000,000,000	2,000,000,000
** represents deposit with SICOM Limited (a financial institution). Maximum outstanding during the year ₹ 2,000,000,000 (previous year ₹ 2,000,000,000), refer note 22 of schedule 22.		
Current investments (at cost) - unquoted		
Non trade investments		
Investments in Liquid/ Floater scheme of Mutual funds *#		
DSP BlackRock mutual fund		
DSP Black Rock Floating Rate Fund-Institutional Plan-Growth	-	120,000,000
Nil (previous year 90,502) units of ₹ 1,000 per unit		
Reliance mutual fund		
Reliance Money Manager Fund-Institutional option-Growth plan	-	1,191,033,615
Nil (previous year 951,919) units of ₹ 1,000 per unit		
SBI mutual fund		
SBI-SHDF-Short Term – Institutional Plan – Growth	-	250,022,073
Nil (previous year 23,600,570) units of ₹ 10 per unit		
	-	1,561,055,688
* Net assets value ₹ Nil (previous year ₹ 1,565,478,734), (for movements refer to note 10 of schedule 22)		
# Include ₹ Nil (₹ 1,310,000,000) out of Rights Issue and ₹ Nil (₹ 250,000,000) out of GDR Issue proceeds (refer note to 22 and 23 of schedule 22)		
	2,001,500,000	4,630,271,168
Provision for diminution in the value of investment in Agrani Convergence Limited	-	(124,705,440)
	2,001,500,000	4,505,565,728
Aggregate book value of unquoted investments	**2,001,500,000**	4,505,565,728

Schedules to the accounts

(All amounts in Rupees)

		As at 31 March 2011	As at 31 March 2010
6.	**Inventories**		
	(At lower of cost and net realisable value)		
	Stock in trade (customer premises equipment and accessories)	**44,401,825**	27,799,312
		44,401,825	27,799,312
7.	**Sundry debtors**		
	(Unsecured and considered good, unless otherwise stated)		
	Debts outstanding for a period exceeding six months		
	- Considered good	**125,425,588**	136,546,815
	- Considered doubtful	**2,958,466**	9,668,744
	Other debts		
	- Considered good	**89,951,570**	201,925,907
	- Considered doubtful	**-**	9,982,526
		218,335,624	358,123,992
	Provision for doubtful debts	**(2,958,466)**	(19,651,270)
		215,377,158	338,472,722
8.	**Cash and bank balances**		
	Cash in hand	**561,833**	2,541,306
	Balances with scheduled banks:		
	- in current accounts #*	**987,760,690**	2,877,800,838
	- in fixed deposits/margin accounts ##	**481,164,551**	380,366,319
	Balances with other banks:		
	- in current accounts in foreign currency	**-**	130,904,330
	- in fixed deposits/margin accounts in foreign currency **	**1,731,984,526**	2,029,558,944
	Cheques in hand	**390,769**	1,076,273
		3,201,862,369	5,422,248,010

include ₹ 31,038,506 (previous year ₹ 5,482,761) against share call money in respect of rights issue

* includes unutilised proceeds of GDR Issue amounting to ₹ 1,731,984,526 (previous year ₹ 2,165,121,837). Refer note 23 to schedule 22

fixed deposits pledged with banks

** refer to note 27 of schedule 22 for the balances with unscheduled banks

		As at 31 March 2011	As at 31 March 2010
9.	**Other current assets**		
	Income accrued but not due on fixed deposits and others	**19,025,301**	6,757,457
		19,025,301	6,757,457

Schedules to the accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
10. Loans and advances		
(good unless otherwise stated)		
Considered good		
Loans and advances to subsidiary companies*	**774,572,153**	3,199,422,575
Advances recoverable in cash or in kind or for value to be received	**690,476,297**	669,578,176
Balances with customs, excise and sales tax authorities	**1,040,188,994**	932,452,344
Advance tax [net of provision ₹ 7,029,966; (previous year ₹ 12,833,946)]	**131,139,652**	49,942,173
Loans to body corporates	**167,597,560**	1,025,766,183
Deposits with government authorities	**121,487,779**	77,596,035
Deposits others	**242,987,829**	84,271,800
Considered doubtful		
Advances recoverable in cash or in kind or for value to be received	**5,828,275**	1,226,043,309
	3,174,278,539	7,265,072,595
Provision for doubtful advances	**(5,828,275)**	(1,226,043,309)
	3,168,450,264	6,039,029,286
* includes advance against share application money to subsidiary of ₹ Nil (previous year ₹ 865,665,043)		
11. Current liabilities		
Sundry creditors (other than micro and small enterprises)*	**5,455,533,486**	4,051,255,826
Book overdraft	**99,928,628**	-
Amounts due to subsidiary companies	**-**	925,164
Liability under deferred payment plan/finance lease (refer to note 16(c) of schedule 22)	**-**	1,256,712,340
Advance revenue/deposits received	**6,317,968,462**	8,392,997,190
Advance share call money pending adjustment	**28,889,665**	5,454,950
Interest accrued but not due	**39,231,405**	21,958,461
Other liabilities	**477,788,005**	121,983,545
Forward cover payable on derivatives#	**51,818,636**	35,764,268
	12,471,158,287	13,887,051,744
* refer to note 28 of schedule 22		
# including provision for marked to market loss on derivative instruments amounting to ₹ 12,448,574 (previous year ₹ Nil), refer to note 25(b) of schedule 22		
12. Provisions		
Regulatory dues*	**2,932,886,159**	1,652,659,378
Retirement benefits		
- Gratuity	**42,613,292**	31,030,142
- Vacation pay	**31,218,807**	24,969,287
Wealth tax [net of advance tax ₹ 77,479 (previous year ₹ Nil)]	**85,033**	77,479
	3,006,803,291	1,708,736,286
* refer to note 19 of schedule 22		
13. Profit and Loss Account		
Opening balance	**14,037,516,233**	11,416,190,905
Loss for the year	**1,896,905,565**	2,621,325,328
	15,934,421,798	14,037,516,233
Less: adjusted against General Reserve per contra (refer to schedule 2 also)	**184,832,855**	1,695,856,798
Net debit balance in Profit and Loss Account taken to the Balance Sheet	**15,749,588,943**	12,341,659,435

Schedules to the accounts

(All amounts in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
14. Sales and services		
Income from DTH subscribers:		
- Subscription revenue	**11,927,025,803**	8,352,918,277
- Lease rentals	**1,985,345,059**	1,500,742,489
Teleport services	**107,190,417**	168,044,661
Head-end in the sky (HITS) services	**-**	624,073,729
Bandwidth charges	**255,892,431**	158,681,781
Sales of customer premises equipment (CPE), accessories and others	**33,466,053**	23,789,379
Advertisement Income	**36,750,544**	10,995,976
Other operating income	**19,848,030**	8,698,153
	14,365,518,337	10,847,944,445
15. Other income		
Interest income from [tax deducted at source ₹ 69,058,729 (previous year ₹ 12,637,233)]:		
- fixed deposits/margin accounts	**240,786,502**	24,495,256
- others	**492,997,745**	608,447,986
Foreign exchange fluctuation	**73,160,897**	44,207,583
Profit on redemption of units of mutual funds (non trade, current)	**35,672,797**	1,413,550
Liabilities written back	**35,763,323**	6,556,848
Miscellaneous income	**1,913,401**	950,073
	880,294,665	686,071,296
16. Cost of traded goods		
Opening stock	**27,799,312**	30,933,149
Purchases	**39,252,727**	19,949,744
	67,052,039	50,882,893
Less: Closing stock	**44,401,825**	27,799,312
	22,650,214	23,083,581
17. Operating expenses		
Transponder lease	**617,187,490**	961,699,706
License fees	**1,498,976,019**	1,095,525,824
Uplinking charges	**55,384,419**	110,549,473
Programming and other costs	**5,168,184,284**	4,581,256,721
Entertainment tax	**518,364,612**	258,029,073
	7,858,096,824	7,007,060,797

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Schedules to the accounts

(All amounts in Rupees)

		For the year ended 31 March 2011	For the year ended 31 March 2010
18.	**Personnel cost**		
	Salary, bonus and allowances	**523,245,038**	368,451,287
	Contribution to provident and other funds	**31,144,143**	23,336,770
	Staff welfare	**5,685,787**	5,270,792
	Recruitment and training expenses	**6,348,154**	1,481,347
		566,423,122	398,540,196
19.	**Administration and other expenses**		
	Rent	**41,913,094**	39,677,556
	Rates and taxes	**5,175,644**	9,982,393
	Electricity charges	**25,006,551**	21,293,693
	Insurance	**1,563,491**	807,255
	Repairs and maintenance		
	- Plant and machinery	**10,107,302**	7,037,597
	- Building	**1,738,036**	3,297,912
	- Others	**5,699,458**	3,592,450
	Vehicle running	**988,241**	1,587,151
	Legal and professional fees	**94,455,451**	69,527,092
	Director's sitting fees	**1,210,000**	765,000
	Printing and stationery	**60,682,482**	33,373,022
	Communication expenses	**52,949,892**	26,450,955
	Travelling and conveyance	**60,964,913**	42,803,974
	Service and hire charges	**26,595,178**	24,565,613
	Freight, cartage and demurrage	**117,260,467**	69,905,862
	Bad debts and balances written off	**-**	4,855,563
	Provision for doubtful debts	**-**	8,848,387
	Loss on sale/discard of fixed assets	**170,956,741**	80,162,621
	Miscellaneous expenses	**5,801,815**	5,783,331
		683,068,756	454,317,427
20.	**Selling and distribution expenses**		
	Advertisement and publicity expenses	**782,324,718**	752,071,541
	Business promotion expenses	**60,257,998**	17,447,179
	Commission	**1,590,300,850**	943,199,127
	Customer support services	**414,192,984**	305,554,890
		2,847,076,550	2,018,272,737
21.	**Financial expenses**		
	Interest on:		
	- Term loans	**818,071,016**	845,860,320
	- Buyer's credits	**65,455,848**	59,626,864
	- Finance lease charges/interest on deferred payment, refer to note 16(c) of schedule 22	**144,722,770**	24,618,197
	- Others	**251,401,080**	193,113,185
	Bank and other financial charges	**231,723,153**	93,159,837
		1,511,373,867	1,216,378,403

Schedule 22: Significant accounting policies and notes to the accounts

1. **Background**

   Dish TV India Limited ('Dish TV' or 'the Company') was incorporated on 10 August 1988. The Company is engaged in the business of Direct to Home ('DTH') and Teleport services. The DTH services are rendered to the customer through Consumer Premise Equipment (CPE), used for receiving and broadcasting DTH signals to the subscriber. Also refer to Note 4 below.

2. **Significant accounting policies**

   a) **Basis of preparation of financial statements**

   The financial statements are prepared under the historical cost convention, on accrual basis of accounting, in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the mandatory Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and the presentational requirements of the Companies Act, 1956.

   b) **Use of estimates**

   The preparation of financial statements in conformity with the GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Examples of such estimates include estimated useful life of fixed assets, estimate of future obligations under employee retirement benefits, etc. Differences between the actual results and estimates are recognised in the year in which such results are known/ materialized. Any revision to accounting estimates is recognised in accordance with the requirements of the respective Accounting Standards, generally prospectively, in current and future periods.

   c) **Fixed assets**

   Intangible assets

   Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. These assets are valued at cost which comprises the purchase price and any directly attributable expenditure on making the asset ready for its intended use.

   License fees paid, including fee paid for acquiring license to operate DTH services, is capitalized as intangible asset.

   Cost of computer software includes license fees, cost of implementation and appropriate system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.

   Tangible assets

   Fixed assets are recorded at the cost of acquisition, net of Cenvat credit, including all incidental expenses attributable to the acquisition and installation of assets, upto the date when the assets are ready for use.

   CPEs are capitalized on activation of the same.

   d) **Depreciation/amortisation**

   Intangible assets

   Goodwill on acquisition is amortised over a period of five years.

   DTH license fee is amortized over the period of license and other license fees are amortized over the management estimate of useful life of five years.

   Softwares are amortised on straight line method over an estimated life.

Tangible assets

Depreciation on tangible fixed assets, except CPEs, is provided on the straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. CPEs are depreciated over their useful life of five years, as estimated by the management. (also refer to Note 16 (b) of this schedule)

Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Assets individually costing upto ₹ 5,000 are fully depreciated in the year of purchase.

e) **Impairment**

The carrying amounts of the Company's assets (including goodwill) are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

f) **Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. 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 profit and loss account.

g) **Inventories**

Inventories of CPEs and related accessories are valued at the lower of cost and net realisable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

h) **Revenue recognition**

i) Service income

- Subscription and other service revenues are recognized on an accrual basis on rendering of the service.
- Lease rental is recognized as revenue as per the terms of the contract of operating lease over the period of lease on a straight line basis.

ii) Sale of goods

- Revenue from sale of products is recognised when the products are dispatched against orders to the customers in accordance with the contract terms, which coincides with the transfer of risks and rewards.
- Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

iii) Interest income

Income from deployment of surplus funds is recognised using the time proportion method, based on interest rates implicit in the transaction.

i) **Foreign currency transactions and forward contracts**

Foreign currency transactions

i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences, other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the profit and loss account.

ii) In accordance with the notification No. GSR 225 (E) dated 31 March 2009 of the Ministry of Corporate Affairs, exchange differences arising in respect of long-term foreign currency monetary items used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.

iii) The premium or discount arising on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over the life of the contract. Exchange difference on a forward exchange contract is the difference between:

- the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
- the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

These exchange differences are recognised in the Profit and Loss Account in the reporting period in which the exchange rates change.

iv) Derivatives

The Company enters into derivative transactions for hedging purposes. In respect of interest rate swaps, which are not covered by Accounting Standard 11 'the effects of changes in foreign exchange rates', such contracts are marked to market and provision for net loss, if any, is recognised in the profit and loss account. Resultant gains, if any, on account of mark to market are ignored. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

j) **Investments**

Investments are classified as long-term or current based on the intent of the management at the time of acquisition.

Long-term investments are carried at cost. The carrying value of such investments is adjusted for other than temporary diminution in value, where necessary. Current investments are valued at the lower of cost and fair value.

k) **Employee benefits**

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus, etc., are recognised in the profit and loss account in the period in which the employee renders the related service.

ii) Post employment benefit

Defined contribution plan

The Company deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the profit and loss account in the financial year to which they relate.

Defined benefit plan

The Company's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the end of the year by an independent actuary, using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities for relevant maturity. Actuarial gains and losses are recognized immediately in the profit and loss account.

iii) Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long-term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the profit and loss account.

l) **Employee stock option scheme**

The Company calculates the compensation cost based on the intrinsic value method wherein the excess of value of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Company, is recognised as deferred stock compensation cost and amortised over the vesting period on a graded vesting basis.

m) **Leases**

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account on a straight line basis.

Finance lease

Assets and liabilities acquired under finance leases are recognised at the fair value of leased asset at inception of the lease. However, in cases where the fair value of the leased asset from the standpoint of the lessee exceeds the present value of minimum lease payments, the asset is recognised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

n) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) **Taxation**

Income tax expense comprises current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of realisation of such amounts. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability and are written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be.

(All amounts in Rupees)

p) **Provisions and contingent liabilities**

The Company recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Company. Contingent liabilities are also disclosed for the present obligations in respect of which it is not possible that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. Capital commitments and contingent liabilities

a) **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 3,469,882,668 (previous year ₹ 325,392,762).

b) **Contingent liabilities not provided for**

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Claim against the Company not acknowledged as debt	48,301,037	43,577,609
Income-tax Act, 1961*	4,05,614,101	-
Sales Tax and Value Added Tax demands	109,855,534	89,864,314
Indian Customs Act, 1962	149,406,086	-
Entertainment Tax demands #	118,223,928	101,520,074
Legal cases against the Company	Unascertained	Unascertained

* During the year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,05,614,101 in relation to an earlier year. The matter pertains to alleged short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the issue and has filed an appeal against the abovesaid demand with the tax authorities. The Company, supported by a legal view in the matter, is of the view that no provision is necessary till the dispute is finally concluded by the appropriate authorities.

The Company has also received notices in various States on applicability of Entertainment Tax, for which no demands have been received. The Company has contested these notices at various Appellate Forums/ Courts and the matter is subjudice.

4. Composite Scheme of Amalgamation and Arrangements ('the Scheme')

i) Agrani Satellite Services Limited ('ASSL'), a wholly owned subsidiary of the Company, was formed to own, establish and operate Ku band satellite system and to market and lease their bandwidth capacities. However, due to unfavorable market conditions, the satellite business was discontinued in the previous year. Integrated Subscriber Management Services Limited ('ISMSL'), another wholly owned subsidiary of the Company, is in the business of providing services on commercial basis pertaining to subscriber's management, including raising and collection of bills, collection and maintenance of subscriber's information, preparation of required reports and call centre activities.

Schedules forming part of the accounts

(All amounts in Rupees)

ii) In order to simplify the group structure and improve cost efficiency, the Board of Directors had approved a Composite Scheme of Amalgamation and Arrangement between the Company, ASSL, ISMSL and their respective shareholders and creditors ('the Scheme') at their meeting held on 11 June 2010. The Scheme envisaged transfer of the Company's non-DTH related business [including equity shares in ASSL and in Agrani Convergence Limited ('ACL'), another subsidiary company], to ISMSL followed by the merger of ASSL with ISMSL on 31 March 2010, the appointed date. As consideration for transfer of non-DTH related business, ISMSL would issue and allot 100,000 equity shares of the face value of ₹ 10 each, fully paid up, to the Company.

iii) The above Scheme has been approved by the Hon'ble High Court of Delhi, vide its Order dated 3 March 2011 and corrigendum dated 31 March 2011 and became effective on 31 March 2011 on filing the Order of the Court with the Registrar of Companies, NCT of Delhi and Haryana.

iv) To give effect to the Scheme and the Order of the Hon'ble High Court, the Company has transferred its undertaking, along with assets and liabilities as on 31 March 2010, relating to the non-DTH business to ISMSL. In accordance with the Scheme, the excess of the book value of net assets transferred as at 31 March 2010, over the consideration received has been directly adjusted in the General Reserve as under:

Particulars		**Amount**
Fixed assets	432,447,828	
Investments in ASSL	944,010,040	
Advances including share application money in ASSL	367,066,075	1,743,523,943
Investments in ACL		124,705,440
Other loans and advances		1,208,430,395
Total assets		**3,076,659,778**
Less: liabilities		
Provision for doubtful advances		1,208,430,395
Provision for diminution in the value of investment in ACL		124,705,440
Security deposits received		231,500,000
Total liabilities		**1,564,635,835**
Book value of net assets transferred		**1,512,023,943**
Consideration received by way of equity shares in ISMSL		1,000,000
Excess of book value of net assets over the consideration received, adjusted in General Reserve		**1,511,023,943**

v) The non-DTH business, transferred as above and which has been excluded from the financial statements of the Company after 31 March 2010, did not have any operations during the year.

vi) While the Company has followed the accounting treatment prescribed in the Scheme, duly approved by the Hon'ble High Court of Delhi, it has resulted in certain deviations as compared to the Generally Accepted Accounting Principles (GAAP) in India. Had the Company followed the GAAP, the impairment of fixed assets/ diminution in the value of investment (in accordance with Accounting Standard ('AS') 28 and AS 13 respectively) would have been recognised in the Profit and Loss Account of the previous year and, accordingly, loss for the previous years and the debit balance in the Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 1,743,523,943.

Since the aforesaid impairment of fixed assets/diminution in the value of investment have not been recognised in the current year as a prior period item, which together with the impact of the transfer of other net assets/ liabilities in the current year, net of consideration received, have been adjusted in General Reserve directly, the loss for the year and the debit balance in the Profit and Loss Account at the end of the year is lower by ₹ 1,511,023,943. However, on implementation of the Scheme, the above net loss stands adjusted directly in the General Reserve in accordance with the accounting treatment approved in the Scheme by Hon'ble High Court of Delhi.

Schedules forming part of the accounts

(All amounts in Rupees)

5. Particulars in respect of trading goods purchased for resale

Classification of goods	Opening stock		Purchase		Sales		Closing stock	
	Qty (Nos.)	Value	Qty (Nos.)	Value	Qty (Nos.)	Value	Qty (Nos.)	Value
Set Top Box, Visual Graphic Adapter Box and Digital Video Recorder	1,544 (1,704)	5,830,701 (6,063,712)	107 (1,370)	806,847 (2,977,003)	252 (1,530)	673,920 (1,328,666)	1,399 (1,544)	6,208,316 (5,830,701)
CPE Accessories [refer footnote (ii) below]		- -		7,319,469 (2,801,011)		10,202,878 (2,643,630)		- -
Spare parts and other items [refer footnote (ii) below]		21,968,611 (24,869,437)		31,126,411 (14,171,730)		22,589,255 (19,817,083)		38,193,509 (21,968,611)
		27,799,312 **(30,933,149)**		**39,252,727** **(19,949,744)**		**33,466,053** **(23,789,379)**		**44,401,825** **(27,799,312)**

i) Figures in brackets are for previous year.

ii) It is not practicable to furnish quantitative information in view of the considerable number of items, diverse in size and nature. Also, no individual item exceeds ten percent of total value.

6. Managerial remuneration

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Salaries and allowances	6,907,200	5,536,123
Contribution to provident fund	388,800	311,845
Perquisites	849,000	739,064
	8,145,000	**6,587,032**
Sitting fee (paid to non-executive directors)	1,210,000	765,000
Total	**9,355,000**	**7,352,032**

The Company has also provided the liability for gratuity and leave encashment on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

7. Earnings in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Teleport services	-	86,479,990
Interest income	42,246,308	91,114
Carriage income	22,333,954	27,031,852

Schedules forming part of the accounts

(All amounts in Rupees)

8. CIF value of imports

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Components and spare parts	27,946,742	8,461,922
Capital equipments	7,550,458,093	2,503,668,768
Others	4,535,717	-

9. Expenditure in foreign currency (accrual basis)

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Content cost	278,234,256	9,548,598
Transponder charges	-	525,307,248
Professional and consultancy charges	5,852,676	36,365,902
Travelling expenses	724,282	949,289
Interest expenses	81,887,450	74,565,724
Bank and other finance charges	661,698	1,976,701
Others	314,000	828,756

10. Investments purchased and sold during the year
(Non-trade, current and un-quoted)

	Purchased No. of Units	**Amount**	**Sold No. of Units**	**Amount**
Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth Option- Growth Plan	84,817,431 (145,648,941)	1,930,349,861 (3,260,032,723)	84,817,431 (145,648,941)	1,930,747,176 (3,260,505,722)
Reliance Liquidity Fund Growth Option	133,688,012 (-)	1,941,125,161 (-)	133,688,012 (-)	1,942,789,558 (-)
Reliance Money Manager Fund - Institutional Option-Growth Plan	823,931 (992,042)	1,050,192,907 (1,239,429,905)	1,775,850 (992,042)	2,257,436,944 (1,240,267,677)
DSP BlackRock Liquidity Fund - Institutional Plan Growth	146,715 (215,128)	200,000,000 (250,000,000)	146,715 (215,128)	201,889,135 (250,083,707)
DSP BlackRock Floating Rate Fund-Institutional Plan - Growth	112,932 (-)	150,000,000 (-)	203,434 (-)	273,443,270 (-)
SBI-SHDF-Short Term - Institutional Plan Growth	- (12,263,017)	- (250,000,000)	23,600,570 (12,263,017)	256,355,923 (250,022,073)
IDBI Ultra Short Term Fund - Growth	25,184,588 (-)	252,427,645 (-)	25,184,588 (-)	254,390,323 (-)
IDBI Liquid Fund - Growth	24,975,774 (-)	250,000,000 (-)	24,975,774 (-)	252,427,645 (-)
Edelweiss Ultra Short Term Bond Fund - Institutional - Growth Plan	8,928,579 (-)	100,000,000 (-)	8,928,580 (-)	100,745,628 (-)
Kotak Flexi Debt Scheme Institutional - Growth	4,410,143 (-)	50,000,000 (-)	4,410,143 (-)	50,598,456 (-)
Total		**5,924,095,574** **(4,999,462,628)**		**7,520,824,058** **(5,000,879,179)**

Foot notes: Figures in brackets are for previous year.

Schedules forming part of the accounts

(All amounts in Rupees)

11. Employee stock option plan (ESOP) 2007

In the Annual General Meeting held on 3 August 2007, the shareholders of the Company have approved Employee Stock Option Plan i.e. ESOP 2007 ("the Scheme"). The Scheme provided for issue of 4,282,228 stock options (underlying fully paid equity share of ₹ 1 each) to the employees of the Company as well as that of its subsidiaries and also to non-executive directors including independent directors of the Company at the exercise price which shall be equivalent to the market price determined as per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ['SEBI (ESOP) Guidelines, 1999'].

The options granted under the Scheme shall vest between one year to six years from the date of grant of options, with 20% vesting each year. Once the options vest as per the Scheme, they would be exercisable by the grantee at any time within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

The shareholders in their meeting held on 28 August 2008 approved the re-pricing of outstanding options which were granted till that date and consequently the options were re-priced at ₹ 37.55 per option, determined as per SEBI (ESOP) Guidelines, 1999.

However, in respect of options granted subsequent to 28 August 2008, the exercise price of the options has been maintained as equivalent to the market price determined as per the SEBI (ESOP) Guidelines, 1999.

As stated above, the options are granted to the employees at an exercise price, being the latest market price as per SEBI (ESOP) Guidelines, 1999. Further, since the Company follows intrinsic value method for accounting of the above options, there is no charge in the profit and loss account.

The activity relating to the options granted and movements therein are set out below:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Options outstanding at the beginning of the year	2,054,300	1,466,550
Add: Options granted	1,038,300	750,100
Less: Exercised	557,060	12,080
Less: Lapsed	242,320	150,270
Options outstanding at the end of the year	2,293,220	2,054,300

The following table summarizes information on the share options outstanding as of 31 March 2011

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	714,040	6.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	30,000	7.41	37.55*
Lot 4	28 May 2009	361,100	8.16	47.65
Lot 5	27 October 2009	149,780	8.58	41.45
Lot 6	26 October 2010	201,250	9.57	57.90
Lot 7	21 January 2011	837,050	9.81	58.95
Options outstanding at the end of the year		2,293,220	8.35#	48.99#

(All amounts in Rupees)

The following table summarizes information on the share options outstanding as of 31 March 2010

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	1,406,350	7.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	30,000	8.41	37.55*
Lot 4	28 May 2009	457,050	9.16	47.65
Lot 5	27 October 2009	160,900	9.58	41.45
Options outstanding at the end the of year		2,054,300	7.97#	40.10#

* re-priced as per Shareholders' approval on 28 August 2008. Refer note above
\# on a weighted average basis.

12. **Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"**

Defined contribution plans

An amount of ₹ 27,739,431 (previous year ₹ 20,949,096) and ₹ 561,513 (previous year ₹ 214,444) for the year, have been recognized as expenses in respect of the Company's contributions to Provident Fund and Employee's State Insurance Fund respectively, deposited with the government authorities and have been included under operating and other expenditure in the Profit and Loss Account.

Defined benefit plans

Gratuity is payable to all eligible employees of the Company on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme, whichever is more beneficial.

The following table sets forth the status of the gratuity plan of the Company and the amounts recognised in the Balance Sheet and Profit and Loss Account:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	31,030,142	20,192,912
Interest cost	2,482,411	1,615,433
Current service cost	13,109,874	10,009,741
Benefits paid	(513,121)	(80,339)
Actuarial gain on obligation	(3,496,014)	(707,605)
Present value of obligation as at end of the year	**42,613,292**	**31,030,142**

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Expenses recognized in the Profit and Loss Account		
Current service cost	13,109,874	10,009,741
Interest cost on benefit obligation	2,482,411	1,615,433
Net actuarial gain recognised in the year	(3,496,014)	(707,605)
Expenses recognised in the Profit and Loss Account	**12,096,271**	**10,917,569**

Schedules forming part of the accounts

(All amounts in Rupees)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	**As at 31 March 2011**	**As at 31 March 2010**
Discount rate	8.00	8.00
Salary escalation rate (per annum)	10.00	10.00
Withdrawal rates		
Age - Upto 30 years	13%	13%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	LIC (1994-96) duly modified	LIC (1994-96) duly modified

Discount rate: The discount rate is estimated based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.

Salary escalation rate: The estimates of salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors.

13. Borrowing costs

During the earlier years, the Company had capitalised borrowing costs of ₹ 12,431,672 in the gross value of fixed assets. Since the said assets were not in the nature of qualifying assets, the Company has decapitalised ₹ 12,431,672 in the gross block and ₹ 2,532,985 in accumulated depreciation. This has resulted in prior period interest expenses of ₹ 9,898,687 (Refer to Note 24 to this schedule)

14. Segmental information

The Company is in the business of providing Direct to Home ('DTH') and teleport services primarily in India. As the Company's business activity primarily falls within a single business and geographical segment, disclosures in terms of Accounting Standard 17 on "Segment Reporting" are not applicable.

15. Related party disclosures

a) **Related parties where control exists:**

Subsidiary companies:

Integrated Subscriber Management Services Limited (ISMSL)

Agrani Convergence Limited #

Agrani Satellite Services Limited #

(#Disposed to ISMSL in pursuant to the Scheme approved by the Hon'ble High Court of Delhi, vide its Order dated 3 March 2011 effective 31 March 2010)

Schedules forming part of the accounts

(All amounts in Rupees)

b) **Other related parties with whom the Company had transactions:**

Key management personnel	Mr. Jawahar Lal Goel
Enterprises over which key management personnel/their relatives have significant influence	Afro Asian Satellite Communication (Gibraltar) Limited Afro Asian Satellite Communication (U.K.) Limited Agrani Satellite Communication (Gibraltar) Limited ASC Telecommunication Limited Asia Today Limited Asia TV USA Limited Brio Academic Infrastructure and Resources Management Private Limited Churu Trading Company Private Limited Dakshin Media Gamming Solutions Private Limited Diligent Media Corporation Limited E-City Entertainment (India) Private Limited E-City Property Management & Services Private Limited Essel Agro Private Limited Essel Corporate Services Private Limited Essel Infraprojects Limited Essel Shyam Technology Limited Essel International Limited Essel Sports Private Limited ETC Networks Limited Indian Cable Net Company Limited Intrex Tradex Private Limited ITZ Cash Card Limited Mumbai Football Club Private Limited Pan India Network Infravest Private Limited Prajatma Trading Company Private Limited Procall Private Limited Rama Associates Limited Wire and Wireless (India) Limited Taj Television India Private Limited Taj TV Limited Zee Akash News Private Limited Zee Entertainment Enterprises Limited Zee News Limited Zee Turner Limited

c) **Transactions with related parties:**

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
(i) With key management personnel	**8,145,000**		**6,587,033**	
Managerial remuneration		8,145,000		6,587,033
(ii) With subsidiary companies				
Purchase of goods and services:	**750,310,632**		**999,974,887**	
Integrated Subscribers Management Services Limited		750,310,632		999,974,887
Interest received	**422,509,841**		**245,823,909**	
Integrated Subscribers Management Services Limited		422,509,841		-
Agrani Satellite Services Limited		-		245,823,909

Schedules forming part of the accounts

(All amounts in Rupees)

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
Loans, advances and deposits given (including share application money)	**2,805,394,285**		**518,072,826**	
Integrated Subscribers Management Services Limited		2,805,394,285		257,283,560
Agrani Satellite Services Limited		-		260,789,266
Refunds received against loans, advances and deposits given	**4,863,178,631**		**125,400,000**	
Integrated Subscribers Management Services Limited		4,863,178,631		30,400,000
Agrani Satellite Services Limited		-		95,000,000
Issue of equity shares	**1,000,000**		**-**	
Integrated Subscribers Management Services Limited		1,000,000		-
(iii) With other related parties:				
Sales and services (net of taxes)	**117,979,729**		**794,929,582**	
Zee Entertainment Enterprises Limited		43,592,608		18,263,527
Zee News Limited		44,308,330		54,180,191
Asia Today Limited		13,037,199		86,479,990
Wire and Wireless (India) Limited		1,556,513		624,073,730
Zee Aakash News Private Limited		14,933,529		11,496,986
Other related parties		551,550		435,158
Purchase of goods and services	**1,752,070,916**		**1,486,857,995**	
Zee Turner Limited		905,520,084		937,712,772
Zee Entertainment Enterprises Limited		425,853,157		322,813,783
ITZ Cash Card Limited		151,130,100		86,110,358
Taj Television India Private Limited		190,472,553		-
Other related parties		79,095,022		140,221,082
Rent paid	**28,911,759**		**28,450,604**	
Zee Entertainment Enterprises Limited		25,275,645		25,132,320
Rama Associates Limited		2,805,840		2,805,840
Other related parties		830,274		512,444
Interest paid	**144,722,770**		**97,816,573**	
Zee Entertainment Enterprises Limited		-		71,901,370
Essel International Limited		144,722,770		24,618,197
Other related parties		-		1,297,006
Interest received	**70,100,757**		**218,612,796**	
Essel Agro Private Limited		59,553,099		207,268,837
ASC Telecommunication Limited		10,547,658		9,824,771
Other related parties		-		1,519,188
Purchase of fixed assets	**147,780,828**		**1,594,082,029**	
Essel International Limited		143,080,425		1,508,659,183
Wire and Wireless (India) Limited		-		85,422,846
Other related parties		4,700,403		-
Reimbursement of expenses paid	**27,567,954**		**22,428,981**	
Zee Entertainment Enterprises Limited		22,372,010		18,393,396
ITZ Cash Card Limited		4,284,598		2,527,450

Schedules forming part of the accounts

(All amounts in Rupees)

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
Other related parties		911,346		1,508,135
Reimbursement of expenses received	**993,637**		**867,932**	
Zee Turner Limited		-		691,130
ETC Networks Limited		-		79,102
Wire and Wireless (India) Limited		298,129		97,700
Other related parties		695,508		-
Repayment of loan, advance and deposit taken	**-**		**2,453,218,875**	
Zee Entertainment Enterprises Limited		-		2,430,000,000
Other related parties		-		23,218,875
Loans, advances and deposits given	**69,522,212**		**104,536,147**	
ITZ Cash Card Limited		49,994,346		97,802,987
Essel Agro Private Limited		-		2,162,415
Other related parties		19,527,866		4,570,745
Refunds received against loans, advances and deposits given	**1,096,023,658**		**1,275,365,912**	
Churu Trading Company Private Limited		-		24,858,458
Essel Agro Private Limited		875,561,515		1,250,000,000
ITZ Cash Card Limited		198,983,510		-
Other related parties		21,478,633		507,454

d) **Balance at year end:**

Particular	As at 31 March 2011		As at 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
Balances at the end of the year:				
With subsidiary companies:				
Investment	**1,500,000**		**1,069,215,480**	
Agrani Satellite Services Limited		-		944,010,040@
Agrani Convergence Limited		-		124,705,440@
Integrated Subscribers Management Services Limited		1,500,000		500,000
Loans, deposits and advances given (including share application money)	**774,572,153**		**3,199,422,575**	
Agrani Satellite Services Limited		-		2,403,731,466@
Integrated Subscribers Management Services Limited		774,572,153		795,691,109
Creditors for expenses and other liabilities	**-**		**925,164**	
Agrani Convergence Limited		-		925,164
With other related parties:				
Loans, deposits and advances given	**467,982,201**		**2,693,421,150**	
Afro-Asian Satellite Communication (UK) Limited		-		376,881,821@
Afro Asian Satellite Communication (Gib) Limited		-		827,708,050@
Essel Agro Private Limited		220,018,763		1,095,580,278
Other related parties		247,963,438		393,251,001@

(All amounts in Rupees)

Particular	As at 31 March 2011		As at 31 March 2010	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
Provision against advances given	**-**		**1,216,461,163**	
Afro-Asian Satellite Communication (UK) Limited		-		376,881,821@
Afro Asian Satellite Communication (Gib) Limited		-		827,708,050@
Other related parties		-		11,871,292@
Loans, deposits and advances taken	**-**		**231,500,000**	
Wire and Wireless (India) Limited		-		231,500,000@
Creditors for expenses and other liabilities	**1,433,377,387**		**2,898,054,162**	
Zee Entertainment Enterprises Limited		141,183,120		112,640,129
Zee Turner Limited		1,269,330,842		1,374,542,186
Essel International Limited		-		1,287,501,644
Other Related Parties		22,863,425		123,370,203
Debtors	**119,434,183**		**301,221,274**	
Asia Today Limited		27,736,712		106,641,178
Zee News Limited		33,710,543		19,888,296
Zee Entertainment Enterprises Limited		16,020,092		51,243,292
Dakshin Media Gaming Solution Private Limited		26,799,705		26,799,705
Wire and Wireless (India) Limited		14,167,131		88,004,185
Zee Aakash News Private Limited		1,000,000		8,644,618

@ Investment, loans and advances transferred as per the Scheme to Integrated Subscriber Management Services Limited (refer Note 4 of this schedule above):

Name of related party	Balance as at 31 March 2010	Provision as at 31 March 2010	Consideration received
Investment			
Agrani Convergence Limited	124,705,440	124,705,440	-
Agrani Satellite Services Limited	944,010,040	-	1,000,000
Loans, deposits and advances given			
Agrani Satellite Services Limited	51,384,650	-	-
Afro-Asian Satellite Communication (UK) Limited	376,881,821	376,881,821	-
Afro-Asian Satellite Communication (Gib) Limited	827,708,050	827,708,050	-
Other related parties	3,840,524	3,840,524	-

e) **Guarantees given by related parties in respect of secured loans:**

i) As at 31 March 2011, personnel guarantees by key managerial personnel, along with his relative and corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 3,000,000,000 (previous year ₹ Nil), jointly and severally. The guarantees are outstanding as at the year end.

ii) As at 31 March 2011, corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 2,000,000,000 (previous year ₹ Nil). The guarantee is outstanding as at the year end.

iii) As at 31 March 2011, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 3,222,030,089 (previous year ₹ 3,222,030,089). During the previous year, the guarantee of ₹ 1,084,000,000 was released. The remaining guarantee is outstanding as at the year end.

Schedules forming part of the accounts

(All amounts in Rupees)

iv) As at 31 March 2011, corporate guarantee by Essel Infraprojects Limited and Rama Associates Limited amounting to ₹ 3,000,000,000 (previous year ₹ 3,000,000,000), jointly and severally. The guarantee is outstanding as at the year end.

16. Leases

a) **Obligation on operating lease:**

The Company's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, transponder, etc. These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessee and the lessor except in rental of leases for office premises which are non-cancellable leases. The initial tenure of the lease generally is for 11 months to 51 months. The details of assets taken on operating leases during the year are as under:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Lease rental charges during the year (net of shared cost)	714,485,003	1,111,926,735
Sub-lease payment received (being shared cost)	59,582,238	115,808,590

Minimum lease payments for non-cancellable operating leases in respect of office premises:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Within one year	1,263,459	1,138,492
Later than one year and not later than five years	49,330	1,237,434
Later than five years	-	-

b) **Assets given under operating lease:**

The Company has leased out assets by way of operating lease and as on 31 March 2011 the gross book value of such assets, its accumulated depreciation and depreciation for the year are as given below:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Gross value of assets	21,264,309,199	14,655,921,323
Accumulated depreciation	8,644,006,140	5,816,413,374
Net block	12,620,303,059	8,839,507,949
Depreciation for the year	3,368,794,229	2,732,087,582

The lease rentals received during the year in respect of non-cancellable operating leases and maximum obligations on long-term non-cancellable operating lease receivable as per the rentals stated in the agreement is as follows:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Lease rentals received during the year	1,985,345,059	1,500,742,489

(All amounts in Rupees)

Particulars	Total future minimum lease rentals receivable as on 31 March 2011	Total future minimum lease rentals receivable as on 31 March 2010
Within one year	1,815,498,293	1,617,523,940
Later than one year and not later than five years	1,428,812,994	1,578,358,773
Later than five years	-	-

The life of the Consumer Premise Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. However, in certain cases, the one-time advance contributions towards the CPEs in the form of rentals are recognised as revenue over a period of three years. The Company is in the process of streamlining the above practices.

c) **Obligation on finance lease:**

The Company had acquired CPEs on finance lease. The summary of gross value of such assets, its accumulated depreciation, depreciation charged during the year and capital work-in-progress is given as under:

Particulars	As at 31 March 2011	As at 31 March 2010
a) Gross value of the assets	^	582,942,170
Accumulated deprecation	^	9,134,524
Written down value	^	573,807,646
Deprecation for the year	^	9,134,524
b) Capital work-in-progress	^	925,717,013
Total (a + b)	^	**1,499,524,659**

Minimum lease payments of CPEs acquired on finance lease and their present value is as under:

Particulars	As at 31 March 2011	As at 31 March 2010
Minimum lease payments		
- Within one year	^	341,751,540
- Later than one year and not later than five years	^	1,341,020,466
- Later than five years	^	-
Less: amount representing future interest	^	426,059,666
Present value of minimum lease payments	^	**1,256,712,340**

^ During the previous years, the Company acquired certain equipments aggregating ₹ 1,508,659,183. Based on the initial understanding, the transaction was recorded as a finance lease arrangement, i.e. the equipments were capitalized in the previous year with a corresponding 'Liability under finance lease'. However, based on the clarifications sought by the Company during the current year, the transaction has been considered in the nature of purchase of equipment on deferred payment basis. Accordingly, the accounting treatment has been rectified to reflect the above transaction in the nature of purchase with a corresponding liability for purchase of equipment, which was earlier reflected as 'Liability under finance lease'. However, this treatment does not have any implication on the loss for the year and carrying value of equipment and corresponding liability.

17. The Company has been making payment of license fee to the Regulatory Authority considering the present legal understanding. However, in view of the ongoing dispute, the Company has made provision on a conservative basis considering the terms and conditions of the License given by the Regulatory Authority.

Schedules forming part of the accounts

(All amounts in Rupees)

18. Auditors' remunerations

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Statutory audit fees	1,600,000	1,600,000
Limited review fees	575,000	800,000
Tax audit fees	-	450,000
Taxation matter(s)	901,396	732,199
Certification work	3,591,975	1,109,100
Out of pocket expenses	126,275	6,120
Total	**6,749,646**	**4,697,419**

19. Provision for regulatory dues

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Opening provision	1,652,659,378	969,606,100
Add: Created during the year	1,480,226,778	1,062,384,548
Less: Utilised during the year	200,000,000	379,331,270
Closing provision	**2,932,886,156**	**1,652,659,378**

The above includes provision with respect to certain regulatory dues disputed by the Company with Regulatory Authority. The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority.

20. Earnings per share

Reconciliation of basic and diluted shares used in computing earnings per share

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Loss for the year attributable to equity shareholders (in ₹)	1,896,905,565	2,621,325,328
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,062,602,469	820,536,923
Nominal value per share (in ₹)	1	1
Basic and diluted earnings per share (in ₹)	(1.79)	(3.19)

Since the Company had losses during the current year and previous year, the share call money pending adjustment is considered to be anti-dilutive. Therefore, the basic and diluted earnings per share are the same.

Schedules forming part of the accounts

(All amounts in Rupees)

21. Deferred tax assets

Components of deferred tax asset:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Deferred tax assets on account of:		
- Depreciation	1,046,886,548	659,405,948
- Unabsorbed depreciation and tax losses	4,110,549,066	3,902,092,320
- Liability for leave encashment and retirement benefit provision	24,525,177	18,601,610
- Demerger expenses as per section 35DD	44,635	89,270
- Provision for doubtful debts and advances	982,728	6,527,661
Deferred tax assets	**5,182,988,154**	**4,586,716,809**
Recognised in the accounts	**-**	**-**

In the absence of virtual certainty of realisation in future, deferred tax assets have not been recognized.

22. Rights issue

a) The Company during the financial year ended 31 March 2009 issued 518,149,592 equity shares of ₹ 1 each at a premium of ₹ 21 per share for cash to the existing equity shareholders on the record date. The terms of payment were as under:

Particulars	Total amount due (per share)	Towards face value (per share)	Towards securities premium (per share)	Total amount	Due on (from the date of allotment, at the option of the Company)	Date of making the Call
	(₹)	(₹)	(₹)	(₹)		
On application	6.00	0.50	5.50	3,108,897,552	Along with application	Not applicable
On first call	8.00	0.25	7.75	4,145,196,736	After 3 months but within 9 months	The Board at its meeting held on 18 June 2009 decided to make the First Call, payable on or before 31 July 2009*
On second and final call	8.00	0.25	7.75	4,145,196,736	After 9 months but within 18 months	The Board at its meeting held on 22 January 2010 decided to make the Second and Final Call, payable on or before 1 March 2010*
Total	**22.00**	**1.00**	**21.00**	**11,399,291,024**		

* Shareholders are entitled to make the call payment after due date with simple interest @ 8% p.a.

Upto the financial year ended 31 March 2011, the Company has received ₹ 3,108,897,552 (previous year ₹ 3,108,897,552) towards the application money on 518,149,592 (previous year 518,149,592) equity shares issued on Rights basis; ₹ 4,137,458,712 (previous year ₹ 4,137,329,504) towards the first call money on 517,182,339 (previous year 517,166,188) equity shares; and ₹ 4,120,909,544 (previous years ₹ 4,109,896,512) towards the second and final call money on 515,113,693 (previous year 513,737,064) equity shares.

Schedules forming part of the accounts

(All amounts in Rupees)

The Company has also received ₹ 28,889,665 (previous year ₹ 5,454,950) towards first call and/or second and final call. Pending completion of corporate action, the amount has been recorded as Share call money pending adjustments under 'Current liabilities'.

The utilisation of Rights Issue proceeds have been in accordance with the revised manner of usage of Rights Issue proceeds, as approved by the Board of Directors of the Company, in their meeting held on 28 May 2009. The utilization of the Rights Issue proceeds as per the revised uses aggregating to ₹ 9,367,189,948 (previous year ₹ 8,046,123,568) is as under. The monitoring agency, IDBI Bank Limited, has issued its report dated 20 January 2011 on utilization of the Rights Issue proceeds upto 31 December 2010.

The details of utilisation of Rights Issue proceeds by the Company, on an overall basis, is as below:

Particulars	**Upto 31 March 2011**	**Upto 31 March 2010**
Amount utilized		
Repayment of loans	2,842,144,315	2,842,144,315
Repayment of loans, received after right issue launch	2,430,000,000	2,430,000,000
General corporate purpose/ operational expenses	1,440,593,766	879,883,558
Acquisition of Consumer Premises Equipment (CPE)	2,600,000,000	1,839,643,828
Right issue expenses	54,451,867	54,451,867
Total money utilised (A)	**9,367,189,948**	**8,046,123,568**
Unutilised amount lying with:-		
Investments in liquid/ floater scheme of mutual funds (refer to Schedule 5)	-	1,310,000,000
Deposit with financial institution (refer to Schedule 5)	2,000,000,000	2,000,000,000
Balance with scheduled banks in current account(refer to Schedule 8)	75,860	-
Total unutilised money (B)	**2,000,075,860**	**3,310,000,000**
Total (A + B)	**11,367,265,808**	**11,356,123,568**

23. Issue of Global Depository Receipts (GDR Issue):

Pursuant to the approvals obtained by the Company and in accordance with the applicable laws including the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, as amended, the Global Depository Receipt (GDR) Offer of the Company for 117,035 GDRs opened for subscription on 23 November 2009 at a price of US $ 854.50 per GDR, each GDR representing 1000 fully paid equity shares. The pricing of the GDR as per the pricing formula prescribed under Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Mechanism) Scheme, 1993, as amended, was ₹ 39.80 per fully paid equity share and the relevant date for this purpose was 23 November 2009.

Upon opening, the GDR issue for USD 100 Million (approx) was fully subscribed and the Company received USD 100,006,407.50 towards the subscription money. Upon receipt of the subscription money, the Issue Committee of the Board at its meeting held on 30 November 2009, issued and allotted 117,035,000 fully paid equity shares @ ₹ 39.80 per fully paid equity share to M/s. Deutsche Bank Trust Company Americas (being the depository) in lieu of the Global Depository Receipts issued. The GDR's are listed at the Luxembourg Stock Exchange.

The GDR Issue expenses of ₹ Nil (₹ 40,883,283) incurred during the year are adjusted against the Securities Premium account.

(All amounts in Rupees)

The details of utilisation of GDR proceed by the Company, on an overall basis, is as below:

Particulars	Upto 31 March 2011	Upto 31 March 2010
Amount utilised		
Acquisition of fixed assets including CPEs	735,331,319	365,388,429
GDR issue expenses	34,462,652	34,462,652
Advance against share application money given to subsidiaries	5,613,736	5,613,736
Repayment of bank loan	75,522,000	75,522,000
Operational expenses including interest payments, bank charges and exchange fluctuation	2,067,870,090	1,692,412,363
Total	**2,918,799,797**	**2,173,399,180**
Less: interest earned	(42,337,423)	(91,115)
Total (A)	**2,876,462,374**	**2,173,308,065**
Unutilised amount lying with:		
Investments in liquid/ floater scheme of mutual funds (refer to Schedule 5)	-	250,000,000
Investments in fixed deposit/ margin money (refer to Schedule 8)	50,000,000	70,017,000
Balance with other bank in fixed deposit/ margin money in foreign currency (refer to Schedule 8)	1,731,984,526	2,165,121,835
Total (B)	**1,781,984,526**	**2,485,138,835**
Total (A + B)	**4,658,446,900**	**4,658,446,900**

24. Prior period income and expenses

Particulars		For the year ended 31 March 2011	For the year ended 31 March 2010
A)	**Income**		
	Interest income	-	22,849,593
	Total income	**-**	**22,849,593**
B)	**Expenses**		
	Rates and taxes	-	46,336
	Electricity charges	-	7,825
	Legal and professional fee	-	17,500
	Communication expenses	-	428
	Travelling and conveyance	-	29,316
	Freight, cartage and demurrage	-	72,700
	Business promotion expenses	-	36,400
	Commission	-	1,314,379
	Interest expense	9,898,687	45,172
	Total expenses	**9,898,687**	**1,570,056**
	Net income/(expense) (A-B)	**(9,898,687)**	**21,279,537**

Also refer to Note 4 (on Scheme) and Note 16 (on lease of CPE) of this schedule.

Schedules forming part of the accounts

(All amounts in Rupees)

25. Foreign currency transactions

a) The Company during the year ended 31 March 2009 had opted for accounting for the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11), notified by Government of India on 31 March 2009. Accordingly, in the current year, foreign currency exchange gain of ₹ 85,567,491 has been adjusted (previous year ₹ 245,009,386) in the value of fixed assets and ₹ 3,026,407 (previous year ₹ 1,453,273) in the capital work-in-progress.

b) i) The Company has outstanding currency and interest swap transactions in respect of US Dollar 42,871,349 (previous year US Dollar 9,301,500) at fixed amount of ₹ 1,966,024,362 (₹ 455,633,978) which will be settled at future date. The purpose of this derivative contract are for repayment of loans and interest rate swap of US Dollar 42,871,349. The Company has not entered into derivative instruments for speculation purpose. During the year, the Company has recorded and provided for marked to market loss on derivative instruments of ₹ 12,448,574 (previous year ₹ Nil).

ii) Foreign currency transactions outstanding as on balance sheet date that are not hedged by derivative instruments or otherwise are as under:

Particulars	As at 31 March 2011		As at 31 March 2010	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Balances with non scheduled bank	38,790,247	1,731,984,526	47,964,495	2,165,117,321
Receivables	3,251,213	145,166,680	2,214,232	99,950,452
Loans and borrowings	79,086,811	3,531,226,109	19,783,206	893,013,919
Sundry creditors	21,003,208	937,789,281	55,236,084	2,493,349,336

26. Supplementary statutory information required to be given pursuant to Clause 32 of the Listing Agreement, in respect of loans and advances given:

Name of the enterprise	Balance as at 31 March 2011	Maximum Outstanding during the year 2010-11	Balance as at 31 March 2010	Maximum Outstanding during the year 2009-10
Loans and Advances (including advance against share application money) to subsidiaries				
Agrani Satellite Services Limited	-	2,421,368,442	2,403,731,466	2,403,731,466
Integrated Subscriber Management Services Limited	774,572,153	3,711,513,977	795,691,109	914,108,345
Loans and Advances given to Companies in which Directors are interested				
Rama Associate Limited	337,952	1,200,000	1,100,000	1,100,000
Essel Agro Private Limited	220,018,763	1,095,580,278	1,095,580,278	2,263,395,148
Loans and Advances, where there is no repayment schedule				
ASC Telecommunication Limited	187,597,560	187,597,560	170,204,668	170,204,668

(All amounts in Rupees)

27. Details of bank balances with non-scheduled banks:

	31 March 2011		31 March 2010	
	Year end balance	Maximum outstanding during the year	Year end balance	Maximum outstanding during the year
In current accounts in foreign currency				
- Credit Suisse (UK) Limited-Singapore	-	130,904,330	130,904,330	451,400,000
In fixed deposit/ margin accounts in foreign currency				
- Credit Suisse (UK) Limited-Singapore	-	601,428,171	451,429,822	451,429,822
- RBS Couts Bank Limited-Singapore	1,731,984,526	1,731,984,526	1,578,129,122	1,579,933,240

28. Based on the information available, there is no due outstanding towards Micro and Small Enterprises.

29. The Company implemented a Scheme of Amalgamation and Arrangement (refer note 4 above) in the current year. Accordingly the current figures are not directly comparable with those of the previous year.

30. Figures of the previous year have been regrouped/rearranged, wherever considered necessary to conform to the current year presentation. Significant items in this regard are as under:

- Term loan from banks and buyers credit as at 31 March 2010 of ₹ 3,000,000,000 and ₹ 2,517,649,577 respectively, have been corrected and shown under 'Secured loans', as compared to previous year's presentation under 'Unsecured loans'.
- Forward cover payable of ₹ 35,764,268 as at 31 March 2010 has been disclosed separately under 'Current liabilities', instead of previous year's presentation of 'buyer's credit' under 'secured loans'.
- Certificate of Deposits amounting to ₹ 2,000,000,000 with SICOM Limited as at 31 March 2010 has been shown under 'Investments', as compared to previous year's presentation under 'Loans and advances'.
- Interest accrued but not due on fixed deposits and others of ₹ 6,757,457 has been shown under 'Other current assets', as compared to previous year's presentation under 'Loans and advances'.
- 'Other liabilities' of ₹ 121,983,545 as at 31 March 2010 primarily in the nature of statutory dues have been shown separately under 'Current liabilities', instead of earlier presentation as 'Creditors for expenses'.
- Provision for regulatory dues of ₹ 1,652,659,378 as at 31 March 2010 has been disclosed separately under 'Provisions', instead of previous year's presentation as 'Creditors for expenses' under 'Current liabilities'.
- Interest income of ₹ 632,943,242 for the year ended 31 March 2010 has been disclosed separately under 'Other income', as compared to previous year's presentation of netting it off against 'Interest expense'.
- 'Advertisement income' of ₹ 10,995,976 for the year ended 31 March 2010 has been disclosed separately under 'Sales and services' as compared to previous year's presentation of under 'Other operating income'

Schedules forming part of the accounts

(All amounts in Rupees)

- 'Liabilities written back' of ₹ 6,556,848 for the year ended 31 March 2010 has been disclosed separately under 'Other Income' as compared to previous year's presentation of under 'Miscellaneous income'

The above do not have any impact on the loss for the previous year and current year.

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Kaushal Kishore
Partner
Membership No. 090075

Place : Gurgaon
Dated : 23 May 2011

For and on behalf of the Board of Directors of
Dish TV India Limited

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Noida
Dated : 23 May 2011

Balance Sheet Abstract and Company's General Business Profile

(₹ in '000)

I. REGISTRATION DETAILS

Registration No.	101836	State Code	55
Balance Sheet Date	31 03 2011 (Date Month Year)		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN THOUSAND)

Public Issue	NIL	Rights Issue	348
Bonus Issue	NIL	Private Placement	557

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN ₹ THOUSAND)

Total Liabilities	27139725	Total Assets	27139725

SOURCES OF FUNDS

Paid up Capital	1062976	Reserves & Surplus	15314033
Secured Loans	10762716	Unsecured Loans	NIL
Deferred Tax Liability	NIL		

APPLICATION OF FUNDS

Net Fixed Assets	18217481	Investments	2001500
Net Current Assets (-)	8828845	Miscelleneous Expenditure	NIL
Accumulated Loss	15749589		

IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSAND)

Turnover	15245813	Total Expenditure	17142719
Profit/(Loss) Before Tax(-)	1896906	Profit/(Loss) After Tax(-)	1896906
Earning Per Share in ₹	-1.79	Dividend Rate (%)	NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As Per Monetary Terms)

Item Code No. (ITC Code)	NA
Product Description	DTH Services, Trading & Transponder Teleport Activity

For and on behalf of the Board of Directors of DISH TV INDIA LIMITED

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Noida
Dated : 23 May 2011

Auditors' Report

Auditors' report to the Board of Directors of Dish TV India Limited on the consolidated financial statements of Dish TV India Limited and its subsidiary

1. We have audited the attached Consolidated Balance Sheet of Dish TV India Limited ('the Company') and its subsidiary (collectively referred to as 'the Group') as at 31 March 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement (collectively referred to as 'consolidated financial statements') for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. The financial statements of Integrated Subscribers Management Services Limited (the 'subsidiary') whose financial statements reflect total assets of ₹ 1,265,038,966 as at 31 March 2011 and total revenues of ₹ 1,303,108,604 and net cash flows amounting to ₹ 68,957,360 for the year then ended, have been audited by other auditor. The audit report for the above mentioned subsidiary has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely upon the report of the other auditor.

4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" and on the basis of the separate audited financial statements of the Company and its subsidiary, included in the consolidated financial statements.

5. *The life of the Consumer Premise Equipment (CPE) for the purposes of depreciation has been estimated by the management as five years. However, in certain cases, the one-time advance contributions towards the CPEs in the form of rentals are recognized as revenue over a period of three years, which is not in line with the estimated life of such assets. Had the rentals been recognized over the estimated life of these assets, in terms of AS-19, 'Leases', though the impact of which on the consolidated financial statements has not been ascertained by the management refer to note 12(b) of schedule 23;*

6. *Attention is invited to note 4 of schedule 23 which explains in details the accounting treatment followed by the Company on implementation of the Composite Scheme of Amalgamation and Arrangements between the Company and two of its subsidiary companies ('the Scheme'), duly approved by the High Court of Delhi. The Scheme envisaged that the excess of the book value of net assets of non- DTH related business, transferred to a subsidiary company, over the consideration received, is adjusted directly in the 'General reserve' during the current year, instead of accounting for impairment of fixed assets, as required by Accounting Standard (AS) 28, "Impairment of Assets", in the Consolidated Profit and Loss Account in the previous year. Had the Company followed the above Standard in the previous year, the loss on impairment of the above fixed assets would have been adjusted in the Consolidated Profit and Loss Account and loss for the previous year and the debit balance in the Consolidated Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 1,743,523,943.*

   The aforesaid loss on impairment of fixed assets has not been recognised even in the current year as a prior period item. Instead, during the current year, on implementation of the Scheme, the Group has adjusted ₹ 1,511,023,943 directly against the General Reserve in the consolidated financial statements and has recognized a goodwill of ₹ 232,500,000 which, according to the information and explanations given to us, does not have any future economic benefit, *though not impaired as required by AS 28. Had the Company accounted for the impairment of fixed assets/ goodwill, the loss for the year and the debit balance in the Consolidated Profit and Loss Account at the end of the year would have been higher by ₹ 1,743,523,943. This was a subject matter of audit qualification, to the extent mentioned above, in the consolidated financial statement for the year ended on 31 March 2010 also; and*

7 *During the year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,05,614,101 in relation to an earlier year. The matter pertains to short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the abovesaid demand and has filed an appeal against the same with the tax authorities. The Company, based on a legal view obtained in the matter, has not made any provision in the financial statements and has not assessed the impact of the above position on the subsequent years. Pending final conclusion, we are unable to comment on the matter and its consequent impact on the Consolidated Profit and Loss Account for the year and the debit balance in the Consolidated Profit and Loss Account at the end of the year [Refer to note 3 (b) of schedule 23].*

Subject to our comments in paragraphs ,5 6 and 7 above, the impact if which, to the extent ascertained, has been explained therein, based on our audit, and to the best of our information and according to the explanations given to us, and on consideration of report of other auditor on separate financial statements of the subsidiary, in our opinion the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:

(i) the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March 2011;

(ii) the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and

(iii) the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **B S R & Co.**
Chartered Accountants
Firm Registration No.: 101248 W

Kaushal Kishore
Partner
Membership No.: 090075

Place: Gurgaon
Date: 23 May 2011

Consolidated Balance Sheet as at 31 March 2011

(All amounts in Rupees)

	Schedule	As at 31 March 2011	As at 31 March 2010
Sources of Funds			
Shareholders' funds			
Share capital	1	**1,062,975,747**	1,062,070,492
Reserves and surplus	2	**15,314,033,961**	15,282,337,772
		16,377,009,708	16,344,408,264
Loan funds			
Secured loans	3	**10,763,078,451**	9,142,931,954
Unsecured loans	4	**-**	179,258,000
		10,763,078,451	9,322,189,954
Total		**27,140,088,159**	25,666,598,218
Application of Funds			
Fixed assets			
Gross block	5	**25,130,665,083**	18,344,077,245
Less: Accumulated depreciation/amortisation		**10,693,597,986**	7,297,895,506
Net block		**14,437,067,097**	11,046,181,739
Capital work-in-progress including capital advances		**4,580,307,513**	3,540,510,375
		19,017,374,610	14,586,692,114
Investments	6	**2,000,000,000**	3,561,081,188
Current assets, loans and advances			
Inventories	7	**44,401,825**	27,799,312
Sundry debtors	8	**226,546,993**	359,040,400
Cash and bank balances	9	**3,385,041,847**	5,550,223,331
Other current assets	10	**19,025,301**	6,757,457
Loans and advances	11	**2,538,590,003**	4,959,116,125
		6,213,605,969	10,902,936,625
Less: Current liabilities and provisions			
Current liabilities	12	**13,076,749,741**	14,242,755,585
Provisions	13	**3,021,189,768**	1,717,545,247
		16,097,939,509	15,960,300,832
Net current liabilities		**(9,884,333,540)**	(5,057,364,207)
Debit balance of Profit and Loss Account	14	**16,007,047,089**	12,576,189,123
Total		**27,140,088,159**	25,666,598,218
Significant accounting policies and notes to the accounts	23		

The accompanying schedules form an integral part of the consolidated financial statements.

As per our report attached

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of
Dish TV India Limited

Kaushal Kishore
Partner
Membership No. 090075

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Gurgaon
Dated : 23 May 2011

Place : Noida
Dated : 23 May 2011

Consolidated Profit and Loss Account for the year ended 31 March 2011

(All amounts in Rupees)

	Schedule	For the year ended 31 March 2011	For the year ended 31 March 2010
Income			
Sales and services	15	**14,366,626,320**	10,849,951,014
Other income *	16	**1,226,171,630**	453,182,577
		15,592,797,950	11,303,133,591
Expenditure #			
Cost of traded goods	17	**22,650,214**	23,586,955
Operating expenses	18	**7,838,289,494**	6,901,961,552
Personnel cost	19	**760,872,585**	513,587,986
Administration and other expenses	20	**792,636,464**	523,350,103
Selling and distribution expenses	21	**2,571,742,003**	1,770,752,393
Financial expenses	22	**1,533,847,475**	970,711,635
Depreciation/amortisation	5	**3,995,527,797**	3,227,304,830
		17,515,566,032	13,931,255,454
Loss before taxation		**1,922,768,082**	2,628,121,863
Provision for income tax			
- Deferred tax (refer to Note 16 of Schedule 23)		**-**	(5,817,386)
- Excess provision in earlier years written back		**(2,934,059)**	(258,388)
Loss for the year		**1,919,834,023**	2,622,046,089
Basic and diluted earnings per equity share (in ₹) [Face value ₹ 1 each] [refer to Note 15 of Schedule 23]		**(1.81)**	(3.20)
Significant accounting policies and notes to the accounts	23		

The accompanying schedules form an integral part of the consolidated financial statements.

* includes prior period income of ₹ 31,136,172 (previous year ₹ 22,849,593), refer to Note 17 of Schedule 23
# includes prior period expenses of ₹ 101,800,189 (previous year ₹ 1,570,056), refer to Note 17 of Schedule 23

As per our report attached to the Balance Sheet

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Kaushal Kishore
Partner
Membership No. 090075

Place : Gurgaon
Dated : 23 May 2011

For and on behalf of the Board of Directors of
Dish TV India Limited

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Noida
Dated : 23 May 2011

Consolidated Cash Flow Statement for the year ended 31 March 2011

		For the year ended 31 March 2011	For the year ended 31 March 2010
A.	**Cash flows from operating activities**		
	Net loss before tax	**(1,922,768,082)**	(2,628,121,863)
	Adjustments for :		
	Depreciation/amortisation	**3,995,527,797**	3,227,304,830
	Loss on sale/discard of fixed assets	**172,565,471**	80,232,080
	Profit on sale/discard of fixed assets	**(2,318)**	-
	Profit on sale of investment in subsidiary	**(184,904,276)**	-
	Provision for doubtful debts	**-**	8,848,387
	Profit on redemption of units of mutual funds	**(35,672,797)**	(1,413,550)
	Foreign exchange fluctuation (net)	**37,780,559**	65,622,221
	Provision for marked to market loss on derivatives	**12,448,574**	-
	Miscellaneous income	**(31,136,174)**	-
	Interest expense	**1,302,043,112**	877,505,958
	Interest income	**(858,570,858)**	(387,907,641)
	Operating Loss before working capital changes	**2,487,311,007**	1,242,070,422
	Adjustments for :		
	(Increase)/decrease in inventories	**(16,602,513)**	4,355,128
	Decrease in sundry debtors	**123,865,193**	153,384,745
	Decrease in loans and advances	**5,319,382,301**	2,418,075,709
	Decrease in trade and other payables	**(3,824,767,873)**	(1,450,877,513)
	Cash generated from operations	**4,089,188,116**	2,367,008,491
	Income taxes paid	**140,844,747**	36,306,321
	Net cash flow from operating activities	**3,948,343,369**	2,330,702,170
B.	**Cash flows from investing activities**		
	Purchases of fixed assets (including capital work in progress)	**(10,052,191,051)**	(5,096,250,161)
	Proceeds from sale of fixed assets	**1,909,507**	1,024,934
	Direct tax paid for investment purpose (net)	**-**	(22,401,147)
	Purchases of investments	**(5,924,095,575)**	(6,560,518,316)
	Proceeds from sale of investments	**7,520,824,060**	5,000,876,180
	Sale of investment in subsidiary	**1,000**	-
	Loan given to body corporates	**(7,900,000)**	(471,405,000)
	Refund of loans given to body corporates	**875,561,515**	96,835,445
	Deposit with financial institution	**-**	(2,000,000,000)
	Interest received	**836,810,122**	316,752,780
	Net Cash flow used in investing activities	**(6,749,080,422)**	(8,735,085,285)
C.	**Cash flows from financing activities**		
	Interest paid	**(1,151,780,429)**	(979,181,867)
	Proceeds from issue of capital/call money received	**32,601,444**	12,905,672,620
	Advance call money on shares	**23,434,715**	5,482,761
	Share issue expenses	**-**	(66,432,844)
	Proceeds from long term borrowings	**3,578,752,214**	1,598,396,848
	Repayments of long term borrowings	**(1,825,241,896)**	-
	Proceeds from lease finance	**-**	1,271,099,989
	Repayment of lease finance availed	**-**	(3,355,925)
	Proceeds/(repayment) of vehicle loans	**(2,338,769)**	25,189
	Proceeds from short term borrowings	**-**	339,984,410
	Repayments of short term borrowings	**-**	(3,853,007,907)
	Net cash flow from financing activities	**655,427,279**	11,218,683,274
D.	**Effect of exchange difference on translation of foreign** currency cash and cash equivalents	**(18,678,208)**	(69,379,132)
	Net cash flows [increase/(decrease)] during the year (A+B+C+D)	**(2,163,987,982)**	4,744,921,027
	Decrease in Cash and cash equivalents on disposal of subsidiary	**(1,193,502)**	-
	Cash and cash equivalents at beginning of the year (refer to schedule 9)	**5,550,223,331**	805,302,304
	Cash and cash equivalents at end of the year (refer schedule 9) #	**3,385,041,847**	5,550,223,331

Significant accounting policies and notes to the accounts 23

The above cash flow statement has been prepared under the Indirect method set out in Accounting Standard 3 "Cash Flow Statements".

\# include ₹ 31,038,506 (previous year ₹ 5,482,761) against share call money in respect of rights issue and ₹ 492,376,328 (previous year ₹ 390,663,319) fixed deposits pledged with banks.

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of
Dish TV India Limited

Kaushal Kishore
Partner
Membership No. 090075

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Gurgaon
Dated : 23 May 2011

Place : Noida
Dated : 23 May 2011

Schedules to the consolidated accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
1. Share capital		
Authorized		
1,350,000,000 (previous year 1,350,000,000) equity shares of ₹ 1 each	**1,350,000,000**	1,350,000,000
Issued, subscribed and paid-up		
1,063,976,535 (previous year 1,063,419,475) equity shares of ₹ 1 each fully paid-up *	**1,063,976,535**	1,063,419,475
Less: calls in arrears		
- By others	**1,000,788**	1,348,983
	1,062,975,747	1,062,070,492

Notes:

* Of 1,063,976,535 (previous year 1,063,419,475) equity shares includes:

a) 249,300,890 (previous year 249,300,890) equity shares of ₹ 1 each fully paid up were allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective from 1 April 2006.

b) 569,140 (previous year 12,080) equity shares issued to the employees under Employee Stock Option Plan i.e. ESOP 2007.

c) 117,035,000 (previous year 117,035,000) equity shares of ₹ 1 each fully paid-up, for underlying 117,035 (previous year 117,035) Global Depository Receipts (GDR). Each GDR represents 1,000 Equity Shares of ₹ 1 each.

	As at 31 March 2011	As at 31 March 2010
2. Reserves and surplus		
Securities premium		
Opening balance	**15,282,337,772**	2,792,321,328
Add: received during the year	**31,696,189**	12,530,899,727
	15,314,033,961	15,323,221,055
Less: applied against rights issue/ GDR expenses	**-**	40,883,283
	15,314,033,961	15,282,337,772
General reserves		
Opening balance	**1,695,856,798**	1,695,856,798
Less: adjustment pursuant to the Composite Scheme of Amalgamation and Arrangements (refer to Note 4 of Schedule 23)	**1,511,023,943**	-
	184,832,855	1,695,856,798
Less: debit balance in Profit and Loss Account per contra	**184,832,855**	1,695,856,798
	-	-
	15,314,033,961	15,282,337,772

Schedules to the consolidated accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
3. Secured loans		
Loans and advances from banks:		
- Term loans	**5,315,700,000**	6,590,700,000
- Buyer's credits	**5,445,431,835**	2,481,930,309
- Vehicle loans	**1,063,658**	2,352,701
- Interest accrued and due	**-**	66,016,260
Loans and advances from others:		
- Vehicle loans	**882,958**	1,932,684
	10,763,078,451	9,142,931,954

Notes:

Term loans

(a) Term loan of ₹ 2,590,700,000 (previous year ₹ 2,590,700,000) is under syndicate debt facility and secured by all movable assets, uncalled capital, intellectual property, goodwill and all investments, all rights, title, interests of all insurance contracts (both present and future), all contracts, government approvals and licenses relating to direct to home services, all amounts in the accounts or other receivables liable to be credited to the accounts in the course of the business, all amounts and receivables from whomsoever person, both present and future in relation to direct to home service business and floating charge on other assets. Further, the Company is required to maintain minimum reserve amount with the banks which is guaranteed by a related party. Due within a year ₹ 485,756,250 (previous year ₹ Nil).

(b) Term loan from a bank ₹ 625,000,000 (previous year ₹ 1,000,000,000) is secured by subservient hypothecation charge on whole of current assets, movable and immovable fixed assets of the Company (present and future) and unconditional and irrevocable corporate guarantee by a related party. Due within a year ₹ 500,000,000 (previous year ₹ 375,000,000).

(c) Term loan of ₹ 2,100,000,000 (previous year ₹ 3,000,000,000) is secured by second *pari passu* charge on entire fixed assets of the Company and is guaranteed by two directors and also collaterally secured by immovable property and corporate guarantee provided by related parties. Due within a year ₹ 2,100,000,000 (previous year ₹ 900,000,000).

Buyer's credits

(d) Buyer's credit of ₹ 762,894,854 (previous year ₹ Nil) is secured by *pari passu* first charge on the movable and immovable fixed assets and current assets of the Company. Due within a year ₹ Nil (previous year ₹ Nil).

(e) Buyer's credit of ₹ 1,699,406,237 (previous year ₹ Nil) is secured by *pari passu* charge on all present and future tangible movable and immovable current assets of the Company including proceeds account; exclusive charge on reserve account; assignment of rights, titles and interest of the Company in all the contracts, authorisations, approvals, and licenses (to the extent the same are capable of being assigned); and assignment of all insurance policies. Due within a year ₹ Nil (previous year ₹ Nil).

(f) Buyer's credit of ₹ 1,068,925,018 (previous year ₹ Nil) is secured by *pari passu* charge on all present and future moveable and immovable assets, including but not limited to inventory of set-top-box and accessories etc., book debts, operating cash flows, receivables, commissions, revenue and on all intangibles assets including but not limited to goodwill and uncalled capital of the Company. Due within a year ₹ Nil (previous year ₹ Nil).

(g) Buyer's credit of ₹ 757,849,183 (previous year ₹ 1,312,883,628) is secured by exclusive charge by way of hypothecation on consumer premises equipment imported under buyer's credit facility including spares, tools, accessories, software, whether installed or not, be in or about the hypothecator's factories, premises and godowns. Due within a year ₹ 757,849,183 (previous year ₹ 546,717,624).

Schedules to the consolidated accounts

(All amounts in Rupees)

(h) Buyer's credit of ₹ 1,156,356,543 (previous year ₹ 1,169,046,681) is secured by first *pari passu* charge on entire stocks of raw materials, semi-finished and finished goods, consumable stores, capital goods and spares and such other movables including book debts, bills whether documentary or clean outstanding monies, receivables both present and future. Due within a year ₹ 594,961,250 (previous year ₹ Nil).

Vehicle loan

(i) Vehicle loans are secured against hypothecation of vehicles. Due within a year ₹ 1,166,422 (previous year ₹ 1,807,969).

	As at 31 March 2011	As at 31 March 2010
4. Unsecured loans		
Inter corporate deposits	-	179,258,000
	-	179,258,000

5. Fixed assets

Particulars	Gross block				Depreciation / Amortisation				Net Block	
	As at 31 March 2010	Additions	Sale/ adjustment	As at 31 March 2011	Up to 31 March 2010	For the year*	Sale/ adjustment	Up to 31 March 2011	As at 31 March 2011	As at March 31, 2010
Intangible assets										
Goodwill #	451,177,637	232,500,000	-	683,677,637	293,265,463	90,235,527	-	383,500,990	300,176,647	157,912,174
License fees	117,362,250	-	-	117,362,250	71,076,788	13,472,450	-	84,549,238	32,813,012	46,285,462
Software	285,513,430	378,126	1,979,982	283,911,574	186,970,345	45,717,834	36,672	232,651,507	51,260,067	98,543,085
Total intangible assets	**854,053,317**	**232,878,126**	**1,979,982**	**1,084,951,461**	**551,312,596**	**149,425,811**	**36,672**	**700,701,735**	**384,249,726**	**302,740,721**
Tangible assets										
Plant and machinery	1,423,797,468	388,521,753	482,323,433	1,329,995,788	458,880,180	131,224,749	49,874,160	540,230,769	789,765,019	964,917,288
Consumer premises equipments	15,820,656,514	7,440,161,158	821,354,383	22,439,463,289	6,199,671,483	3,685,297,330	541,201,463	9,343,767,350	13,095,695,939	9,620,985,031
Computers	104,945,956	18,852,565	1,796,158	122,002,363	51,451,611	16,981,415	1,666,526	66,766,500	55,235,863	53,494,345
Office equipments	47,762,390	5,000,410	2,916,080	49,846,720	7,198,583	2,548,685	1,130,533	8,616,735	41,229,985	40,563,807
Furniture and fixtures	19,996,283	12,206,713	688,065	31,514,931	5,156,191	1,978,097	280,332	6,853,956	24,660,975	14,840,092
Vehicles	26,405,222	8,768,766	5,550,980	29,623,008	8,147,416	2,771,164	2,443,059	8,475,521	21,147,487	18,257,806
Leasehold improvements	46,460,095	-	3,192,572	43,267,523	16,077,446	5,300,546	3,192,572	18,185,420	25,082,103	30,382,649
Total tangible assets	**17,490,023,928**	**7,873,511,365**	**1,317,821,671**	**24,045,713,622**	**6,746,582,910**	**3,846,101,986**	**599,788,645**	**9,992,896,251**	**14,052,817,371**	**10,743,441,018**
Grand total	**18,344,077,245**	**8,106,389,491**	**1,319,801,653**	**25,130,665,083**	**7,297,895,506**	**3,995,527,797**	**599,825,317**	**10,693,597,986**	**14,437,067,097**	
Previous year	14,211,049,705	4,938,039,453	805,011,913	18,344,077,245	4,600,210,007	3,227,453,250	529,767,751	7,297,895,506		11,046,181,739
Capital work-in-progress [including capital advances ₹ 159,364,019 (previous year ₹ 69,092,106)]									4,580,307,513	3,540,510,375
									19,017,374,610	**14,586,692,114**

Foot notes:

(1) refer to Note 12(b) of Schedule 23 for details of assets given on operating and finance leases.
(2) refer to Note 12(c) of Schedule 23 regarding depreciation on consumer premises equipment.
(3) refer to Note 18(a) of Schedule 23 for foreign currency difference capitalised/adjusted during the year.
(4) refer to Note 9 of Schedule 23 for amount adjusted on account of adjustment of borrowing cost in previous years.
* includes ₹ Nil (previous year ₹ 148,420) transferred to capital work-in-progress in respect of an asset under construction.
# refer to Note 4(vii) of schedule 23.

Schedules to the consolidated accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
6. Investments		
Long-term investments (at cost) - unquoted		
Non-trade investments		
Balance of unutilised monies raised by issue		
Certificate of deposit	**2,000,000,000**	2,000,000,000
National Savings Certificate VIII issue	**-**	25,500
(Pledged with Sales Tax Authorities)	**2,000,000,000**	2,000,025,500
Current investments (at cost)-unquoted		
Non-trade investments		
Investments in Liquid/Floater schemes of Mutual funds *		
DSP BlackRock mutual fund		
DSP Black Rock Floating Rate Fund - Institutional Plan - Growth	**-**	120,000,000
Nil (previous year 90,502) units of ₹ 1,000 per unit		
Reliance mutual fund		
Reliance Money Manager Fund - Institutional option - Growth plan	**-**	1,191,033,615
Nil (previous year 951,919) units of ₹ 1,000 per unit		
SBI mutual fund		
SBI - SHDF - Short Term - Institutional Plan - Growth	**-**	250,022,073
Nil (previous year 23,600,570) units of ₹ 10 per unit		
	-	1,561,055,688
	2,000,000,000	3,561,081,188
* Net asset value ₹ Nil (previous year ₹ 1,565,478,734)		
Aggregate book value of unquoted investments	**2,000,000,000**	3,561,081,188
7. Inventories		
(At lower of cost and net realisable value)		
Stock in trade (customer premises equipment and accessories)	**44,401,825**	27,799,312
	44,401,825	27,799,312
8. Sundry debtors		
(Unsecured and considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
- Considered good	**135,832,740**	167,596,904
- Considered doubtful	**2,958,466**	9,668,744
Other debts		
- Considered good	**90,714,253**	203,279,444
- Considered doubtful	**-**	9,982,526
	229,505,459	390,527,618
Provision for doubtful debts	**(2,958,466)**	(31,487,218)
	226,546,993	359,040,400

Schedules to the consolidated accounts

(All amounts in Rupees)

		As at 31 March 2011	As at 31 March 2010
9.	**Cash and bank balances**		
	Cash in hand	**589,412**	2,544,576
	Balance with scheduled banks:		
	- in current accounts	**1,159,593,892**	2,992,646,801
	- in short term deposit account	**-**	993,643
	- in fixed deposit/margin account ##	**492,376,328**	390,663,319
	Balances with other banks:		
	- in current accounts in foreign currency	**-**	130,904,330
	- in fixed deposits/margin accounts in foreign currency	**1,731,984,526**	2,029,558,944
	Cheques in hand	**497,689**	2,911,718
		3,385,041,847	5,550,223,331
##	fixed deposits pledged with banks		
10.	**Other current assets**		
	Income accrued but not due on fixed deposits and others	**19,025,301**	6,757,457
		19,025,301	6,757,457
11.	**Loans and advances**		
	(unsecured and considered good unless otherwise stated)		
	Considered good		
	Advances recoverable in cash or in kind or for value to be received	**700,221,733**	2,247,974,323
	Balances with customs, excise and sales tax authorities	**1,044,755,739**	934,852,207
	Advance tax [net of provision ₹ 75,29,720 (previous year ₹ 12,833,946)]	**255,424,949**	144,643,493
	Loans to body corporates	**167,597,560**	1,463,902,715
	Deposits with government authorities	**121,487,779**	77,596,035
	Deposits others	**249,102,243**	90,147,352
	Considered doubtful		
	Advances recoverable in cash or in kind or for value to be received	**5,828,275**	1,226,043,309
		2,544,418,278	6,185,159,434
	Provision for doubtful advances	**(5,828,275)**	(1,226,043,309)
		2,538,590,003	4,959,116,125

Schedules to the consolidated accounts

(All amounts in Rupees)

	As at 31 March 2011	As at 31 March 2010
12. Current liabilities		
Sundry creditors	**5,673,286,414**	4,372,346,584
Book overdraft	**99,928,628**	-
Liability under deferred payment plan/finance lease (refer to Note 12(c) of Schedule 23)	**-**	1,256,712,340
Advance revenue/deposits received	**6,652,677,789**	8,393,597,006
Advance share call money pending adjustment	**28,889,665**	5,454,950
Interest accrued but not due	**39,231,405**	21,958,461
Other liabilities	**530,917,204**	156,921,976
Forward cover payable on derivatives#	**51,818,636**	35,764,268
	13,076,749,741	14,242,755,585

including provision for marked to market loss on derivative instruments amounting to ₹ 12,448,574 (previous year ₹ Nil), refer to Note 18(b) of Schedule 23

	As at 31 March 2011	As at 31 March 2010
13. Provisions		
Regulatory dues*	**2,932,886,159**	1,652,659,378
Retirement benefits		
- Gratuity	**50,626,037**	35,073,069
- Vacation pay	**37,592,539**	29,171,981
Wealth tax [net of advance tax ₹ 77,479 (previous year ₹ Nil)]	**85,033**	640,819
	3,021,189,768	1,717,545,247
* refer to Note 14 of Schedule 23		
14. Profit and Loss Account		
Opening balance	**14,272,045,921**	11,649,999,832
Loss for the year	**1,919,834,023**	2,622,046,089
	16,191,879,944	14,272,045,921
Less: adjusted against General Reserve per contra (refer to Schedule 2 also)	**184,832,855**	1,695,856,798
Net debit balance in Profit and Loss Account taken to the Balance Sheet	**16,007,047,089**	12,576,189,123

Schedules to the consolidated accounts

(All amounts in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
15. Sales and services		
Income from DTH subscribers:		
- Subscription revenue	**11,927,025,803**	8,352,918,277
- Lease rentals	**1,985,345,059**	1,500,742,489
Teleport services	**107,190,417**	168,044,661
Head-end in the sky (HITS) services	**-**	624,073,729
Bandwidth charges	**255,892,431**	158,681,781
Sales of customer premise equipments, accessories and others	**33,466,053**	24,568,808
Call center charges	**1,107,983**	1,227,140
Advertisement income	**36,750,544**	10,995,976
Other operating income	**19,848,030**	8,698,153
	14,366,626,320	10,849,951,014
16. Other income		
Interest income from [tax deducted at source ₹ 81,198,180 (previous year ₹ 2,722,330)]		
- fixed deposits/margin accounts	**241,811,895**	24,506,559
- others	**616,758,963**	363,401,082
Profit on sale of subsidiary (refer to Note 5 of Schedule 23)	**184,904,276**	-
Foreign exchange fluctuation	**73,130,784**	54,757,575
Profit on redemption of units of mutual funds (non-trade, current)	**35,672,797**	1,413,550
Liabilities written back	**35,763,323**	8,109,224
Miscellaneous income	**38,129,592**	994,587
	1,226,171,630	453,182,577
17. Cost of traded goods		
Opening stock	**27,799,312**	32,154,439
Purchases	**39,252,727**	19,231,828
	67,052,039	51,386,267
Less: Closing stock	**44,401,825**	27,799,312
	22,650,214	23,586,955
18. Operating expenses		
Transponder lease	**617,187,490**	961,699,706
License fees	**1,498,976,019**	1,095,525,824
Uplinking charges	**55,384,419**	110,549,473
Programming and other costs	**5,035,530,563**	4,372,514,166
Entertainment tax	**518,364,612**	258,029,073
Other operating charges	**112,846,391**	103,643,310
	7,838,289,494	6,901,961,552

Schedules to the consolidated accounts

(All amounts in Rupees)

	For the year ended 31 March 2011	For the year ended 31 March 2010
19. Personnel cost		
Salary, bonus and allowances	**697,563,511**	471,332,427
Contribution to provident and other funds	**45,508,317**	32,351,734
Staff welfare	**9,610,722**	6,978,942
Recruitment and training expenses	**8,190,035**	2,924,883
	760,872,585	513,587,986
20. Administration and other expenses		
Rent	**52,137,230**	49,297,875
Rates and taxes	**5,299,863**	10,762,504
Electricity charges	**35,675,123**	29,173,381
Insurance	**1,582,282**	833,774
Repairs and Maintenance		
- Plant and machinery	**10,107,302**	7,037,597
- Building	**1,779,436**	3,305,411
- Others	**20,603,486**	14,597,290
Vehicle running	**988,241**	1,600,924
Legal and professional fees	**112,242,685**	77,059,074
Director sitting fees	**1,210,000**	765,000
Printing and stationary	**61,278,032**	33,620,921
Communication expenses	**66,033,747**	34,558,712
Travelling and conveyance	**98,012,800**	58,781,788
Service and hire charges	**29,545,245**	26,949,133
Freight, cartage and demurrage	**117,276,427**	69,941,137
Bad debts and balances written off	**384,193**	10,118,992
Provision for doubtful debts	**-**	8,848,387
Loss on sale/discard of fixed assets	**172,565,471**	80,232,080
Miscellaneous expenses	**5,914,901**	5,866,123
	792,636,464	523,350,103
21. Selling and distribution expenses		
Advertisement and publicity expenses	**782,324,718**	752,071,541
Business promotion expenses	**60,257,998**	17,447,179
Commission	**1,590,300,850**	943,199,127
Customer support services	**138,858,437**	58,034,546
	2,571,742,003	1,770,752,393
22. Financial expenses		
Interest on:		
- Term loan	**818,071,016**	600,036,411
- Buyer's credit	**65,455,848**	59,626,864
- Finance lease charges/interest on deferred payment, [refer to Note 12(c) of Schedule 23]	**144,722,770**	24,618,197
- Others	**273,793,478**	193,224,486
Bank and other financial charges	**231,804,363**	93,205,677
	1,533,847,475	970,711,635

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

Schedule 23: Significant accounting policies and notes to the accounts

1. Background

Dish TV India Limited ('Dish TV' or 'the Company' or 'the parent company') and its subsidiaries [refer to note 2(b)(iii) below], together referred as 'the Group', is engaged in the business of Direct to Home ('DTH') and Teleport services. The DTH services are rendered to the customer through Consumer Premise Equipment (CPE), used for receiving and broadcasting DTH signals to the subscriber. Also refer note 4 of this schedule.

2. Significant accounting policies

a) **Basis of preparation of consolidated financial statements**

The consolidated financial statements are prepared and presented under the historical cost convention in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and mandatory Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, to the extent applicable, and the presentational requirements of the Companies Act, 1956.

b) **Principles of consolidation**

i. The consolidated financial statements relate to the parent company and its subsidiaries. The consolidated financial statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements" as specified in the Companies (Accounting Standards) Rules, 2006.

ii. The consolidated financial statements have been prepared on the following basis:

a. The consolidated financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating inter-company transactions in accordance with the Accounting Standard 21 on "Consolidated Financial Statements".

b. The consolidated financial statements have been prepared by using uniform accounting policies for significant transactions.

c. The excess/shortfall of cost to the parent company, on the date of acquisition of its investment in subsidiaries over its portion of equity, as the case may be, is recognised in the consolidated financial statements as goodwill/ capital reserve.

iii. The companies considered in the consolidated financial statements are:

Name of the company	Country of incorporation	% shareholding as at 31 March 2011	% shareholding as at 31 March 2010
Agrani Satellite Services Limited ('ASSL')@	India	-	100
Integrated Subscriber Management Services Limited ('ISMSL')	India	100	100
Agrani Convergence Limited ('ACL') #	India	-	51

@ ASSL has been merged with ISMSL as per the Composite Scheme of Amalgamation and Arrangement between the Company, ASSL, ISMSL and their respective shareholders and creditors ('the Scheme') approved by the Hon'ble High Court of Delhi (also refer to note 4 of this schedule).

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

\# The investment in ACL has been transferred to ISMSL as per the Scheme (as stated above) and subsequently disposed off to Essel Agro Private Limited, a related party (refer to note 11 of this schedule) for a consideration of ₹ 1,000 (also refer to notes 4 and 5 of this schedule). Accordingly, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement include results and cash flows relating to ACL for the period 1 April 2010 to 31 March 2011. The Consolidated Balance Sheet as at 31 March 2011 does not include balances of assets and liabilities of ACL, due to its disposal on 31 March 2011.

c) **Use of estimates**

The preparation of consolidated financial statements in conformity with the GAAP in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Examples of such estimates include estimated useful life of fixed assets, estimate of future obligations under employee retirement benefits, etc. Differences between the actual results and estimates are recognised in the year in which such results are known/ materialized. Any revision to accounting estimates is recognised in accordance with the requirements of the respective Accounting Standards, generally prospectively, in current and future periods.

d) **Fixed assets**

Intangible assets
Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. These assets are valued at cost which comprises the purchase price and any directly attributable expenditure on making the asset ready for its intended use.

License fees paid, including fee paid for acquiring license to operate DTH services, is capitalized as intangible asset.

Cost of computer software includes license fees, cost of implementation and appropriate system integration expenses. These costs are capitalized as intangible assets in the year in which related software is implemented.

Tangible assets
Fixed assets are recorded at the cost of acquisition, net of Cenvat credit, including all incidental expenses attributable to the acquisition and installation of assets, upto the date when the assets are ready for use.

CPEs are capitalized on activation of the same.

e) **Depreciation/amortisation**

Intangible assets

Goodwill on acquisition is amortised over a period of five years.

DTH license fee is amortized over the period of license and other license fees are amortized over the management estimate of useful life of five years.

Softwares are amortised on straight line method over an estimated life.

Tangible assets

Depreciation on tangible fixed assets, except CPEs, is provided on the straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956. CPEs are depreciated over their useful life of five years, as estimated by the management [also refer to note 12 (b) of this schedule].

Leasehold land and cost of leasehold improvements are amortised over the period of lease or their useful lives, whichever is shorter.

Assets individually costing upto ₹ 5,000 are fully depreciated in the year of purchase.

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

f) **Impairment**

The carrying amounts of the Group's assets (including goodwill) are reviewed at each balance sheet date in accordance with Accounting Standard 28 'Impairment of Assets', to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Profit and Loss Account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, had no impairment loss been recognised.

g) **Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent that they relate to the period till such assets are ready to be put to use. 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 Consolidated Profit and Loss Account.

h) **Inventories**

Inventories of CPEs and related accessories are valued at the lower of cost and net realisable value. Cost of inventories includes all costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

i) **Revenue recognition**

i) Service income

- Subscription and other service revenues are recognized on an accrual basis on rendering of the service.
- Lease rental is recognized as revenue as per the terms of the contract of operating lease over the period of lease on a straight line basis.

ii) Sale of goods

- Revenue from sale of products is recognised when the products are dispatched against orders to the customers in accordance with the contract terms, which coincides with the transfer of risks and rewards.
- Sales are stated inclusive of excise duty and net of rebates, trade discounts, sales tax and sales returns.

iii) Interest income:
Income from deployment of surplus funds is recognised using the time proportion method, based on interest rates implicit in the transaction.

j) **Foreign currency transactions and forward contracts**

Foreign currency transactions

i) Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rates prevailing at the date of the balance sheet. All exchange differences, other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the Consolidated Profit and Loss Account.

ii) In accordance with the notification no. GSR 225 (E) dated 31 March 2009 of the Ministry of Corporate Affairs, exchange differences arising in respect of long term foreign currency monetary items used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset and are depreciated over the balance life of asset.

iii) The premium or discount arising on entering into a forward exchange contract for hedging underlying assets and liabilities is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract and is amortised as expense or income over the life of the contract. Exchange difference on a forward exchange contract is the difference between:

- the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and;
- the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

These exchange differences are recognised in the Consolidated Profit and Loss Account in the reporting period in which the exchange rates change.

iv) Derivatives

The Group enters into derivative transactions for hedging purposes. In respect of interest rate swaps, which are not covered by Accounting Standard 11 ‘the effects of changes in foreign exchange rates’, such contracts are marked to market and provision for net loss, if any, is recognised in the Consolidated Profit and Loss Account. Resultant gains, if any, on account of mark to market are ignored. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

k) **Investments**

Investments are classified as long term or current based on the intent of the management at the time of acquisition.

Long-term investments are carried at cost. The carrying value of such investments is adjusted for other than temporary diminution in value, where necessary. Current investments are valued at the lower of cost and fair value.

l) **Employee benefits**

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and bonus, etc., are recognised in the Consolidated Profit and Loss Account in the period in which the employee renders the related service.

ii) Post employment benefit

Defined contribution plan
The Group deposits the contributions for provident fund to the appropriate government authorities and these contributions are recognised in the Consolidated Profit and Loss Account in the financial year to which they relate.

Defined benefit plan
The Group’s gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation carried out at the end of the year by an independent actuary, using the Projected Unit Credit Method, which recognises each

period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government Securities for relevant maturity. Actuarial gains and losses are recognized immediately in the Consolidated Profit and Loss Account.

iii) Other long-term employee benefits
Benefits under the Group's leave encashment constitute other long-term employee benefits. The liability in respect of leave encashment is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the Consolidated Profit and Loss Account.

m) **Employee stock option scheme**

The Group calculates the compensation cost based on the intrinsic value method wherein the excess of value of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the employee stock option schemes of the Group, is recognised as deferred stock compensation cost and amortised over the vesting period on a graded vesting basis.

n) **Leases**

Operating lease
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Consolidated Profit and Loss Account on a straight line basis.

Finance lease
Assets and liabilities acquired under finance leases are recognised at the fair value of leased asset at inception of the lease. However, in cases where the fair value of the leased asset from the standpoint of the lessee exceeds the present value of minimum lease payments, the asset is recognised at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

o) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) **Taxation**

Income tax expense comprises current tax and deferred tax charge or credit. Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions under the Income tax Act, 1961. The deferred tax charge or credit and the corresponding deferred tax liability and assets are recognised using the tax rates that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses are recognised only if there is virtual certainty of realisation of such amounts. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets are reviewed at each balance sheet date to reassess their realisability and are written down or written up to reflect the amount that is reasonably/ virtually certain, as the case may be.

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

q) **Provisions and contingent liabilities**

The Group recognises a provision when there is a present obligation as a result of a past event and it is more likely than not that there will be an outflow of resources embodying economic benefits to settle such obligations and the amount of such obligation can be reliably estimated. Provisions are not discounted to their present value and are determined based on the management's estimation of the outflow required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of future events, not wholly within the control of the Group. Contingent liabilities are also disclosed for the present obligations in respect of which it is not possible that there will be an outflow of resources or a reliable estimate of the amount of obligation cannot be made.

When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. **Capital commitments and contingent liabilities**

a) **Capital commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 3,469,882,668 (previous year Rs. 325,421,062).

b) **Contingent liabilities not provided for**

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Claim against the Company not acknowledged as debt	48,301,037	43,577,609
Income-tax Act, 1961*	4,05,614,101	-
Sales Tax and Value Added Tax demands	109,855,534	89,864,314
Indian Customs Act, 1962	149,406,086	-
Entertainment Tax demands #	118,223,928	101,520,074
Legal cases against the Company	Unascertained	Unascertained

* During the year, the Company received a demand notice for income tax and interest thereon aggregating Rs. 4,05,614,101 in relation to an earlier year. The matter pertains to alleged short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the issue and has filed an appeal against the abovesaid demand with the tax authorities. The Company, supported by a legal view in the matter, is of the view that no provision is necessary till the dispute is finally concluded by the appropriate authorities.

The Company has also received notices in various States on applicability of Entertainment Tax, for which no demands have been received. The Company has contested these notices at various Appellate Forums/ Courts and the matter is subjudice.

4. **Composite Scheme of Amalgamation and Arrangements ('the Scheme')**

i) ASSL was formed to own, establish and operate Ku band satellite system and to market and lease their bandwidth capacities. However, due to unfavorable market conditions, the satellite business was discontinued in the previous year. ISMSL is in the business of providing services on commercial basis pertaining to subscriber's management, including raising and collection of bills, collection and maintenance of subscriber's information, preparation of required reports and call centre activities.

ii) In order to simplify the group structure and improve cost efficiency, the Board of Directors of the Company had approved a Composite Scheme of Amalgamation and Arrangement between the Company, ASSL, ISMSL and their respective shareholders and creditors ('the Scheme') at their meeting held on 11 June 2010. The Scheme envisaged transfer of the Company's non-DTH related business (including equity shares in ASSL and ACL) to ISMSL, followed by the merger of ASSL with ISMSL on 31 March 2010, the appointed date. As consideration for transfer of non-DTH related business, ISMSL would issue and allot 100,000 equity shares of the face value of ₹ 10 each, fully paid up, to the Company.

(All amounts in Rupees)

iii) The above Scheme has been approved by the Hon'ble High Court of Delhi, vide its Order dated 3 March 2011 and corrigendum dated 31 March 2011 and became effective on 31 March 2011 on filing the Order of the Court with the Registrar of Companies, NCT of Delhi and Haryana.

iv) To give effect to the Scheme and the Order of the Hon'ble High Court, the Company has transferred its undertaking, along with assets and liabilities as on 31 March 2010, relating to the non-DTH business to ISMSL. In accordance with the Scheme, the excess of the book value of net assets transferred as at 31 March 2010, over the consideration received has been directly adjusted in the General Reserve as under:

Particulars		**Amount**
Fixed assets	432,447,828	
Investments in ASSL	944,010,040	
Advances including share application money in ASSL	367,066,075	1,743,523,943
Investments in ACL		124,705,440
Other loans and advances		1,208,430,395
Total assets		**3,076,659,778**
Less: liabilities		
Provision for doubtful advances		1,208,430,395
Provision for diminution in the value of investment in ACL		124,705,440
Security deposits received		231,500,000
Total liabilities		**1,564,635,835**
Book value of net assets transferred		**1,512,023,943**
Consideration received by way of equity shares in ISMSL		1,000,000
Excess of book value of net assets over the consideration received, adjusted in General Reserve		**1,511,023,943**

v) The non-DTH related business did not have any operations during the year.

vi) While the Group has followed the accounting treatment prescribed in the Scheme, duly approved by the Hon'ble High Court of Delhi, it has resulted in certain deviations as compared to the Generally Accepted Accounting Principles (GAAP) in India. Had the Group followed the GAAP, the impairment of fixed assets [in accordance with Accounting Standard ('AS') 28] would have been recognised in the Consolidated Profit and Loss Account of the previous year and, accordingly, loss for the previous year and the debit balance in the Consolidated Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 1,743,523,943.

The aforesaid loss on impairment of fixed assets has not been recognised in the current year also as a prior year item. Instead, during the current year, on implementation of the Scheme, the Group has adjusted ₹ 1,511,023,943 directly against the General Reserve in the consolidated financial statements in accordance with the accounting treatment approved in the Scheme and has recognized a goodwill of ₹ 232,500,000.

vii) The above goodwill represents the excess of liabilities acquired by ISMSL over the fair value of net assets of non-DTH related business from the Company. The goodwill recognised by ISMSL does not presently have any future economic benefit. However, the Group has not recognised any impairment loss in the consolidated financial statements.

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

5. **Profit on sale of subsidiary**

   As stated in note 2(b)(iii) above, ISMSL has disposed off the investment in ACL on 31 March 2011. The net liabilities of ACL amounting to ₹ 184,903,276 as on the date of transfer, alongwith sale consideration of ₹ 1,000, has been recognised as 'Profit on sale of subsidiary' in the Consolidated Profit and Loss Account.

6. Depreciation expense for the current year includes ₹ 126,084,394 (including prior period depreciation amounting to ₹ 91,901,502) on account of re-alignment of estimated useful life of viewing cards ('VC'), as adopted by the subsidiary company, with the estimated useful life considered by the parent company (also refer to note 17 to this schedule).

7. **Employee stock option plan (ESOP) 2007**

   In the Annual General Meeting held on 3 August 2007, the shareholders of the Company have approved Employee Stock Option Plan i.e. ESOP 2007 ("the Scheme"). The Scheme provided for issue of 4,282,228 stock options (underlying fully paid equity share of Re.1 each) to the employees of the Group and also to non-executive directors including independent directors of the Company at the exercise price which shall be equivalent to the market price determined as per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ['SEBI (ESOP) Guidelines, 1999'].

   The options granted under the Scheme shall vest between one year to six years from the date of grant of options, with 20% vesting each year. Once the options vest as per the Scheme, they would be exercisable by the grantee at any time within a period of four years from the date of vesting and the shares arising on exercise of such options shall not be subject to any lock-in period.

   The shareholders in their meeting held on 28 August 2008 approved the re-pricing of outstanding options which were granted till that date and consequently the options were re-priced at ₹ 37.55 per option, determined as per SEBI (ESOP) Guidelines, 1999.

   However, in respect of options granted subsequent to 28 August 2008, the exercise price of the options has been maintained as equivalent to the market price determined as per the SEBI (ESOP) Guidelines, 1999.

   As stated above, the options are granted to the employees at an exercise price, being the latest market price as per SEBI (ESOP) Guidelines, 1999. Further, since the Group follows intrinsic value method for accounting of the above options, there is no charge in the Consolidated Profit and Loss Account.

   The activity relating to the options granted and movements therein are set out below:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Options outstanding at the beginning of the year	2,054,300	1,466,550
Add: Options granted	1,038,300	750,100
Less: Exercised	557,060	12,080
Less: Lapsed	242,320	150,270
Options outstanding at the end of the year	2,293,220	2,054,300

   The following table summarizes information on the share options outstanding as of 31 March 2011

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	714,040	6.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	30,000	7.41	37.55*
Lot 4	28 May 2009	361,100	8.16	47.65
Lot 5	27 October 2009	149,780	8.58	41.45
Lot 6	26 October 2010	201,250	9.57	57.90
Lot 7	21 January 2011	837,050	9.81	58.95
Options outstanding at the end of the year		2,293,220	8.35#	48.99#

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

The following table summarizes information on the share options outstanding as of 31 March 2010

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	1,406,350	7.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	30,000	8.41	37.55*
Lot 4	28 May 2009	457,050	9.16	47.65
Lot 5	27 October 2009	160,900	9.58	41.45
Options outstanding at the end the of year		2,054,300	7.97#	40.10#

* re-priced as per Shareholders' approval on 28 August 2008. Refer note above
# on a weighted average basis.

8. **Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"**

Defined contribution plans
An amount of ₹ 31,374,698 (previous year ₹ 26,913,334) and ₹ 5,232,524 (previous year ₹ 2,506,417) for the year, have been recognized as expenses in respect of the Group's contributions to Provident Fund and Employee's State Insurance Fund respectively, deposited with the government authorities and have been included under operating and other expenditure in the Consolidated Profit and Loss Account.

Defined benefit plans
Gratuity is payable to all eligible employees of the Group on superannuation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act or as per the Group's Scheme, whichever is more beneficial.

The following table sets forth the status of the gratuity plan of the Group and the amounts recognised in the Consolidated Balance Sheet and Consolidated Profit and Loss Account:

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	35,073,069	26,691,827
Interest cost	2,805,845	2,135,346
Current service cost	17,518,679	11,826,067
Benefits paid	(570,002)	(214,136)
Actuarial gain on obligation	(4,201,554)	(5,366,035)
Present value of obligation as at end of the year	**50,626,037**	**35,073,069**

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
Expenses recognized in the Consolidated Profit and Loss Account		
Current service cost	17,518,679	11,826,067
Interest cost on benefit obligation	2,805,845	2,135,346
Net actuarial gain recognised in the year	(4,201,554)	(5,366,035)
Expenses recognised in the Consolidated Profit and Loss Account	**16,122,970**	**8,595,378**

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	As at 31 March 2011	As at 31 March 2010
Discount rate	8%	8%
Salary escalation rate (per annum)	10%	10%
Withdrawal rates		
Age- Upto 30 years	13%	13%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	LIC (1994 - 96) duly modified	LIC (1994 - 96) duly modified

Discount rate: The discount rate is estimated based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation.

Salary escalation rate: The estimates of salary increases, considered in actuarial valuation, take account of inflation, promotion and other relevant factors.

9. Borrowing costs

During the earlier years, the Group had capitalised borrowing costs of ₹ 12,431,672 in the gross value of fixed assets. Since the said assets were not in the nature of qualifying assets, the Group has de-capitalised ₹ 12,431,672 in the gross block and ₹ 2,532,985 in accumulated depreciation. This has resulted in prior period interest expenses of ₹ 9,898,687 (also refer to note 17 to this schedule).

10. Segmental information

The Group is in the business of providing Direct to Home ('DTH') and teleport services primarily in India. As the Group's business activity primarily falls within a single business and geographical segment, disclosures in terms of Accounting Standard 17 on "Segment Reporting" are not applicable.

11. Related party disclosures

a) Other related parties with whom the Group had transactions:

Key management personnel	Mr. Jawahar Lal Goel
Enterprises over which key management personnel/ their relatives have significant influence	Afro Asian Satellite Communication (Gibraltar) Limited Afro Asian Satellite Communication (U.K.) Limited Agrani Satellite Communication (Gibraltar) Limited ASC Telecommunication Limited Asia Today Limited Asia TV USA Limited Brio Academic Infrastructure and Resources Management Private Limited Churu Trading Company Private Limited Cornershop Entertainment Company Private Limited Dakshin Media Gamming Solutions Private Limited Diligent Media Corporation Limited E-City Entertainment (India) Private Limited E-City Property Management & Services Private Limited Essel Agro Private Limited Essel Corporate Services Private Limited Essel Infraprojects Limited

(All amounts in Rupees)

	Essel Shyam Technology Limited Essel International Limited Essel Sports Private Limited ETC Networks Limited Indian Cable Net Company Limited Intrex Tradex Private Limited Intrex India Limited ITZ Cash Card Limited Mumbai Football Club Private Limited Pan India Network Infravest Private Limited Prajatma Trading Company Private Limited Procall Private Limited Rama Associates Limited Wire and Wireless (India) Limited Taj Television India Private Limited Taj TV Limited Zee Akash News Private Limited Zee Entertainment Enterprises Limited Zee Multimedia Worldwide Maritius Limited Zee News Limited Zee Turner Limited

b) Transactions with related parties:

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total amount	Amount for major parties	Total amount	Amount for major Parties
(i) With key management personnel	**8,145,000**		**6,587,032**	
Managerial remuneration		8,145,000		6,587,032
(ii) With other related parties:				
Sales and services (net of taxes)	**119,087,712**		**796,156,722**	
Zee Entertainment Enterprises Limited		43,592,608		18,263,527
Zee News Limited		44,308,330		54,180,191
Asia Today Limited		13,037,199		86,479,990
Wire and Wireless (India) Limited		1,556,513		624,073,730
Zee Aakash News Private Limited		14,933,529		11,496,986
Other related parties		1,659,533		1,662,298
Purchase of goods and services	**1,758,048,326**		**1,491,289,152**	
Zee Turner Limited		905,520,084		937,712,772
Zee Entertainment Enterprises Limited		425,853,157		322,813,783
ITZ Cash Card Limited		151,130,100		86,110,358
Taj Television India Private Limited		190,472,553		-
Other related parties		85,072,432		144,652,240

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total amount	Amount for major parties	Total amount	Amount for major Parties
Rent paid	**28,911,759**		**28,871,069**	
Zee Entertainment Enterprises Limited		25,275,645		25,132,320
Rama Associates Limited		2,805,840		2,805,840
Other related parties		830,274		932,909
Interest paid	**144,722,770**		**97,816,573**	
Essel International Limited		144,722,770		24,618,197
Zee Entertainment Enterprises Limited		-		71,901,370
Other related parties		-		1,297,006
Interest received	**70,100,757**		**441,587,112**	
Essel Agro Private Limited		59,553,099		207,268,837
ASC Telecommunication Limited		10,547,658		9,824,771
Pan India Network Private Limited		-		222,974,316
Other related parties		-		1,519,188
Purchase of fixed assets	**147,780,828**		**1,594,082,029**	
Essel International Limited		143,080,425		1,508,659,183
Wire and Wireless (India) Limited		-		85,422,846
Other related parties		4,700,403		-
Reimbursement of expenses paid	**27,567,954**		**24,778,981**	
ASC Telecommunication Limited		-		3,171,647
Zee Entertainment Enterprises Limited		22,372,010		18,393,396
ITZ Cash Card Limited		4,284,598		2,527,450
Other related parties		911,346		1,508,135
Reimbursement of expenses received	**993,637**		**867,932**	
Zee Turner Limited		-		691,130
Wire and Wireless (India) Limited		298,129		97,700
Other related parties		695,508		79,102
Loans, deposits and advances taken	**-**		**875,000**	
ASC Telecommunication Limited		-		875,000
Repayment of loan, advance and deposit taken	**496,818**		**2,456,413,030**	
Zee Entertainment Enterprises Limited		-		2,430,000,000
ASC Telecommunication Limited		475,000		
Other related parties		21,818		26,413,030

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

Particular	For the year ended 31 March 2011		For the year ended 31 March 2010	
	Total amount	Amount for major parties	Total amount	Amount for major Parties
Loans, deposits and advances given	**70,822,212**		**577,327,834**	
ITZ Cash Card Limited		49,994,346		99,922,142
Churu Trading Company Private Limited		-		470,000,000
Essel Agro Private Limited		-		2,162,415
Other related parties		20,827,866		5,243,277
Refunds received against loans, advances and deposits given	**1,096,023,658**		**1,372,873,889**	
Churu Trading Company Private Limited		-		119,858,458
Essel Agro Private Limited		875,561,515		1,250,000,000
ITZ Cash Card Limited		198,983,510		-
Other related parties		21,478,633		3,015,431
Amount written back	**-**		**5,401,750**	
Zee Multimedia Worldwide Mauritius Limited		-		5,401,750
Amount written off	**211,490**		**3,243,874**	
Wire and Wireless (India) Limited		-		3,242,153
Other related parties		211,490		1,721
Sale of investment in subsidiary	**1,000**		**-**	
Essel Agro Private Limited		1,000		-

c) Balance at year end:

Particular	As at 31 March 2011		As at 31 March 2010	
	Total amount	Amount for major parties	Total amount	Amount for major parties
Balances at the end of the year:				
With other related parties:				
Loans, advances and deposits given	**469,282,201**		**4,696,110,481**	
Afro-Asian Satellite Comm. (UK) Limited		-		376,881,821@
Afro-Asian Satellite Comm. (Gib.) Limited		-		827,708,050@
Essel Agro Private Limited		220,018,763		1,095,580,278
Churu Trading Co. Private Limited		-		1,987,118,049
Other related parties		249,263,438		408,822,283@

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

Particular	As at 31 March 2011		As at 31 March 2010	
	Total amount	Amount for major parties	Total amount	Amount for major parties
Provision outstanding against advances given and Debtors	**-**		**1,226,597,671**	
Afro-Asian Satellite Comm. (UK) Limited		-		376,881,821@
Afro-Asian Satellite Comm.(Gib.) Limited		-		827,708,050@
Interactive Tradex Private Limited		-		10,136,508
Other related parties		-		11,871,292@
Loans, deposits and advances taken	**231,500,000**		**411,379,634**	
Zee Entertainment Enterprises Limited		-		231,521,818
Wire and Wireless (India) Limited		231,500,000		-
Other related parties		-		179,857,816
Creditors for expenses and other liabilities	**1,434,811,607**		**1,624,315,585**	
Zee Entertainment Enterprises Limited		141,183,120		121,734,980
Zee Turner Limited		1,269,330,842		1,374,542,186
Essel International Limited		-		1,287,501,644
Other related parties		24,297,645		128,038,419
Debtors	**127,030,946**		**292,585,241**	
Asia Today Limited		27,736,712		106,641,178
Zee News Limited		33,710,543		19,888,296
Zee Entertainment Enterprises Limited		16,526,033		51,749,233
Wire and Wireless (India) Limited		14,167,131		88,004,185
Dakshin Media Gaming Solution Private Limited		27,012,196		27,012,196
Other related parties		7,878,330		34,734,476

@ Loans and advances given and related provisions adjusted as per the Scheme during the year.

Name of related party	Balance at as 31 March 2010	Provision at as 31 March 2010
Loans, deposits and advances given		
Afro-Asian Satellite Communication (UK) Limited	376,881,821	376,881,821
Afro Asian Satellite Communication (Gib) Limited	827,708,050	827,708,050
Other related parties	3,840,524	3,840,524

d) Guarantees given by related parties in respect of secured loans:

i) As at 31 March 2011, personnel guarantees by key managerial personnel, along with his relative and corporate guarantee by Churu Trading Company Private Limited amounting to

(All amounts in Rupees)

₹ 3,000,000,000 (previous year Nil), jointly and severally. The guarantee is outstanding as at the year end.

ii) As at 31 March 2011, corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 2,000,000,000 (previous year ₹ Nil). The guarantee is outstanding as at the year end.

iii) As at 31 March 2011, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 3,222,030,089 (previous year ₹ 3,222,030,089). During the previous year, the guarantee of ₹ 1,084,000,000 was released. The remaining guarantee is outstanding as at the year end.

iv) As at 31 March 2011, corporate guarantee by Essel Infraprojects Limited and Rama Associates Limited amounting to ₹ 3,000,000,000 (previous year ₹ 3,000,000,000), jointly and severally. The guarantee is outstanding as at the year end.

12. Leases

a) **Obligation on operating lease:**

The Group's significant leasing arrangements are in respect of operating leases taken for offices, residential premises, transponder, etc., These leases are cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessee and the lessor except in rental of leases for office premises which are non-cancellable leases. The initial tenure of the lease generally is for 11 months to 108 months. The details of lease rental charges in respect of assets taken on operating leases are as under:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Lease rental charges during the year (net of shared cost)	724,709,139	1,121,069,935
Sub-lease payment received (being shared cost)	59,582,238	115,808,590

Minimum lease payments for non-cancellable operating leases in respect of office premises:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Within one year	11,794,377	11,300,163
Later than one year and not later than five years	46,487,281	46,095,748
Later than five years	3,255,526	15,366,081

b) **Assets given under operating lease:**

The Group has leased out assets by way of operating lease and as on 31 March 2011 the gross book value of such assets, its accumulated depreciation and depreciation for the year are as given below:

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Gross value of assets	21,264,309,199	14,655,921,323
Accumulated depreciation	8,644,006,140	5,816,413,374
Net block	12,620,303,059	8,839,507,949
Depreciation for the year	3,368,794,229	2,732,087,582

The lease rentals received during the year in respect of non-cancellable operating leases and maximum obligations on long-term non-cancellable operating lease receivable as per the rentals stated in the agreement is as follows:

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Lease rentals received during the year	1,985,345,059	1,500,742,489

Particulars	**Total future minimum lease rentals receivable as on 31 March 2011**	**Total future minimum lease rentals receivable as on 31 March 2010**
Within one year	1,815,498,293	1,617,523,940
Later than one year and not later than five years	1,428,812,994	1,578,358,773
Later than five years	-	-

The life of the Consumer Premise Equipment (CPE) for the purpose of depreciation has been estimated by the management as five years. However, in certain cases, the one-time advance contributions towards the CPEs in the form of rentals are recognised as revenue over a period of three years. The Group is in the process of streamlining the above practice.

c) **Obligation on finance lease:**

The Group had acquired CPEs on finance lease. The summary of gross value of such assets, its accumulated depreciation, depreciation charged during the year and capital work-in-progress is given as under:

Particulars		**As at 31 March 2011**	**As at 31 March 2010**
Gross value of the assets		^	582,942,170
Accumulated deprecation		^	9,134,524
Written down value	(A)	^	573,807,646
Deprecation for the year		^	9,134,524
Capital work-in-progress	(B)	^	925,717,013
Total	**(A+B)**	^	**1,499,524,659**

Minimum lease payments of CPEs acquired on finance lease and their present value is as under:

Particulars	**As at 31 March 2011**	**As at 31 March 2010**
Minimum lease payments		
- Within one year	^	341,751,540
- Later than one year and not later than five years	^	1,341,020,466
- Later than five years	^	
Less: amount representing future interest	^	426,059,666
Present value of minimum lease payments	^	**1,256,712,340**

^ During the previous years, the Group acquired certain equipments aggregating ₹ 1,508,659,183. Based on the initial understanding, the transaction was recorded as a finance lease arrangement, i.e., the equipments were capitalized in the previous year with a corresponding 'Liability under finance lease'. However, based on the clarifications sought by the Group during the current year, the transaction has been considered in the nature of purchase of equipment on deferred payment basis. Accordingly, the accounting treatment has been rectified to reflect the above transaction in the nature of purchase with a corresponding liability for purchase of equipment, which was earlier reflected as 'Liability under finance lease'. However, this treatment does not have any implication on the loss for the year and carrying value of equipment and corresponding liability.

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

13. The Company has been making payment of license fee to the Regulatory Authority considering the present legal understanding. However, in view of the ongoing dispute, the Company has made provision on a conservative basis considering the terms and conditions of the License given by the Regulatory Authority.

14. Provision for regulatory dues

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Opening provision	1,652,659,378	969,606,100
Add: Created during the year	1,480,226,778	1,062,384,548
Less: Utilised during the year	200,000,000	379,331,270
Closing provision	**2,932,886,156**	**1,652,659,378**

The above includes provision with respect to certain regulatory dues disputed by the Company with Regulatory Authority. The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority.

15. Earnings per share

Reconciliation of basic and diluted shares used in computing earnings per share

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Loss for the year attributable to equity shareholders (in ₹)	1,919,834,024	2,622,046,089
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,062,602,469	820,536,923
Nominal value per share (in ₹)	1	1
Basic and diluted earnings per share (in ₹)	(1.81)	(3.20)

Since the Company had losses during the current year and previous year, the share call money pending adjustment is considered to be anti-dilutive. Therefore, the basic and diluted earnings per share are the same.

16. Deferred tax assets

Components of deferred tax asset :

Particulars	**For the year ended 31 March 2011**	**For the year ended 31 March 2010**
Deferred tax assets on account of:		
- Depreciation	918,014,695	492,135,180
- Unabsorbed depreciation and tax losses	4,325,902,878	4,085,147,487
- Liability for leave encashment and retirement benefit provision	29,304,005	21,149,507
- Disallowance as per section 43B of Income Tax Act	2,088,196	1,035,697
- Demerger expenses as per section 35DD of Income Tax Act	44,635	89,270
- Provision for doubtful debts and advances	982,728	6,527,661
Deferred tax assets	**5,276,337,137**	**4,606,084,802**
Recognised in the accounts	-	-

In the absence of virtual certainty of realisation in future, deferred tax assets have not been recognized.

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

During the previous year, the Group had recognised deferred tax assets amounting to ₹ 5,817,386 in respect of a subsidiary, to the extent of deferred tax liabilities recognised by the subsidiary in the earlier years. This resulted in a deferred tax credit of ₹ 5,817,386 in the previous year.

17. Prior period income and expenses

Particulars	For the year ended 31 March 2011	For the year ended 31 March 2010
A) Income		
Other income		
Interest income	-	22,849,593
Miscellaneous Income	31,136,172	-
Total income	**31,136,172**	**22,849,593**
B) Expenses		
Rates and taxes	-	46,336
Electricity charges	-	7,825
Legal and professional fee	-	17,500
Communication expenses	-	428
Travelling and conveyance	-	29,316
Freight, cartage and demurrage	-	72,700
Business promotion expenses	-	36,400
Commission	-	1,314,379
Interest expense	9,898,687	45,172
Depreciation (also refer to note 6 of this schedule)	91,901,502	-
Total expenses	**101,800,189**	**1,570,056**
Net income/(expense) (A-B)	**(70,664,017)**	**21,279,537**

Also refer to note 6 and note 9 of this schedule.

18. Foreign currency transactions

a) The Group during the year ended 31 March 2009 had opted for accounting for the exchange differences arising on reporting of long term foreign currency monetary items in line with the Companies (Accounting Standards) Amendment Rules, 2009 on Accounting Standard 11 (AS-11), notified by the Government of India on 31 March 2009. Accordingly, in the current year, foreign currency exchange gain of ₹ 86,023,526 has been adjusted (previous year ₹ 273,681,517) in the value of fixed assets and ₹ 3,026,407 (previous year ₹ 1,453,273) in the capital work in progress.

b) i) The Group has outstanding currency and interest swap transactions in respect of US Dollar 42,871,349 (previous year US Dollar 9,301,500) at fixed amount of ₹ 1,966,024,362 (₹ 455,633,978) which will be settled at future date. The purpose of this derivative contract is for repayment of loans and interest rate swap of US Dollar 42,871,349. The Group has not entered into derivative instruments for speculation purpose. During the year, the Group has recorded and provided for marked to market loss on derivative instruments of ₹ 12,448,574 (previous year ₹ Nil).

ii) Foreign currency transactions outstanding as on balance sheet date that are not hedged by derivative instruments or otherwise are as under:

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

Particulars	As at 31 March 2011		As at 31 March 2010	
	Amount in USD	Amount in ₹	Amount in USD	Amount in ₹
Balances with non scheduled bank	38,790,247	1,731,984,526	47,964,495	2,165,117,321
Receivables	3,251,213	145,166,680	2,214,232	99,950,452
Loans and borrowings	79,086,811	3,531,226,109	19,783,206	893,013,919
Sundry creditors	23,521,051	1,015,717,162	58,814,967	2,654,900,100

19. The Company implemented a Scheme of Amalgamation and Arrangement (also refer to note 4 of this schedule) in the current year. Accordingly, the current year figures are not directly comparable with those of the previous year.

20. Figures of the previous year have been regrouped/rearranged, wherever considered necessary, to conform to the current year presentation. Significant items in this regard are as under:

- Term loans from banks and buyers credit as at 31 March 2010 of ₹ 3,000,000,000 and ₹ 2,517,649,577 respectively, have been corrected and shown under 'Secured loans', as compared to previous year's presentation under 'Unsecured loans'.
- Forward cover payable of ₹ 35,764,268 as at 31 March 2010 has been disclosed separately under 'Current liabilities', instead of previous year's presentation of 'buyer's credit' under 'Secured loans'.
- Certificate of deposits amounting to ₹ 2,000,000,000 with SICOM Limited as at 31 March 2010 has been shown under 'Investments', as compared to previous year's presentation under 'Loans and advances'.
- Interest accrued but not due on fixed deposits and others of ₹ 6,757,457 has been shown under 'Other current assets', as compared to previous year's presentation under 'Loans and advances'.
- 'Other liabilities' of ₹ 156,921,976 as at 31 March 2010 primarily in the nature of statutory dues have been shown separately under 'Current liabilities', instead of earlier presentation as 'Creditors for expenses'.
- Provision for regulatory dues of ₹ 1,652,659,378 as at 31 March 2010 has been disclosed separately under 'Provisions', instead of previous year's presentation as 'Creditors for expenses' under 'Current liabilities'.
- Interest income of ₹ 387,907,641 for the year ended 31 March 2010 has been disclosed separately under 'Other income', as compared to previous year's presentation of netting it off against 'Interest expense'.
- 'Advertisement income' of ₹ 10,995,976 for the year ended 31 March 2010 has been disclosed separately under 'Sales and services' as compared to previous year's presentation of under 'Other operating income'
- 'Liabilities written back' of ₹ 8,109,224 for the year ended 31 March 2010 has been disclosed separately under 'Other income' as compared to previous year's presentation of under 'Miscellaneous income'
- Gross block of viewing card (VC) of ₹ 1,164,735,190 and accumulated depreciation of ₹ 383,258,109 as at 31 March 2010 have been disclosed under 'Consumer premises equipments' as compared to previous year's presentation of under 'Plant and machinery' in the financial statements of the subsidiary company.

Schedules forming part of the consolidated financial statements

(All amounts in Rupees)

- 'Other operating charges' of ₹ 240,983,768 for the year ended 31 March 2010 have been disclosed under 'Programming and other cost'.

The above do not have any impact on the loss for the previous year and current year.

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of
Dish TV India Limited

Kaushal Kishore
Partner
Membership No. 090075

Jawahar Lal Goel
Managing Director

B. D. Narang
Director

Rajeev K. Dalmia
Chief Financial Officer

Ranjit Singh
Company Secretary

Place : Gurgaon
Dated : 23 May 2011

Place : Noida
Dated : 23 May 2011

Details pertaining to Subsidiary Company as per the requirement of Para (IV) of the directions under Section 212(8) of the Companies Act, 1956, issued by the Ministry of Corporate affairs vide General Circular No. 2/2011 Dated February 8, 2011

(Amount in ₹)

Particulars	Integrated Subscriber Management Services Limited
Share Capital	15,00,000
Reserve and Surplus (Including debit balance of Profit & Loss Account)	(131,373,760)
Total Assets	1,265,038,966
Total Liabilities	1,394,912,726
Investments (excluding subsidiaries)	-
Turnover	751,418,615
Profit/(Loss) before tax	69,085,703
Provision for tax	(2,934,059)
Profit/(Loss) after tax	72,019,762
Proposed Dividend	-

DISH TV INDIA LIMITED

Registered Office: Essel House, B-10, Lawrence Road Industrial Area, Delhi– 110 035

E-COMMUNICATION REGISTRATION FORM

To,
Sharepro Services (India) Private Limited
Unit: **Dish TV India Limited**
13 AB Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road,
Sakinaka, Andheri (E), Mumbai – 400 072

Green Initiative in Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report and other documents in electronic mode pursuant to the 'Green Initiative in Corporate Governance' undertaken by the Ministry of Corporate Affairs vide circular no.17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client ID No. :____

Name of 1st Registered Holder : ____

Name of Joint Holder(s), if any : ____

Registered Address of the Sole/ 1st Registered Holder : ___________________________________

____

____

No. of Shares held : ____

E-mail ID (to be registered) : ____

Date: ____________________ Signature:________________

Notes:

1) On registration, all communications will be sent to the e-mail ID registered.
2) The form is also available on the website of the Company "www.dishtv.in" under the section 'Investor Information'.
3) Shareholders are requested to keep the Company's Registrar-Sharepro Services (India) Private Limited informed as and when there is any change in the e-mail address.

DISH TV INDIA LIMITED

Regd. Office: Essel House B-10, Lawrence Road Industrial Area, Delhi - 110 035.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Name and Address of Equity Shareholder (IN BLOCK LETTERS): ____

____

Name and Address of the Proxy (IN BLOCK LETTERS, to be filled in by the Proxy attending instead of the Equity Shareholder): ________

____

I hereby record my presence at the 23rd Annual General Meeting of the Company, convened on Tuesday, the 30th Day of August, 2011 at NCUI Auditorium, 3 Sri Institutional Area, August Kranti Marg, New Delhi - 110 016 at 11.30 A.M.

Reg. Folio No. : _______________ DP ID No. : _______________

Client ID No. : _______________ No. of Shares : _______________

____

Signature of the Equity Shareholder/Proxy

NOTE: Equity Shareholders attending the Meeting in person or through Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting hall.

DISH TV INDIA LIMITED

Regd. Office: Essel House B-10, Lawrence Road Industrial Area, Delhi - 110 035.

FORM OF PROXY

I/We ____ of ____ being a member/members of Dish TV India Limited, hereby appoint ____ ____________________ of ____ failing him _______________________ ______________ of ____ as my/our proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Tuesday, the 30th Day of August, 2011 at 11:30 A.M. at NCUI Auditorium, 3 Sri Institutional Area, August Kranti Marg, New Delhi - 110 016 and/or at any adjournment(s) thereof.

Dated this _________ day of _______. 2011

Name : ____

Address : ____

Reg. Folio No. : _______________ DP ID No. : _______________

Client ID No. : _______________ No. of Shares : _______________

Affix ₹ 1/- Revenue Stamp

Signature of the Shareholder/Proxy

Notes:
1. The Proxy Form must be deposited at the Registered Office of the Company at Essel House B-10, Lawrence Road Industrial Area, Delhi - 110 035 at least 48 hours before the time for holding he meeting. The proxy need not be a member of the Company.
2. All alterations made in the Proxy Form should be initiated.
3. In case of multiple proxies, proxy later in time shall be treated as valid and accepted.