



BOARD OF DIRECTORS

Subhash Chandra
Jawahar Lal Goel
Ashok Kurien
Bhagwan Dass Narang
Arun Duggal
Pritam Singh (Dr.)
Eric Zinterhofer
Lakshmi Chand
Mintoo Bhandari
Sanjay Hiralal Patel

Chairman
Managing Director
Non-Executive Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director
Non-Executive Nominee Director
Alt. Director to Mintoo Bhandari

Ranjit Singh

Company Secretary

M/s B S R & Co., Gurgaon
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.
ING Vysya Bank
Axis Bank Ltd.

Bankers

Essel House
B-10, Lawrence Road
Industrial Area, Delhi – 110035, India
Tel: +91-11-27156040/41/43
Fax: +91-11-27156042

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



The Indian economy continued to face macro headwinds through FY 11-12 as the sovereign debt crisis in Europe took a new and dangerous turn during the second and third quarter. Unprecedented action by the ECB helped stave off a grave situation; however the reverberations continue to impact capital flows and investments in developing economies such as ours. While India has enjoyed the fruits of being a part of the interconnected global economy over the past decade, recent events also highlight the downside risks associated with the same. The year under review saw continued erosion of the Rupee as well as below trendline economic growth as a consequence of demand contraction as well as the ballooning fiscal deficit. The good news however is that the inflation genie seems to have been brought under control with the resolute policies of the RBI, with core inflation dipping to 5%. These developments as well as the gradual return to normalcy in the US, bode well for future growth as hopefully the painful period of deleveraging across the globe should be drawing to a close.

For the digital pay TV industry, FY 11-12 was a remarkable year during which the Government wrote into law the Digital Addressable System mandate, which envisages the mandatory transformation of the entire television distribution system through a digital pipe by December 2014.

This is truly a landmark opportunity for all digital television distribution platforms and your Company as the pioneer and leader in the digital TV revolution is uniquely placed to reap the benefits of the DAS mandate.

Your Company continues to strengthen its infrastructure, service, and CRM capabilities in anticipation of the huge surge in demand expected over the next three years as an outcome of this mandate and is well placed to retain its leadership position in the market place. Your Company now has the deepest distribution reach in both urban and rural areas, reaching over 80,000 retail outlets for STBs and reaching over 2,00,000 outlets for recharge availability. Unique tie ups with organizations such as FINO enable your Company to reach out deep into rural India as well. Your Company has expanded its direct service network to 96 cities and has plans to increase this network to over 200 cities in the near future. Your Company has substantially increased its investments in Customer relationship management and support and currently has the capability of handling and servicing over 3 million queries and customer calls every month.

During the year under review, your Company continued to maintain its leadership in the marketplace and added 2.5 Mn subscribers, taking the overall subscriber base to 12.7 Mn subscribers as of March 31, 2012. Your Company is now the third largest DTH platform by subscribers globally and the largest operator outside of the USA.

Revenues continued to grow strongly with topline growing 36% to 1957.8 cr, while EBITDA marked a substantial jump of 109% to 498.4 Cr. Steady growth in ARPU was maintained with ARPU for the year being ₹ 153.

Your Company continues to focus on innovation and product development. During the year, in the industry first, your Company introduced the HD DVR with unlimited recording facility at no extra cost to its customers. The product has been extremely well received in the marketplace and should further help reinforce the Company's leadership position in the market.

During the fourth quarter, your Company unveiled the new brand positioning "Sab Par Dish Sawaar Hai" to capture the passion of the television viewing as experienced through Dish TV. The campaign with a memorable jingle, resulted for the first time, in a DTH Company bagging the top spot in the most recalled advertisement during the month of February 2012.

Your Company continues to set the trend and tone for the industry both in product innovation, communication and customer delight. The huge opening up of the market with the advent of the DAS mandate will provide yet another opportunity for your Company to demonstrate its continued leadership in communication, innovation and customer satisfaction leading to superior returns to all stakeholders in the years ahead.

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 **24th 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 Thursday, the 9th day of August, 2012, at 11:00 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, 2012, 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. Arun Duggal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Pritam Singh, 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.

By order of the Board

Ranjit Singh
Company Secretary

Place: Noida
Date: 29 May 2012

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 at the Registered Office of the Company, a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representatives 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 who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
6. 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.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, July 9, 2012 to Wednesday, July 11, 2012 (both days inclusive).
8. Members desirous of obtaining any information / clarification concerning the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least ten days before the Annual General Meeting, so that the information required may be made available at the Annual General Meeting.
9. 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 e-mail address provided to the Depository / Company. Shareholders are requested to register and/or update e-mail address with their respective Depository Participant or the Company to ensure that documents from the Company reach their preferred e-mail address.
10. 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.
11. The statutory registers maintained under Sections 301 and 307 of the Companies Act, 1956 and the certificate from the auditors of the Company certifying that the Company's Stock Option Plan has been implemented in accordance with the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, and in accordance with the resolutions passed by the members in the General Meeting will be available at the venue for inspection by members.
12. While Members holding shares in physical form may write to the Company's Registrar and Share Transfer Agent i.e. Sharepro Services (India) Pvt. Ltd., Unit: Dish TV India Limited, 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072, India, for changes, if any, in their address and bank mandates, members having shares in electronic form may inform such changes directly to their Depository Participant immediately.

13. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send share certificates to the Company for consolidation into a single folio.
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.
15. In all correspondences with the Company, members are requested to quote their account/folio numbers and in case their shares are held in the dematerialized form, they must quote their DP I.D. and Client I.D. No(s).

By order of the Board

Place: Noida

Date: 29 May 2012

Ranjit Singh
Company Secretary

Registered Office:

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

Important Intimation to Members

As you all may be aware, the Ministry of Corporate Affairs (MCA) has undertaken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011) allowing paperless compliances by Companies through electronic mode, whereby the companies have been permitted to send notices / documents to its Shareholders through electronic mode to the registered e-mail addresses of Shareholders. Securities and Exchange Board of India (SEBI) vide its Circular No. CIR/CFD/DIL/2011 dated October 5, 2011, have also, in line with the aforesaid MCA circulars, permitted listed entities to supply soft copies of full annual reports to all those Shareholders who have registered their e-mail addresses for the purpose.

This move by the MCA and SEBI is a welcome measure since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. In view of the Green Initiatives announced as above, the Company shall send all documents to Shareholders like General Meeting Notices (including AGM), Annual Reports comprising Audited Financial Statements, Directors' Report, Auditors' Report and any other future communication (hereinafter referred as "documents") in electronic form, in lieu of physical form, to all those Shareholders, whose e-mail address is registered with Depository Participant (DP) / Registrars & Share Transfer Agents (RTA) (hereinafter "registered e-mail address") and made available to us, which has been deemed to be the Shareholder's registered e-mail address for servicing documents including those covered under Section 219 of the Companies Act, 1956 (the Act) read with Section 53 of the Act and Clause 32 of the Listing Agreement executed with the Stock Exchanges. Physical copies of documents are also being provided to Shareholders who have sought the same.

To enable the servicing of documents electronically to the registered e-mail address, we request the Shareholders to keep their e-mail addresses validated/updated from time to time.

Please note that the Annual Report of the Company will also be available on the Company's website www.dishtv.in for ready reference. Shareholders are also requested to take note that they will be entitled to be furnished, free of cost, the aforesaid documents, upon receipt of requisition from the Shareholder, any time, as a member of the Company.

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Twenty Fourth (24th) Annual Report together with the Audited Statement of Accounts of the Company for the Financial Year ended March 31, 2012.

FINANCIAL RESULTS

The Financial Performance of your Company for the year ended March 31, 2012 is summarized below:

(₹/Thousand)

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sales & Services	19,578,236	14,365,518
Other Income	385,904	880,295
Total Income	19,964,140	15,245,813
Total Expenses	21,552,638	17,142,719
Profit/(Loss) before Tax	(1,588,498)	(1,896,906)
Provision for Taxation (net)	-	-
Profit/(Loss) after Tax	(1,588,498)	(1,896,906)
Profit/(Loss) for the Year	(1,588,498)	(1,896,906)
Add: Balance brought forward	(15,934,422)	(14,037,516)
Amount available for appropriations	(17,522,920)	(15,934,422)
Appropriations :		
Dividend	Nil	Nil
Tax on Dividend	Nil	Nil
General Reserve	Nil	Nil
Balance Carried Forward	(17,522,920)	(15,934,422)

DIVIDEND

Your Directors have decided not to recommend any dividend for the Financial Year ended March 31, 2012.

BUSINESS OVERVIEW

The Indian Broadcasting Industry is going through an evolutionary phase. Limited number of channels and sub-standard picture quality has become a thing of the past.

Entertainment through satellite dish though a common phenomenon in the western world, was introduced in India by dishtv, which has brought about a sea-change in the Indian television market. The brand has changed consumer preferences and enhanced the standards of television viewership by offering digital picture quality with stereophonic sound and uninterrupted viewing of more than 400+ channels and services. With value added services like Movie on Demand, Books Active, Active Games to name a few, owning a dishtv is more than just channel entertainment. Dishtv has left no stone unturned in providing outstanding services that has the viewers glued to their television screens.

The DTH industry consolidated its gain of last 5 years and continued the upward march in terms of customer acquisition, launch of new products, evolution of new technologies and wide variety of customer propositions in terms of acquisition & retention schemes. The industry added more than 10 Million subscribers during the period under review. The industry was quite ahead of the numbers acquired by the digital cable operators during this period.

Strong brand proposition, differentiated customer offerings, launch of new High Definition (HD) Channels and increase in the number of channel offering by the industry was the key highlights of the year gone by.

Despite intense competition, your Company was able to maintain its leadership position by virtue of having the maximum number of registered subscribers among all the DTH operators. Customer delight was the main theme of the year under review facilitated by door step services and wider reach.

In view of the growing appetite of the Indian consumers demanding more channels, your Company proactively contracted for a new satellite located in the vicinity of the existing satellite to augment the facility of High Definition channels along with conventional Standard Definition (SD) channels. During the year under review, your Company 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 your Company to increase its Standard Definition channel capacity to over 320 and High Definition capacity to over 30 which is substantially higher than any competing DTH operator in both HD as well as SD transmission. With the availability of additional capacity, your Company is far ahead of the competition in respect of satellite bandwidth for provision of additional channels

and services to the subscribers. This will continue to be a differentiator and game changer in the months to come. During the year, your Company launched Niche channels like Khana Khazana, Ten Golf, MTune – HD etc. Your Company will continue to look for opportunities of similar nature to be ahead of the competition and create value for the Stakeholders.

The Digital Addressable Systems (DAS), a long awaited event for the development and growth of the cable and satellite sector, which has now been notified by the Government to become applicable in four phases will push the industry towards a new paradigm benefiting all the Stakeholders of the industry including the Broadcasters, Distributors, DTH operators, the Government and above all – the Consumers.

The DTH industry is expected to grow faster and stronger in the areas where DAS has been notified by the Government because of brand equity, execution strength, understanding of the consumer behavior, well established sales and distribution outlets, value proposition to the consumer and above all – best quality service at the door steps of the customers.

The year under review also saw the emergence of Advertisement sales as a new and growing revenue stream. In this segment, your Company established its presence, closing the financial year at a net revenue of ₹ 15.68 crores (FY 11 – 12), against last year's revenue of ₹ 5.65 crores, an increase of 178%. The brand count of advertisers on Dish TV increased by 279% with leading global brands / organizations such as Microsoft, Pepsi, Coca-Cola, P&G, HUL advertising on our platform. In fact, Dish TV was the only DTH platform in India where Microsoft launched its global Windows 7 campaign. The metrics based on advertisers and broadcasters requirements include CPT (cost per thousand), digital ratings and multiple case studies – all showcasing Dish TV as THE new medium to be present on.

Various innovations were experimented with, in this year the advertiser sponsored Free to Subscriber MOD (which saw an increase of almost 300% in orders in that period), the advertiser sponsored Open-to-all MOD format (reaching almost 77% of our base), default boot up screen, banners on the EPG, brand slugs on Buzz (the default landing channel), Red bug innovations on Buzz & MOD channels, sponsorship of free to subscriber and paid for by subscriber by leading advertisers, making broadcasters the default landing channel leading to an increase in digital ratings and many more, which have all been established as case

studies to be monetized with more brands this year.

Your Company continued its efforts to bring value and additional features in its services. Your Company launched a High Definition Set Top Box with Digital Video Recoding facility with the facility of getting to record as much content as a subscriber wishes to. The launch of HD - DVR was a big stride in the direction of acquiring the largest HD subscriber base.

With deep market understanding and a well crafted consumer insight, entertainment as an interest was immaculately matched to the emotion of Passion. For every television lover, it is their endless passion for entertainment which makes them demand more content, best technology and superior experience. Some people go to any extent to catch their favorite dose of entertainment and dishtv, as a brand wants to target those thought leaders in the world of entertainment and uniquely positioned the brand to stand for Passion for entertainment i.e. Dish Sawaar Hai. With a first of its kind initiative in the industry, an all exclusive dishtv anthem communicates the passion and zeal of dishtv to its consumers across segments that are practically run by TV entertainment today. The brand is built around their commitment to provide the most technologically advanced products with the maximum content and excellent services that reflects the eminence of not only the market leader but a set of people behind dishtv who are thought leaders in the world of entertainment.

The key challenges in the future will be harnessing the opportunities created out of DAS regime, containing the cost of fund, steep taxation, satiate the ever increasing appetite for new content.

SUBSIDIARY OPERATIONS

During the year under review, Essel Business Processes Limited (earlier known as Integrated Subscriber Management Services Limited) ceased to be a subsidiary of your Company. For the purpose of enabling your 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, your Company divested its entire shareholding in Essel Business Processes Limited on June 1, 2011. Accordingly, Essel Business Processes Limited ceased to be a subsidiary of your Company from the date of transfer.

Subsidiary in Singapore

Your Company, on the approval of the Board of Directors, has incorporated a wholly owned subsidiary in Singapore under the name and style of "Dish TV Singapore Pte. Ltd." The said Company is engaged in providing DTH related service. The subsidiary company has been in operation since November 2011.

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. Dish TV Singapore Pte. Ltd., for the financial year ended March 31, 2012 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 and Listing Agreement with the Stock exchange(s) the financial statements 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.

Subsidiary in Sri Lanka

Your Company, on the approval of the Board of Directors, formed a Joint Venture Company with Satnet (Private) Limited, a DTH License holder in Sri Lanka, in the name and style of Dish T V Lanka (Private) Limited in Sri Lanka in April 2012. Your Company holds 70% of the share capital in the said Subsidiary Company and the balance 30% is being held by Satnet (Private) Limited. The Management is in the process of initiating the commercial operations of the Subsidiary Company.

HOLDING COMPANY

Direct Media Distribution Ventures Private Limited (earlier known as Dhaka Warriors Sports Private Limited), a

Company incorporated in India and being a part of Promoter Group, held 515,916,648 fully paid up equity shares (aggregating to 48.51% of the paid up share capital) of your Company and it acquired additional 28,975,000 fully paid up equity shares of the Company on December 26, 2011. Consequent to such acquisition, its aggregate shareholding in the Company increased to 544,891,648 fully paid up equity shares i.e. 51.19% of the paid up share capital of the Company and thus Direct Media Distribution Ventures Private Limited became the Holding Company of your Company.

As on March 31, 2012, Direct Media Distribution Ventures Private Limited holds 637,212,260 fully paid up equity shares constituting 59.86% of the paid up share capital of the Company.

SHARE CAPITAL

During the year, your Company issued and allotted 447,340 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 51,81,49,592 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 307,331 equity shares from ₹ 0.50 paid up to ₹ 0.75 paid up and 313,464 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 ₹ 1062,975,747 comprising of 1060,940,636 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 to ₹ 1064,423,875 comprising of 1061,701,440 equity shares of ₹ 1 each, fully paid up, 2,062,513 equity shares of ₹ 1 each - paid up ₹ 0.75 per share and 659,922 equity shares of ₹ 1 each - paid up ₹ 0.50 per share. As on March 31, 2012 the Company has not received the valid Second call on 2,062,513 partly paid shares and first and second call on 659,922 partly paid shares.

RIGHT ISSUE OF SHARES & UTILISATION OF PROCEEDS THEREOF

Out of the total Right Issue size of ₹ 113,992.91 Lakhs,

your Company has received a sum of ₹ 113,722.32 Lakhs towards the Share application and call money as at March 31, 2012, the details of which have been provided under the preceding heading.

The utilization of Rights Issue proceeds are placed before the Audit Committee on quarterly basis. The utilization is duly certified by the Statutory Auditors on half yearly & annual 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 the Stock Exchanges.

Your Board at its meeting held on May 28, 2009 approved to make change in the manner of usage of right issue proceeds. The manner of utilization of rights issue proceeds as on March 31, 2012, 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	19,407.28
Acquisition of Consumer Premises Equipment (CPE) including leased CPE	26,000.00
Issue Expenses	544.52
Total	98,673.24

The Sixth Monitoring Report for half year period, July 2011 - December 2011 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 had 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 were fully subscribed by Apollo India Private Equity II (Mauritius) Limited. The underlying shares against each of the GDRs were issued in the name of the Depository - Deutsche Bank Trust Company Americas. As on March 31, 2012, 117,035 GDRs have remained outstanding, the underlying shares of which forms part of the existing paid up capital of the Company.

The manner of utilization of GDR proceeds as on March 31, 2012, is as under:

Particulars	Amount (₹ In Lacs)
Assets purchases including CPE	7,669.88
Issue Expenses	344.63
Advance to subsidiary	56.14
Repayment of Bank Loans	755.22
Operational Expenses	21,064.86
Less: Interest Earned	(439.94)
Margin Money	-
Bank Balances	20,633.77
Total	50084.55

EMPLOYEE STOCK OPTION SCHEME

In pursuance of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, your Board had authorized the Remuneration Committee to administer and implement the Company's Employee 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 Employee Stock Option Scheme (ESOP – 2007) of the Company.

During the period under review, your Company allotted 447,340 fully paid equity shares upon exercise of the stock options by eligible employee under the ESOP – 2007. During the year, your Board approved the grant of 125,000 shares to the eligible employees in pursuance to the ESOP – 2007. Applicable disclosures relating to Employees Stock Options as at March 31, 2012, pursuant to Clause 12 (Disclosure in the Directors' Report) of the SEBI (Employee Stock Option Scheme and Employee 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.

PUBLIC DEPOSITS AND LOANS / ADVANCES

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.

Pursuant to Clause 32 of the Listing Agreement, the particulars of loans/advances given to subsidiary have been disclosed in the Annual Accounts of the Company.

CORPORATE GOVERNANCE

Your Company has in place the best governance practice as laid down in Clause 49 of the Listing Agreement with the Stock Exchanges. Your Company has documented internal governance policies and put in place a formalized system of Corporate Governance which sets out the structure, processes and practices of governance within the Company and serves as a guide for day to day business and strategic decision making in the Company.

Based on 'Corporate Governance Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs in December 2009, your Board at its meeting held on July 20, 2011 has constituted a Nomination Committee of your Board to inter-alia evaluate the current process of nominating / appointing Directors on the Board of your Company, formulating guidelines for evaluation of candidature of individuals for nominating and/or appointing as a Director etc.

Your Company is in compliance of all mandatory requirements regarding Corporate Governance as stipulated under Clause 49 of the listing agreement with the Stock Exchange(s). For the Financial Year ending 2012, the Compliance Report is provided in the Corporate Governance section of the Annual Report. A certificate issued by the Statutory Auditors of the Company on compliance of the conditions of Corporate Governance stipulated in Clause 49 of the listing agreement with the Stock Exchange(s) forms part of the Corporate Governance Report.

The report on Corporate Governance has been separately provided in this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Statement for the year under review as provided 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 continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Your Company aims at managing its business processes in such a way so as to produce an overall positive impact on the society. 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.

As part of the Essel Group of Companies, your Company has at a unified and centralized level, put in place a Corporate Social Responsibility (CSR) policy which 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.

During the year under review, Essel Group continued to support cause of Ekal Vidyalaya Foundation, an NGO that works to bring about basic literacy and health awareness amongst the tribal and rural population of India; Global Vipassana Foundation which helps propagate Vipassana, the non-sectarian rational process of self-purification with the aim of bringing about peace both within the individual and the society in general; and Global Foundation for Civilizational Harmony, a body which aims to create a peaceful and harmonious society.

POSTAL BALLOT

During the year, the Company did not pass any resolution through postal ballot process prescribed under Section 192A of the Companies Act, 1956 read with Companies (Postal Ballot) Rules, 2011.

DIRECTORS

In accordance with the provisions of Companies Act, 1956, Mr. Arun Duggal and Dr. Pritam Singh, 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 Corporate Governance forming part of the Annual Report.

AUDITORS

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 (i) their reappointment, if made would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956; (ii) that they are not disqualified for reappointment within the meaning of Section 226 of the said Act and (iii) they have been provided a valid certificate from the Peer Review Board of the Institute of Chartered Accountants of India.

AUDITORS' REPORT

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

The response of the Management to the comment of the Statutory Auditor mentioned at serial number 5 (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 boxes, repair, maintenance and other service related issues. However the Company has already put in place the process of charging depreciation on Consumer Premises Equipment in terms of the Accounting Standard 19 from April 01, 2012.

The response of the Management to the comment of the Statutory Auditor mentioned at serial number 5 (g) of the Audit Report is as follows - The Company had 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.

The response of the Management to the comment of the Statutory Auditor mentioned in Serial (viii) of the Annexure to the Auditors' Report is as follows - The relevant provisions were made applicable to the Company in the current financial year and your Company immediately initiated steps to develop and put in place infrastructure and process for implementation of the same. The process of integration of the records with SAP and the IT systems have been completed. Further, though the Audit of Cost Records are not mandatorily applicable for the Financial Year 2011 – 12, your Company has proactively appointed M/s Chandra Wadhwa & Co., Cost Accountants as the Cost Auditor of the Company for carrying out the said audit for the Financial Year 2011-12 and issuance of necessary report.

The response of the Management to the comment of the Statutory Auditor mentioned in Serial (ix) (a) of the Annexure to the Auditors' Report is as follows - The Entertainment Tax is a state subject and in the year under review, some additional states have imposed entertainment tax on the DTH services. The Company has been proactive in providing information and depositing taxes / levy / fee to the Government Authorities within the prescribed time. The delay in depositing the Entertainment tax has been due to legal and procedural issues.

COST AUDIT

The Company has appointed M/s Chandra Wadhwa & Co., Cost Accountants, as the Cost Auditor of the Company for carrying out the Cost Audit for the Financial Year 2011-12 and issuance of necessary report. The due date for submission of the Cost Audit Report for the financial year 2011-12 is September 30, 2012.

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

Your Company is in the business of providing Direct to Home services. 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. 29, 30 and 31 to the notes to the Accounts forming part of the Annual Accounts.

HUMAN RESOURCE MANAGEMENT

Human Resource Management continues to be the focus area arising out of intense competition in the sector and adoption of new technologies, contemporary practices and cutting edge customer delivery system. This acts as one of the differentiator in our customer satisfaction matrix vis-a-vis the peer group and rising expectation of the subscribers. During the year, various programmes were initiated to upgrade the skill of the human resource of the Company. The management of your Company aims at developing such strategies that not only promise attraction of best talent into the Company but also ensures their retention by building trust and instilling devotion in them. Your Board believes that employees are vital to the Company and hence your Company aims to incorporate the planning & control of manpower resource into the corporate level plans so that all resources are used together in the best possible combination. Pay revisions and other benefits are designed in such a way to compensate for good performance of the employees of your Company.

The talent base of your Company has steadily increased and your Company has created a favorable work environment which encourages innovation and meritocracy.

The Company has also put in place a scalable recruitment and human resource management process which ensures retention of competent employees.

PARTICULARS OF EMPLOYEES

Your Board wishes to extend its appreciation to all the employees of the Company for their exceptional contribution in the business 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 2011-12, your Directors confirm the following:

- 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;
- 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, 2012, and of the profit or loss of the Company for the year ended on that date;
- 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
- Adequate internal systems and controls are in place to ensure compliance of laws applicable to the Company.

ACKNOWLEDGEMENT

Your Board takes this opportunity to place on record its appreciation for the dedication and commitment of employees shown at all levels that has lead to the success of your Company. Your Directors are obliged and express gratitude to the continued support and assistance received from the Central and State Governments, The Ministry of Corporate Affairs (MCA), 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 Government Authorities.

For and on behalf of the Board

Jawahar Lal Goel
Managing Director

B D Narang
Director

Place: Noida
Date : 29 May 2012

ANNEXURE 'A' TO DIRECTORS' REPORT

Statement as at March 31, 2012 pursuant to Clause 12 (Disclosure in the Directors' Report) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

S. No	Particulars	Details		
A	Details of Options Granted and Exercise Price per option	Date of Grant	No. of Options Granted	Exercise Price / Per Equity Share
		August 21, 2007	3,073,050	₹ 75.20*
		April 24, 2008	184,500	₹ 63.25*
		August 28, 2008	30,000	₹ 37.55
		May 28, 2009	589,200	₹ 47.65
		October 27, 2009	160,900	₹ 41.45
		October 26, 2010	201,250	₹ 57.90
		January 21, 2011	837,050	₹ 58.95
July 20, 2011	125,000	₹ 93.20		
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	5,200,950		
D	Total number of Options vested (includes option exercised)	1,394,036		
E	Options exercised	1,016,480		
F	the total number of shares arising as a result of exercise of options	1,016,480		
G	Total number of options lapsed	2,405,290		
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	₹ 39,762,950		
J	Total number of options in force	1,779,180		
K	Employee wise details of options granted (as on March 31, 2012):			
	(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	32,940
	Rajiv Khattar	President - Projects	167,950	33,590
	Rajeev Kumar Dalmia	CFO	171,100	34,220
	Salil Kapoor	COO	142,950	85,770
	(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	
	Sailaja Charan Pattnayak	Deputy Vice President – Central Zone	40,000	
	Dilip Jayaram	Vice President – Advertisement Sales	85,000	

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

	(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. 42 to the Standalone Financial Statement					
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.		Date of Grant							
			21-Aug-07	24-Apr-08	28-Aug-08	28-May-09	27-Oct-09	26-Oct-10	21-Jan-11	20-Jul-11
		Expenses accounted for during the period based on intrinsic value of the options	-	-	-	-	-	-	-	-
		Additional Expense had the Company recorded the ESOP expense based on fair value of option (using Black Scholes method)	6,045,135	-	102,512	2,449,397	961,930	1,474,566	9,030,207	1,786,336
		Impact on profits and EPS in case of fair value method was employed for accounting of ESOP	EPS decrease by ₹ 0.02 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	20-Jul-11
		Weighted – average exercise price (Pre re-pricing) (₹)	75.20	63.25	37.55	47.65	41.45	57.90	58.95	93.20
		Weighted – average exercise price (Post re-pricing) (₹)	37.55	37.55	37.55	47.65	41.45	57.90	58.95	93.20
		Weighted – average Fair Value (Pre re-pricing) (₹)	40.45	-	23.87	30.61	26.64	36.57	37.54	55.32
		Weighted – average Fair Value (Post re-pricing) (₹)	21.49	-	23.87	30.61	26.64	36.57	37.54	55.32

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

ANNEXURE 'A' TO DIRECTORS' REPORT

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	75.2*	-	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

Place : Noida
Date : 29 May 2012

Jawahar Lal Goel
Managing Director

B D Narang
Director

ANNEXURE TO DIRECTORS' REPORT

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

(₹ in lacs)

1. Name of the Subsidiary Company	Dish TV Singapore Pte. Limited
2. Financial year of the Subsidiary Company ended on	31-Mar-12
3. Holding Company's interest	100%
4. Shares held by the Holding Company in the Subsidiary	1 Equity Share of 1 SGD fully (₹ 41) paid up
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, 2012	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, 2012	(2)
b) For the previous Financial Years of the Subsidiaries since it became a Subsidiary	-

For and on behalf of the Board

Place : Noida
Date : 29 May 2012

Jawahar Lal Goel
Managing Director

B D Narang
Director

REPORT ON CORPORATE GOVERNANCE

Dish TV's philosophy on Corporate Governance clearly envisages that Good Corporate Governance practices are sine qua non for a sustainable business that aims at generating long term value for all its Stakeholders. Corporate Governance mainly involves the establishment of structures and processes, with appropriate checks and balances that enable the Board, as collegian, to discharge their legal responsibilities in a manner which is beneficial to all Stakeholders. 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 believes that sound Corporate Governance is critical for enhancing and retaining investor trust and your Company always seeks to ensure that its performance goals are met with integrity.

Your Company is committed to adopt best governance practices and its adherence in 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 with eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals throughout the organization and putting in place systems, processes and technologies to strengthen such foundation. In its effort 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. Through its Manual, the Company ensures that the Board of Directors are well informed and equipped to fulfill their overall responsibilities and to provide management with the strategic direction needed to generate long term shareholders value.

Effective Corporate Governance requires a clear understanding of the respective roles of the Board and the Senior Management and their relationship with others in the corporate structure. With this understanding in mind, your Board exercises its responsibilities in the widest sense of the term. In its endeavor to act as a trustee of the Shareholders' capital, your Board performs a pivotal role in the governance system focusing on Good Governance in order to attain maximum value for the entire spectrum of its Stakeholders leading to long term benefits to the society at large. Our disclosures seek to match 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 as per Clause 49 of the Listing Agreement, the Compliance Report on the Corporate Governance is as under:

BOARD OF DIRECTORS

Your Company believes that a dynamic, vigorous, well - informed and independent Board is necessary to ensure highest standards of Corporate Governance. The composition of the Board of Directors of your Company is in conformity with the provisions of the Listing Agreement and the Companies Act, 1956. The day-to-day management of the Company is entrusted with 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 improving 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. The Board reviews and approves strategy and oversees the actions and performance of the Management to ensure that the long-term objective of enhancing Stakeholder's value is met. 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, 2012

Category of Directors	No. of Directors	% to Total No. of Directors
Executive Director(s)	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.

c) Board Meetings and Procedures:

During the Financial Year 2011-12 under review, 5 (Five) meetings of the Board were held on - May 23, 2011, July 20, 2011, October 19, 2011, January 19, 2012 and March 27, 2012. 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. The annual calendar of meetings is broadly determined at the beginning of each year. The Board meets atleast once a quarter to review the quarterly performance and financial results of the Company.

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2011-12 and also their other directorships in Public Companies (excluding Private Limited Companies, Foreign Companies and Section 25 Companies) and membership of other Board Committees as at March 31, 2012 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 Five Meetings)	23rd AGM held on August 30, 2011		As Member	As Chairman
Subhash Chandra	PD, NED	3	No	5	-	-
Jawahar Lal Goel	PD, ED	5	Yes	5	1	-
Ashok Kurien	PD, NED	3	Yes	1	2	2
Bhagwan Dass Narang	NED, ID	5	Yes	9	6	4
Arun Duggal	NED, ID	5	Yes	11	2	3
Pritam Singh (Dr.)	NED, ID	2	No	4	2	1
Eric Zinterhofer	NED, ID	-	No	-	-	-
Lakshmi Chand	NED, ID	5	Yes	-	-	-
Mintoo Bhandari	NED, ND	3	No	2	4	-
Sanjay H Patel	ALT*	-	No	-	-	-

*Alternate Director to Mr. Mintoo Bhandari

PD: Promoter Director
ID: Independent Director

NED: Non-Executive Director
ND: Nominee Director

ED: Executive Director
ALT: Alternate Director

**Committee Membership details do not include chairmanship of committees as it has been provided separately. As per Clause 49 of the Listing Agreement, for reckoning the limit of committee Chairmanships/Memberships, Audit Committee and Share Transfer and Investors Grievance Committee alone has been considered.

The calendar of meetings is planned in advance for the whole year in such a manner that the time gap between two meetings does not exceed 4 months, as prescribed under applicable laws. Board Meetings are generally held during such time of the end of the quarter so as to inter-alia incorporate announcement of quarterly results. Also, in addition to the pre-scheduled meetings, additional Board meetings, as and when required, are convened by giving appropriate notice to deal with 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, timely made available to the Board members. The Company Secretary in consultation with the Chairman / Managing Director plans the agenda of the Meetings well in advance and circulates the same along with the explanatory notes amongst the members of the Board in compliance with the prescribed Secretarial Standards in this regard 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 in addition to the matter provided in agenda for consideration by the Board. Senior Management Personnel are invited to the Board meetings to make requisite presentations on relevant issues or provide necessary insights into the operations / working of the Company and corporate strategies. In special circumstances additional or supplementary items are permitted to be taken up under 'any other item'. 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. In addition, the functional heads of various departments of the organization are also invited at the meetings, as and when required, to present updates on their core areas. 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, is Non-Executive Chairman of the Company and promoter of Essel Group of Companies which is among the leading lights of the Indian industry. A self-made man, Mr. Chandra has consistently demonstrated his ability to identify new businesses and lead them on the path to success.

Mr. Chandra who is referred to as the Media Moghul of India, revolutionised the television industry by launching the country's first satellite Hindi channel Zee TV in 1992 and later the first private news channel, Zee News. The ZEE Network today has over 600 million viewers in 168 countries. His bouquet of businesses includes television networks (ZEE & ZNL), a newspaper chain (DNA), cable systems (Wire and Wireless (India) Ltd.), Direct-to-Home (Dish TV), Satellite Communications (Agrani and Procall), Theme parks (Essel World and Water Kingdom), Online Gaming (Playwin), Education (Zee Learn), Flexible packaging (Essel Propack), Infrastructure development (Essel Infraprojects Ltd.) and Family Entertainment Centres (Fun Cinemas). Credited with tremendous business astuteness, Mr. Chandra has charted a course of growth and success, unparalleled in business history. All of Mr. Chandra's ventures are path-breaking in nature, be it the Essel Propack, which is the largest speciality packaging company in the world; Asia's largest amusement park Essel World; or the first satellite television in India (Zee TV).

Mr. Chandra has been recipient of numerous industry awards and civic honors including (a) Entrepreneur of the Year (Ernst & Young) [1998]; (b) Businessman of the Year (Business Standard) [1999]; (c) Enterprising CEO of the Year (International Brand Summit) [1999]; (d) Global Indian Entertainment Personality of the Year by FICCI [2004]; (e) Lifetime Achievement Award at the CASBAA Convention [2009]; (f) Hall of Fame for continuing contribution to industry in Entrepreneurs category at the INBA [2010]; and (g) International Emmy Directorate Award [2011].

Mr. Chandra has made his mark as an influential philanthropist in India. He has set up TALEEM (Transnational Alternate Learning for Emancipation and Empowerment through Multimedia) to provide access to quality

education through distance and open learning. He is also the Chairman of the Ekal Vidyalaya Foundation of India — a movement to eradicate illiteracy from rural and tribal India. The Foundation provides free education to nearly 10,35,444 (1 million +) tribal children across 36,783 villages through one-teacher schools. He is also the moving force behind the Global Vipassana Foundation — a trust set up to help people raise their spiritual quotient.

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

Mr. Chandra does not hold any equity shares of the Company in his name as at March 31, 2012.

2. **Mr. Jawahar Lal Goel**, was appointed as the Managing Director of the Company on January 6, 2007. He has been actively involved in the creation and expansion of the Essel Group of Industries. A prophet in pioneering the Direct to Home (DTH) services in India he has been instrumental in establishing Dish TV as a prominent brand with India's most modern and advanced technological infrastructure.

Mr. Goel led the initiatives of the Indian Broadcasting Foundation (IBF) as its President for four consecutive years from September '06 to September '10 and continues to be its active Board member. He is also on the Board of various committees and task forces set up by Ministry of Information & Broadcasting (MIB), Government of India, and continues to address several critical matters related to the industry. He is a prime architect in establishing India's most modern and advanced technological infrastructure for the implementation of Conditional Access System (CAS) and Direct To Home (DTH) services through Headend in the Sky (HITS) which is poised to bring about a revolution in the distribution of various entertainment and electronic media products in India in the ensuing months to the consumers (TV viewers) enormously.

Apart from the Company, Mr. Goel holds directorship in five (5) other Indian Public Limited Companies viz., Chiripal Industries Ltd., Essel International Ltd., Essel Infraprojects Ltd., Rankay Investment and Trading Company Ltd. and Zee-Turner Limited.

As on March 31, 2012, Mr. Goel holds 176,800 equity shares comprising of 0.02% of the paid up capital in the Company.

3. **Mr. Bhagwan Dass Narang**, 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., Afcon Infrastructure Ltd., VA Tech Wabag Ltd., Amar Ujala Publications Ltd., Revathi Equipment Ltd., Karvy Stock Broking Ltd., DSE Financial Services Ltd., Lakshmi Precision Screws Ltd. and Mayar Health Resorts Limited.

As on March 31, 2012, Mr. Narang holds 3,000 equity shares comprising of 0.00% of the paid up capital in the Company.

4. **Mr. Ashok Kurien**, 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, Marketing and Communications. An early bird, Mr. 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 both invested and mentored, which have been resounding success stories. Mr. Ashok Kurien's Passion to 'go on his own' fired his ambition, resulting in the formation of Ambience Advertising in 1987, 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 \$7 billion Publicis Groupe, he leads their mergers and acquisitions for India.

Mr. Ashok Kurien is a Founder-Promoter/Director of Zee Entertainment Enterprises Limited (ZEEL), under the leadership of Mr. Subhash Chandra. He is a Founder-Promoter/Director and Strategic Marketing Advisor to Dish TV and Playwin. He is a Founder-Promoter of India.com, the Joint Venture between ZEEL and Mail.com, which he helped conceptualize and establish. He is also a Founder Partner of Hanmer & Partners, one of India's top-three Public Relations agencies, He is Founder Partner in Flora2000, one of the leading global online flower distribution services, as well as Remindo, an Office Employee Engagement Network.

Despite the heights he has achieved in his career, Mr. 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 one (1) other Indian Public Limited Company viz., Zee Entertainment Enterprises Ltd.

As on March 31, 2012, Mr. Kurien holds 1,174,150 equity shares, comprising of 0.11% of paid up capital of the Company.

5. **Mr. Arun Duggal**, 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. 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 is involved in several initiatives in social and education sectors. Mr. Duggal is Chairman of Bellwether Microfinance Fund, a social sector fund, which provides equity capital to smaller, promising Micro Finance organizations. He was erstwhile Chairman of the American Chamber of Commerce, India. He was on the Board of Governors of the National Institute of Bank Management.

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 is an expert in international finance and from 1981-1990 he was head of Bank of America's (oil & gas) practice handling relationships with companies like Exxon, Mobil, etc. 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.

Apart from the Company, Mr. Duggal holds directorship in Eleven (11) 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., Info Edge (India) Ltd., Adani Ports and Special Economic Zone Limited, Educomp School Management Limited, Zuari Holdings Limited and Zuari Industries Ltd.

As on March 31, 2012, Mr. Duggal does not hold any shares in the Company.

6. **Pritam Singh (Dr.)**, 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 Motocorp Limited, Parsvnath Developers Ltd., Godrej Properties Ltd. and Dena Bank Ltd.

As on March 31, 2012, Dr. Singh does not hold any shares in the Company.

7. **Mr. Eric Louis Zinterhofer**, 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. In the last five years, Mr. Zinterhofer served on the Board of Directors of Affinion Group, Inc., IPCS Inc. and Unity Media GmbH. He is currently the Non-Executive Chairman of the Board of Charter Communications, Inc. and is also a member of the Board of Directors at Central European Media Enterprises Ltd. and Hunter Boot Limited. From 1994-1996, Mr. Zinterhofer 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, 2012, Mr. Zinterhofer does not hold any shares in the Company.

8. **Mr. Lakshmi Chand**, 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 Echelon Institute of Technology, Faridabad (Haryana).

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

As on March 31, 2012, Mr. Lakshmi Chand does not hold any shares in the Company.

9. **Mr. Mintoo Bhandari**, 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 Sub-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 holds directorship as nominee director in two (2) other Indian Public Limited Company viz., Welspun Corp Limited and Welspun Maxsteel Limited.

As on March 31, 2012, Mr. Bhandari does not hold any shares in the Company.

10. Mr. Sanjay Hiralal Patel, is an Alternate Director to Mr. Minto 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. He also serves on the Board of Overseers' Committee on University Resources for Harvard College and the Executive Committee of the Harvard College Fund.

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, 2012, 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, 2012. A declaration signed by the Managing Director of the Company as per the Listing Agreement 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, 2012.

Jawahar Lal Goel
Managing Director

Noida, May 29, 2012

BOARD COMMITTEES

Your Board has constituted various Board and Executive Management Committees in order to facilitate smooth flow of day-to-day business of the Company. Relevant details pertaining to the 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

Composition: The composition of the Audit Committee of the Board is in compliance of the Section 292A of the Companies Act, 1956, and Clause 49 of the Listing Agreement with the Stock Exchanges. It consists of 5 (Five) members as on March 31, 2012, three of whom are Independent Directors, with Mr. B D Narang, a Non-Executive Independent Director, as its Chairman. All members of the Committee are financially literate and possess accounting and related financial management expertise.

As on March 31, 2012, the Audit Committee comprised of the following members:

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 - Nominee	October 27, 2010

Primary Objective: The Primary objective of the Audit Committee of the Company is to assist the Board in effective supervision of the financial reporting processes to ensure proper disclosure of financial statements and reporting practices of your Company and its credibility and compliance with the Accounting Standards, Stock Exchanges and other legal and regulatory requirements. Its key purpose is to analyze the management financial reporting process in order to ensure specific, timely and proper disclosure and transparency, integrity and quality of financial reporting.

The functions and powers of the Audit Committee are as provided in Clause 49 of the Listing Agreement with Stock Exchanges and Section 292A of the Companies Act, 1956.

Terms of Reference:

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, Cost 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 thereon and in particular internal control weaknesses and reviewing the adequacy of internal audit function; and
- 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 Auditors 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.

Internal Audit

Your Company appointed M/s S.S. Kothari Mehta & Co., as its Internal Auditor for the FY 2011-12. The Company's system of internal controls covering all departments including financial, operational, compliance, IT, HR, Service, etc., are reviewed by the Internal Auditors from time to time. Presentations are also made by the Auditors before the Audit Committee on quarterly basis covering the Audit areas covered.

Your Company's Audit Committee inter-alia, reviews the adequacy of internal audit function, the internal audit reports and reviews the internal control weaknesses. The Audit Committee is provided necessary assistance and information to render its function efficiently.

Audit Committee Meetings

During the Financial year 2011-12, the Committee met six (6) times i.e. on May 2, 2011, May 23, 2011, July 20, 2011, October 19, 2011, January 19, 2012 and March 27, 2012.

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	6	6	100	Y
Arun Duggal	6	5	83	Y
Pritam Singh (Dr.)	6	2	33	N
Ashok Kurien	6	3	50	Y
Mintoo Bhandari	6	3	50	N

Mr. B.D. Narang, Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on August 30, 2011, to answer the Shareholder queries.

b) Remuneration Committee

Composition: The Remuneration Committee of the Board comprises 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, 2012 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

Terms of Reference: The Committee has the mandate to inter-alia, review the overall compensation policy, service agreements and other employment conditions of Senior Management and Executive Director(s). The Committee has the powers to determine and recommend to the Board the amount of remuneration, compensation and perquisites payable to the Executive Directors and Senior Management. The Board, in turn, ensures that the remuneration and compensation is well within the overall limit specified by the Companies Act, 1956, 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 under review, two (2) Remuneration Committee Meetings were held on the following dates - May 23, 2011 and July 20, 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	2	2	100
Arun Duggal	2	2	100
Pritam Singh (Dr.)	2	1	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	7,868,297*	388,800

* The above remuneration includes payment of the permitted Leave Travel Allowance of ₹ 337,097/- which pertains to the previous financial year.

Mr. Jawahar Lal Goel, Managing Director of the Company had 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 and his term as Managing Director of the Company shall expire on January 5, 2013.

Remuneration to Non-Executive Directors

During the Financial Year 2011-12, 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 Fee paid to Non-Executive Directors of the Company for Financial Year 2011-12 are as under:

S. No.	Name of Director	Sitting Fees (₹)
1	Subhash Chandra	60,000
2	B D Narang	2,35,000
3	Ashok Kurien	1,65,000
4	Arun Duggal	2,05,000
5	Pritam Singh (Dr.)	85,000
6	Eric Zinterhofer	Nil
7	Lakshmi Chand	1,90,000
8	Mintoo Bhandari	1,20,000
9	Sanjay Hiralal Patel	Nil

Besides the above stated sitting fees, 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) on August 28, 2008 at an exercise price equivalent to Market Price, in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee 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 exercised / outstanding as at March 31, 2012 is as under:

Name of the Directors	Category	No. of Options Granted	Options Vested	Options Exercised
B. D. Narang	Non-Executive Independent	7500	4500	3000
Pritam Singh (Dr.)	Non-Executive Independent	7500	4500	-
Arun Duggal	Non-Executive Independent	7500	4500	-
Eric Zinterhofer	Non-Executive Independent	7500	4500	-

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

The Non-Executive Independent 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

Composition: The Selection Committee of the Board comprises of Mr. B.D. Narang, Non-Executive Independent Director, Mr. Lakshmi Chand, Non-Executive Independent Director and Mr. Barun Das as on outside expert as members of the Committee.

The said committee had 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.

Meetings & Attendance during the year: During the year under review, the Committee met once on July 20, 2011, to consider and approve an appointment under Section 314 (1B) of the Companies Act, 1956.

d) Share Transfer and Investors Grievance Committee

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

The primary role of the Committee is to build investor relations, by 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, dematerialization, split of shares, consolidation, 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.

Meeting and attendance during the year: During the period under review, Share Transfer and Investors Grievance Committee met on July 20, 2011, October 19, 2011 and March 27, 2012. The meetings were attended by all the members of the Committee.

Details of number of requests/complaints received and resolved during the year ended March 31, 2012, are as under:

Nature of Correspondence	Received	Replied/Resolved	Pending
Non receipt of Shares	0	0	-
Non receipt of Annual Report	5	5	-
Non receipt of Dividend Payment	3	3	-
Non receipt of Fractional Payment	0	0	-
Non receipt of confirmation on Call Money	0	0	-
Complaint lodged with SEBI	1	1	-
Complaint lodged with ROC	1	1	-
Complaint lodged with NSE/BSE	1	1	-
Total	11	11	Nil

e) Budget Committee

Composition: The Budget Committee was constituted on January 22, 2010 and presently comprises of Mr. Jawahar Lal Goel, Managing Director, Mr. Minto Bhandari, Non-Executive Nominee Director, and Mr. Ashok Kurien, Non-Executive Director as its members.

The Committee is entrusted with the power 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 to the Committee and the Chief Financial Officer of the Company is a permanent invitee to the Committee.

Meeting and attendance during the year: During the period under review, the Budget Committee met once on March 27, 2012. The meeting was attended by all the members.

(f) ESOP Allotment Committee

Composition: The ESOP Allotment Committee was constituted on October 26, 2010 and comprises of Mr. Jawahar Lal Goel, Managing Director, Mr. Ashok Kurien, Non-Executive Director and Mr. Lakshmi Chand, Non-Executive Independent Director as its members. The primary objective of the Committee is to process and facilitate allotment of Equity Shares, from time to time, upon exercise of Stock Options granted under ESOP Scheme of your Company.

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

During the year five (5) ESOP Allotment Committee Meetings were held on April 29, 2011, June 6, 2011, July 6, 2011, August 23, 2011 and November 28, 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	5	5	100
Lakshmi Chand	5	5	100
Ashok Kurien	5	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. The primary 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 the 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.
- 4. Nomination Committee:** With a view to determine and recommend (a) appropriate criteria, expertise and skills for the Board membership of the Company; (b) the framework for evaluation of performance of the Board and the Directors; and (c) recommend appointment of Directors, the Board has constituted a Nomination Committee, comprising of Mr. Subhash Chandra as Chairman and Mr. Ashok Kurien, Non-Executive Director and Mr. Lakshmi Chand, Non-Executive Independent Director as members.

Your Board has provided for detailed guidelines on constitution, quorum, scope and procedures to be followed by these Committees in discharging their respective functions. 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

A detailed report on Management Discussion and Analysis is provided separately as a part of 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 request for their re-appointment at the Annual General Meeting. As per the provisions of the Companies Act, 1956, Mr. Arun Duggal and Dr.Pritam Singh, Directors of the Company, retire at the ensuing Annual General Meeting and being eligible, have offered their re-appointment as Directors of the Company. Your Board has recommended the re-appointment of these retiring Directors.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

CEO / CFO CERTIFICATION

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

GENERAL MEETINGS

The 24th Annual General Meeting of the Company for the Financial Year 2011-12 will be held at 11:00 A.M. on Thursday, August 9, 2012 at NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New 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, 2011	Tuesday, August 30, 2011, 1130 Hrs	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi – 110 016	Appointment of Mr. Gaurav Goel relative of Mr. Jawahar Lal Goel, Managing Director and Mr. Subhash Chandra, Chairman, to hold an office or place of profit as 'Zonal Head – Delhi Zone' of the Company
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.
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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 2011.

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 are 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) 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.

(c) 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 as a part of their quarterly declaration of financial results. 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 till such time that the full money raised through the issue has been fully spent. 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 & annual basis. The Monitoring Report received from the Monitoring Agency for period July to December 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 respective meetings 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.

(d) 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 have been imposed by SEBI or Stock Exchanges or any other statutory authority on any matter relating to capital markets, during the last three years.

(e) Whistle Blower policy

Your Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has laid down a Whistle Blower Policy and in terms of the said policy no personnel has been denied access to the Audit Committee.

(f) 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.

In addition to the above, the Company has complied with the following non-mandatory requirements of Clause 49 of the Listing Agreement 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 whether actual or suspected, unethical behavior, 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. This mechanism has been appropriately communicated within the organization.

MEANS OF COMMUNICATION

The Company had timely and without delay reported every significant 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 in the Investor Info section 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' in compliance with the requirements stated in 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 that the 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, 2012, as stipulated in Clause 49 of the Listing Agreement 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: 29 May 2012

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	:	Thursday, August 9, 2012
Venue	:	NCUI Auditorium, 3, Siri Institutional Area, August Kranti Marg, New Delhi – 110 016
Time	:	11:00 A.M.
Last date of receipt of Proxy Form	:	Tuesday, August 7, 2012 (Before 11:00 A.M. at the Registered Office of the Company)
Book Closure	:	Monday, July 9, 2012 to Wednesday, July 11, 2012 (both days inclusive)

B. Financial Year : 2011-12

C. Registered Office:

Essel House, B-10, Lawrence Road Industrial Area, Delhi -110 035
Tel: +91-11-27156040/41/43, Fax: + 91-11-27156042, 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 Relations 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, Luxembourg
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 2012 has been paid by the Company

Market Data relating to GDRs Listed on Luxembourg Stock Exchange:

(figures in USD)			
Month	Monthly Closing (Maximum)	Monthly Closing (Minimum)	Average
April 2011	1589.50	1494.50	1536.20
May 2011	1739.35	1475.50	1558.09
June 2011	1985.05	1715.55	1840.47
July 2011	2094.60	1897.90	1988.54
August 2011	1952.15	1566.30	1800.94
September 2011	1764.30	1526.85	1628.81
October 2011	1635.10	1472.15	1552.95
November 2011	1553.95	1152.80	1345.38
December 2011	1336.85	1110.05	1194.35
January 2012	1283.15	1086.20	1190.55
February 2012	1425.25	1085.75	1286.72
March 2012	1255.70	1048.35	1118.02

G. Corporate Identity Number (CIN) : L51909DL1988PLC101836

H. 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, Fax: +91-22-28591568 / 28508927

Email: sharepro@shareproservices.com

I. Listing Fee

Company has paid listing fees upto March 31, 2013 to the National Stock Exchange of India Ltd. ("NSE") and Bombay Stock Exchange Limited ("BSE")

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. Accordingly for FY 2010-11, your Company had sent the Notice and Annual Reports in electronic mode to its Shareholders at their respective e-mail ids.

Further in an attempt to upkeep the spirit of Green Initiative as spelt out by MCA, your Company will be sending the Notice and Annual Report for the financial year 2011-12 in electronic form to the members whose e-mail address have been made available to the Company by the Depositories, in terms of the said Circulars.

Members holding shares in electronic form but who have not registered their email address with their DP yet and members holding shares in physical form are requested 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 I.D. and Client I.D. / 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 ensure 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 Relations 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 and Investors Grievance 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.

As per the requirement in Clause 47(c) of the Listing Agreement, certificate on half yearly basis confirming due compliance of share transfer formalities by the Company as received from the Practicing Company Secretary was submitted to the Stock Exchanges within stipulated time.

M. Unclaimed Shares

Pursuant to Clause 5A of the Listing Agreement (as amended in December 2010), 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, 2011	134	75591
Number of Shareholders who approached the Company for transfer of shares from Suspense Account till March 31, 2012	-	-
Number of Shareholders to whom shares were transferred from the Suspense Account till March 31, 2012	-	-
Aggregate number of Shareholders and the outstanding shares in the Suspense Account lying as on March 31, 2012	134	75591

The voting rights on the shares outstanding in the Suspense Account as on March 31, 2012 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 I.D. / Client I.D. 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 March 31, 2012, 99.9% of the equity shares of the Company are in the dematerialized form. Entire Shareholding of the Promoters in the Company are held in dematerialized form.

P. Custodial Fees to Depositories:

The Company has paid custodial fees for the year 2012-13 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

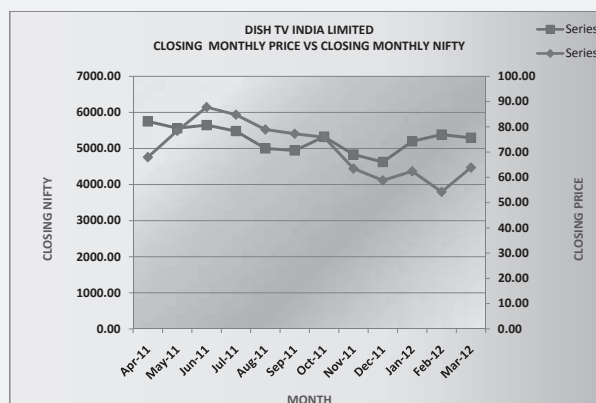
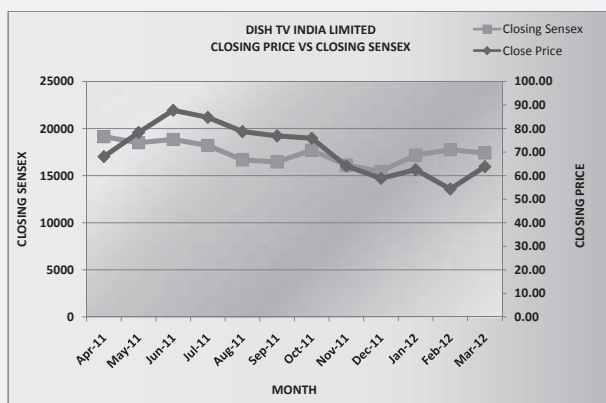
Q. Stock Market Data Relating to Shares Listed in India

- 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 2011 to March 2012 are as under:

Fully Paid Equity Shares

MONTH	NSE			BSE		
	High (In ₹)	Low (In ₹)	Volume of Shares Traded	High (In ₹)	Low (In ₹)	Volume of Shares Traded
April 2011	71.95	63.60	53,717,985	72.00	63.80	9,949,650
May 2011	78.90	62.25	48,184,491	78.90	65.35	7,466,128
June 2011	90.65	76.00	91,726,965	90.70	75.00	16,879,444
July 2011	97.00	81.50	89,553,711	94.20	81.60	15,921,580
August 2011	87.75	71.25	76,131,592	87.70	71.25	11,069,497
September 2011	82.30	72.75	63,152,261	82.50	72.85	6,484,412
October 2011	83.70	71.50	65,678,569	83.75	71.25	11,056,939
November 2011	77.40	58.55	66,998,969	77.40	58.65	7,184,081
December 2011	73.00	56.60	77,407,603	69.20	56.10	8,572,335
January 2012	67.10	56.20	105,448,045	67.10	56.25	18,459,071
February 2012	72.20	52.00	143,843,367	72.10	52.00	24,390,626
March 2012	64.10	51.65	129,260,596	64.00	52.00	24,510,432

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



c) Distribution of Shareholding as on March 31, 2012 – Consolidated

No. of Equity Shares	Share holders		No. of Shares	
	Numbers	% of Holders	Number	% of Shares
Upto 5000	168,446	99.30	33,702,957	3.17
5001 – 10000	537	0.32	3,965,277	0.37
10001 – 20000	215	0.13	3,131,246	0.29
20001 – 30000	71	0.04	1,739,983	0.16
30001 – 40000	48	0.03	1,670,538	0.16
40001 – 50000	26	0.02	1,227,232	0.12
50001 – 100000	74	0.04	5,553,156	0.52
100001 and above	213	0.13	1,013,433,486	95.21
Total	169,630	100	1,064,423,875	100

d) Top 10 Public Equity Shareholders as on March 31, 2012 – 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. A/C Reliance Equity Option Fund	7,003,800	0.66
3	Robeco Capital Growth Funds	6,500,000	0.61
4	Goldman Sachs Investments (Mauritius) I Ltd	6,190,909	0.58
5	Napean Trading And Investment Co Pvt Ltd.	5,766,196	0.54
6	MFS International New Discovery Fund	5,714,176	0.54
7	Met Investors Series Trust-MFS Emerging Markets	5,404,423	0.51
8	Reliance Capital Trustee Co Ltd A/C-Reliance Regular Balance Option	5,000,000	0.47
9	Regal Investment And Trading Co Pvt Ltd	4,788,136	0.45
10	Government Pension Fund Global	4,390,342	0.41
	Total	167,792,982	15.76

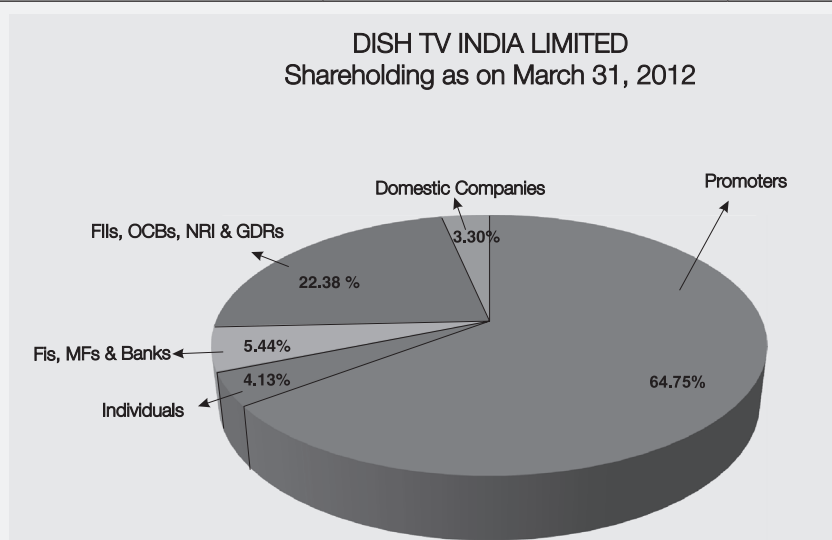
e) Promoter Shareholding as on March 31, 2012

S. No.	Name of Shareholder	No of Shares held	% of Shareholding
1	Agrani Holding (Mauritius) Ltd.	35,172,125	3.30%
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 Company Pvt. Ltd.	11,469,419	1.08%
6	Churu Trading Co. Pvt. Ltd.	100	0.00%
7	Dhaka Warriors Sports Pvt. Ltd.	637,212,260	59.86%
8	Delgrada Limited (renamed as Essel Media Ventures Limited)	460,000	0.04%
9	Jawahar Lal Goel	176,800	0.02%

10	Laxmi Narain Goel	1,006,500	0.09%
11	Nishi Goel	11,000	0.00%
12	Prajatma Trading Company Pvt. Ltd.	100	0.00%
13	Premier Finance & Trading Company Ltd.	100	0.00%
14	Priti Goel	11,000	0.00%
15	Suryansh Goel	5,100	0.00%
16	Sushila Devi	585,750	0.06%
17	Tapesh Goel	5,100	0.00%
18	Veena Investments Pvt. Ltd.	100	0.00%
	Total	689,222,979	64.75%

f) Categories of Shareholders as on March 31, 2012 - Consolidated

Category	No. of Shares held	% of Shareholding
Promoters	689,222,979	64.75%
Individuals	43,964,873	4.13%
Domestic Companies	35,124,378	3.30%
FIs, Mutual Funds and Banks	57,915,909	5.44%
FIs, OCBs, NRI & GDRs	238,195,736	22.38%
Total	1,064,423,875	100



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

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, 2012 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, 2012 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
Managing Director

Rajeev K Dalmia
Chief Financial Officer

Place: Noida

Date: 16 May 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'would grow', 'likely', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward looking-statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. Thus the Company's actual performance/results could differ from the projected estimates in the forward-looking statements. The Company does not assume any responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

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 more than 10 million new subscribers. The cumulative DTH subscribers in India stand at around 45 Million currently.

The Indian economy is going through a phase of contraction which is reflected in all consumer durable and FMCG products but the TV set market continued to expand in double digits. Further, there was marked improvement in the sale of flat panel TV sets eg., LCD, LED and HD TV sets. The continued growth of number of Television sets in the country, specially the high end flat television is an encouraging sign for the digital delivery platforms. This trend is likely to continue due to the Digitization mandate initiated by the Government of India and reduction in the prices of such television sets. Television will continue to provide cheaper modes of entertainment and DTH will always be a preferred medium because of its inspirational value, uninterrupted content delivery, proven and reliable technology and plethora of value added services. Moreover, DTH industry being highly capital intensive with long gestation period, the players engaged in this industry, due to the strong business and brand lineage, provide comfort and delight to the user.

The DTH industry consolidated its gains across all the segments namely launch of additional channels, robustness of the service delivery, launch of contemporary products and overall move from 'numbers' to a new world

of customer relationship paradigm. We continue to believe that technology, better consumer offer, launch of niche channels, value added services, positive government vibes and implementation of GST will continue to drive the category towards new heights and glory. The Company is well placed to encash and enrich itself from the opportunities going forward.

SWOT ANALYSIS

Strengths

The lineage of the brand, availability of product all across the country through an established distribution network, enriched customer delivery of services – by way of call center and direct interaction with the customers, highest number of channels & services offering – both in High Definition and Standard Definition, cutting edge technology and maximum bandwidth space will drive growth and create further opportunities for your Company. 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. Your Company, to cater to the requirement of each state of this country, has established call centers where the customer support is provided in major regional languages also which has improved the customer interaction level.

The recent launch of Set Top Box with Digital Video Recording facility is the clear differentiator since this newly launched Set Top Box has a unique facility of providing unlimited recording feature to the subscribers. The availability of maximum number of channels & services in High Definition and the continuous addition of new HD and niche channels has given a strong competitive advantage to your Company.

The continuous efforts to increase the number of distribution and support channel partners has given an impetus to the upsurge story of your Company. Your Company has an extensive and fully established active trade partners network comprising of dealers, distributors, installers, Service Franchisees, Dish Shoppees, Dish Care Centers, modern trade, chain stores and e-stores spread all across the country.

Weakness

The growth and the negative impact on the profitability and margin of the DTH sector continues to be plagued due to high incidence of Multiple taxation and continuous depreciation of Rupee leading to higher acquisition cost

of the hardware and other imported services. The biggest competition of the DTH sector – the unorganized cable operators continue to under declare subscribers and hence 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

The Government of India has notified the compulsory migration from Analog transmission to Digital transmission in four phases. Effective the cutoff dates for digitization, transmission of television signals in analog format will have to be ceased. This effectively means that all those currently viewing TV in the analog mode will have to switch to either digital cable Set Top Box or choose to migrate to DTH which is already digital and has a strong foothold in the market.

There are currently 70 Million analog homes which will have to switch to digital format by December 2014. This presents a huge opportunity for the DTH sector. The current subscriber base for DTH being around 45 Mn, this opportunity can be seen as doubling of the entire DTH universe in a short span of 30 months.

Your Company will aim to maintain its incremental market share within the DTH category of 25 %, giving Dish TV the opportunity to add an incremental 11.4 Mn subscribers in the next two years effectively doubling its subscriber base.

The impending Digitization brings a vast opportunity to your Company as well as the Company could be facing intense competition. However, in longer run and Post digitization it can be expected that there will be significant movement upwards in ARPU as the cable companies face pressure due to expanded balance sheets and revenue sharing with the LCO as well as increased demands from the broadcasters due to full declaration of the subscriber numbers.

Any upward movement of ARPU in the cable space arising out of Digitization will be positive for DTH operators as DTH already commands a premium over cable and therefore will be able to move prices more aggressively.

The year gone by also saw the emergence of the High Definition adoption across major cities lead by major sporting events and movies being telecast in High Definition

format. The year also saw launch of large number of new High Definition channels leading to high decibel noise and consumer awareness about such availability. The benefit of HD is expected to accrue in the coming years.

Threats

Intense competition from other DTH players as well as digital cable. High incidence of taxation and regulatory intervention restricting the growth and profitability of the DTH sector is also a potential threat.

Strategy

In the Indian marketplace over the last six years, DTH has clearly established itself as the preferred choice for digital viewing of pay television content. Of the approximately 50 Mn installed base of digital connections almost 44 Mn or 88% is accounted for by DTH with digital cable accounting only for the balance 12%.

However with the government mandate for Digital Addressable Systems (DAS) set to kick in, in four phases, it is expected that the terrestrial cable systems are likely to get more aggressive and pose a challenge to the unfettered growth of DTH. Any strategy will necessarily have to encompass these challenges as well as maximizing the opportunity for DTH presented by the DAS mandate.

The major advantages of DTH which are sought to be strengthened by the organization are the extensive infrastructure which has been developed by Dish TV in terms of selling and recharge points as well as service centers. Additionally an extensive CRM system is in place which is capable of handling over 3 million calls per month. Dish TV is further working on strengthening this backbone to ensure a top class customer experience from the moment a customer is acquired, right through the life cycle of the customer.

This capability will remain a formidable differentiator, both against existing DTH companies and also versus digital cable systems.

Technology is the next big differentiator, in which DTH has already taken the lead and Dish TV in particular will seek to widen the gap with competition. With the largest HD bouquet of 42 channels, Dish TV has set the trend for movement from analog straight to third generation technology. Additional innovations recently introduced like HD DVR with unlimited recording feature allows for time shift viewing to suit the changing life style of urban consumers.

Addition of new generation technologies and seamless integration with the web, have seen the introduction of web applications through which the customer can interface with his CRM and transact on his Android/Windows mobile phone, providing a rich user experience for Dish TV customers.

Dish TV is also working with content providers to provide unique access to its subscribers for content through multiple devices over the web. Thus a Dish TV customer will be able to access content using his Dish TV subscription account specified content delivered over the internet and received in his mobile phone, laptop or tablet computer.

The core strategy driving DishTV's leadership position in the marketplace will be threefold.

- 1) Be the leader in content delivery
- 2) Be the leader in customer satisfaction
- 3) Be the leader in technology and innovation

With Dish TV clearly focused on improving its delivery capability in these core metrics, we believe we will be able to successfully strengthen our position as both the leading DTH player and successfully fend off any threat from cable to remain India's most preferred digital content delivery platform.

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 12.9 Million on March 31, 2012
- ❖ Operating Revenue for FY 12 stood at ₹ 1957.8 Cr
- ❖ EBITDA for FY 12 stood at ₹ 498.4 Cr
- ❖ Total Number of Channels & Services 340, being the highest in the category
- ❖ Total number of HD service stood at 42, once again the Highest in the category
- ❖ ARPU for FY 12 stood at ₹ 153

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 2012 and also the Statement of Profit and Loss 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 Without qualifying our opinion, attention is invited to note 2(b) of the financial statements. The Company's net worth as at the end of the financial year is completely eroded by its accumulated losses. However, the management has prepared the financial statements assuming that the Company will continue as a going concern since it has adequate resources in the form of operating cash flows and sanctioned credit facilities from lenders to adequately meet its obligation.
- 5 Further to our comments in the Annexure referred to in para 3 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, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this report, are in agreement with the books of account;
 - (d) *subject to our comments in paragraph 5 (f) below regarding non compliance in relation to Accounting Standard 19 'Leases', in our opinion, the Balance Sheet, the Statement of Profit and Loss 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 2012 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31 March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) *the life of the Consumer Premises 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 Accounting Standard 19 'Leases', though the impact of which on the financial statements has not been ascertained by the management. This was a subject matter of qualification in our audit report on the financial statements for the previous year ended 31 March 2011 also [Refer to note 39 (b)];*
 - (g) *during the previous year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,056 lacs in relation to an earlier year, though reduced to ₹ 2,642 lacs during the year based on a rectification application filed. The matter pertains to short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the above said 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 Statement of Profit and Loss for the year and the debit balance in the Statement of Profit and Loss at the end of the year. This was a subject matter of qualification in our audit report on the financial statements for the previous year ended 31 March 2011 also [Refer to note 49 (c)]; and

- (h) *subject to our comments in paragraphs 5 (f) and (g) above, the impact of which has not been ascertained, 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 2012;
- (ii) in the case of the Statement of Profit and Loss, 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 BSR & Co.
Chartered Accountants
Firm Registration No: 101248 W

Kaushal Kishore
Partner
Membership No: 090075

Place: Gurgaon
Date: 16 May 2012

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 2012

- (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) Fixed assets disposed off during the year were not substantial and, therefore, 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) Pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Companies Act, 1956. *According to the information and explanations given to us, the Company is in the process of aligning its*

financial accounting system in order to maintain the requisite cost accounting records. As informed to us, the Company is in the process of concluding and producing such records.

- (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 *except in respect of entertainment tax dues where there have been several delays, though the amount have subsequently been paid to the 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 2012 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 ₹ lacs

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	160	-	January 2007 to March 2007	VATO, Delhi VAT
		7	7	March 2010	VATO, Delhi VAT
	Value Added Tax (including penalty and interest)	244	20	April 2007 to March 2008	VAT Tribunal, New Delhi
	Value Added Tax	40	4	AY 2007-08	VATO, Delhi VAT
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax (including interest)	344*	18	March 2008 to September 2008	Andhra Pradesh High Court
	Value Added Tax (including penalty and interest)	286	286	2006-08	State Tribunal Appellate Authority, Hyderabad
Bihar Value Added Tax Act, 2005	Value Added Tax	15	15	2007-08	Commercial Tax Officer, Patna
		59	43	2008-09	Commercial Tax Officer, Patna
UP Trade Tax Act, 1948	Value Added Tax (including interest)	1	-	April 2005 to March 2006	Joint Commissioner (Appeal), Noida
	Value Added Tax	1	1	2006-07	Additional Commissioner Appeal, Noida
		#	#	2010-11	Deputy Commissioner, Noida
		10	5	April 2011	CTO, Noida
Income-tax Act, 1961	Income tax and interest	2,642	400	Assessment year 2009-10	Commissioner of Income Tax-Appeal, Noida.

Amount in ₹ lacs

		9	-	Assessment year 2006-07	Commissioner of Income Tax-Appeal, Mumbai
Indian Customs Act, 1962	Special Additional Duty	795	-	April 2008 to June 2009	CESTAT
Finance Act, 1994 (Service tax case)	Service tax	167	-	F Y 2006-07 to F Y 2010-11	Commissioner of Excise & Service Tax –Ghaziabad
Wealth Tax Act, 1957	Wealth tax	1	-	AY 05-06	Asst. Commissioner of Income Tax, New Delhi

* Including disputed dues aggregating ₹ 344 lacs in respect of Value Added Tax which have been stayed by the respective authorities.

₹ 36,000.

(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 ₹ 86,934 lacs.*

(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 course of our audit.

For B S R & Co.

Chartered Accountants

Firm Registration No: 101248W

Kaushal Kishore

Partner

Membership No: 090075

Place: Gurgaon

Date: 16 May 2012

BALANCE SHEET AS AT 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

	Note No.	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	10,636	10,630
(b) Reserves and surplus	4	(20,018)	(4,355)
		(9,382)	6,275
Non-current liabilities			
(a) Long-term borrowings	5	101,935	64,853
(b) Other long term liabilities	6	17,984	20,627
(c) Long-term provisions	7	1,052	716
		120,971	86,196
Current liabilities			
(a) Short-term borrowings	8	19,500	-
(b) Trade payables	9	7,949	22,909
(c) Other current liabilities	10	75,425	121,305
(d) Short-term provisions	11	48,934	31,996
		151,808	176,210
Total		263,397	268,681
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.1	141,602	134,987
(ii) Intangible assets	12.2	433	1,382
(iii) Capital work-in-progress		38,843	44,211
		180,878	180,580
(b) Non-current investments	13	15,000	20,015
(c) Long-term loans and advances	14	1,951	3,391
(d) Other non-current assets	15	695	1,281
		17,646	24,687
Current assets			
(a) Inventories	16	688	444
(b) Trade receivables	17	2,861	2,154
(c) Cash and bank balances	18	38,513	30,738
(d) Short-term loans and advances	19	21,983	29,777
(e) Other current assets	20	828	301
		64,873	63,414
Total		263,397	268,681
Significant accounting policies	2		

The accompanying notes (1 to 51) 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

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

Jawahar Lal Goel

Managing Director

Rajeev K. Dalmia

Chief Financial Officer

B. D. Narang

Director

Ranjit Singh

Company Secretary

Place : Gurgaon

Dated : 16 May 2012

Place : Noida

Dated : 16 May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

	Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
Income			
Revenue from operations	21	195,782	143,655
Other income	22	3,859	8,804
Total revenue		199,641	152,459
Expenses			
Purchases of stock-in-trade	32	737	392
Changes in inventories of stock-in-trade	23	(244)	(166)
Operating expenses	24	99,753	78,582
Employee benefits expense	25	7,098	5,663
Selling and distribution expenses	26	29,093	28,471
Finance costs	27	17,780	15,114
Depreciation and amortization expense	12.1 and 12.2	51,800	36,540
Other expenses	28	9,509	6,832
Total expenses		215,526	171,428
Loss before tax		15,885	18,969
Tax expense		-	-
Loss for the year		15,885	18,969
Basic and diluted loss per equity share (in ₹) (Face value of ₹ 1 each)		1.49	1.79

Significant accounting policies

2

The accompanying notes (1 to 51) form an integral part of the financial statements.

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

Jawahar Lal Goel

Managing Director

Rajeev K. Dalmia

Chief Financial Officer

B. D. Narang

Director

Ranjit Singh

Company Secretary

Place : Gurgaon

Dated : 16 May 2012

Place : Noida

Dated : 16 May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

	For the year ended 31 March 2012	For the year ended 31 March 2011
A. Cash flows from operating activities		
Net loss before tax	(15,885)	(18,969)
Adjustments for :		
Depreciation and amortization expense	51,800	36,540
Loss on sale/ discard of fixed assets and capital work-in-progress	2,823	1,710
Profit on redemption of units of mutual funds (non trade, current)	(75)	(357)
Profit on sale of subsidiary	(93)	-
Foreign exchange fluctuation (net)	4,506	382
Provision for marked to market loss on derivatives	-	124
Interest expense	10,903	12,797
Interest income	(3,409)	(7,338)
Operating profit before following adjustments	50,570	24,889
(Increase) in inventories	(244)	(166)
(Increase)/decrease in trade receivables	(707)	1,231
(Increase) in long-term loans and advances	(154)	(411)
Decrease in short term loans and advances and other current assets	8,221	13,147
(Decrease) in other long-term liabilities and provisions	(2,306)	(384)
(Decrease) in trade payables, other short-term liabilities	(7,860)	(1,980)
Cash generated from operations	47,520	36,326
Income taxes paid	218	812
Net cash flow from operating activities	47,302	35,514
B. Cash flows from investing activities		
Purchases of fixed assets (including capital work in progress and capital advances)	(65,527)	(100,475)
Proceeds from sale of fixed assets	26	19
Purchases of investments	(34,300)	(59,241)
Proceeds from sale of investments	39,483	75,208
Loan given to body corporates	(11)	(79)
Refund of loans given to body corporates	11	8,756
Movements in fixed deposits having maturity of more than 3 months	1,694	1,781
Refund of advance against share application money given to subsidiaries	-	4,530
Interest received	3,451	7,120
Net Cash flow used in investing activities	(55,173)	(62,381)
C. Cash flows from financing activities		
Interest paid	(7,836)	(11,517)
Proceeds from issue of capital / call money received	228	326
Advance call money on shares	(7)	234
Proceeds from long term borrowings (excluding vehicle loans)	45,576	35,788
Repayments of long term borrowings (excluding vehicle loans)	(43,247)	(18,179)
Repayment of vehicle loans	(8)	(20)
Proceeds from short term borrowings	19,500	-
Net cash flow from financing activities	14,206	6,632
D. Effect of exchange difference on translation of foreign currency cash and cash equivalents ##	0	(0)
Net cash flows [increase/(decrease)] during the year (A+B+C+D)	6,335	(20,235)
Cash and cash equivalents at beginning of the year (refer to note 18)	9,905	30,140
Cash and cash equivalents at end of the year (refer note 18) #	16,240	9,905
Cash and cash equivalents at the end of the year comprises of :		
Cash on hand	1	6
Balance with scheduled banks :		
- in current account #	3,638	9,878
- deposits with maturity of upto 3 months	48	17
Cheques, drafts on hand	12,553	4
Total cash and cash equivalents	16,240	9,905

include ₹ 338 lacs (previous year ₹ 310 lacs) in share call money accounts in respect of rights issue.

represent ₹ 3,708 as on 31 March 2012 and ₹ 14,795 as on 31 March 2011

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

Significant accounting policies

The accompanying notes (1 to 51) form an integral part of the financial statements.

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 : 16 May 2012

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

Jawahar Lal Goel
Managing Director

Rajeev K. Dalmia
Chief Financial Officer

Place : Noida
Dated : 16 May 2012

B. D. Narang
Director

Ranjit Singh
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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 33 and 34 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956. Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

b) Going concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The management believes that it is appropriate to prepare these financial statements on a 'going concern' basis, for following reasons:-

- i) The Company holds the valid DTH license from Government of India.
- ii) The DTH business necessitates long gestation period. Being first mover, the Company has incurred huge cost on establishment and on awareness of the product, brand building on a PAN India basis, the benefits of which will accrue in the future years.
- iii) The management is fully seized of the matter and is of the view that going concern assumption holds true and that the Company will be able to discharge its liabilities in the normal course of business since the Company holds sanctioned loan facilities from banks and would meet the debt obligations on due dates.
- iv) The Company has reasonable operating cash flows.

Accordingly, the financial statements do not require any adjustment as to the balances carried in the balance sheet.

c) 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, classification of assets/liabilities as current or non-current in certain circumstances, estimate of future obligations under employee retirement

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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

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.

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.

e) Depreciation/ amortisation

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 39 (b)). CPEs that remain inactive for a specified long period of time, determined based on past experience, are depreciated on accelerated basis. Corresponding lease advances in such cases are recognised as income.

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.

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.

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

f) 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

the Statement of Profit and Loss.

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 Statement of Profit and Loss.

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 stock -in- trade 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 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 Statement of Profit and Loss.
- ii) In accordance with Accounting Standard-11, "Accounting for the Effects of Changes in Foreign Exchange Rates", 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

- 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 Statement of Profit and Loss 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 Statement of Profit and Loss. 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.

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.

- i) 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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 Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

iii) Other long term employee benefits

Benefits under the Company's leave encashment constitute other long-term employee benefits. The liability in respect of vacation pay 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 Statement of Profit and Loss.

m) 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.

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 Statement of Profit and Loss on a straight line basis.

o) Earnings per share

Basic earnings/loss 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.

q) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

3. Share capital

	As at 31 March 2012	As at 31 March 2011
Authorised		
1,350,000,000 (previous year 1,350,000,000) equity shares of ₹ 1 each	13,500	13,500
Issued, subscribed and fully paid-up		
1,061,701,440 (previous year 1,060,940,636) equity shares of ₹ 1 each, fully paid up	10,617	10,610
Issued, subscribed, but not fully paid-up		
2,722,435 (previous year 3,035,899) equity shares of ₹ 1 each, fully called up (Footnote b)	27	30
Less: calls in arrears (other than from directors/ officers)	(8)	(10)
	10,636	10,630
Footnotes:		
a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year	Nos	Nos
Shares at the beginning of the year	1,063,976,535	1,063,419,475
Add: Further issued during the year under Employees Stock Option Plan	447,340	557,060
Shares at the end of the year	1,064,423,875	1,063,976,535
b) 2,062,513 (previous year 2,068,646) equity shares of ₹ 1 each, ₹ 0.75 paid up 659,922 (previous year 967,253) equity shares of ₹ 1 each, ₹ 0.50 paid up.		
c) The Company has only one class of equity shares, having a par value of ₹1 per share. Each shareholder is eligible to one vote per fully paid equity share held (i.e. in proportion to the paid up shares in equity capital). The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
d) Shares held by ultimate holding company/ holding company		
Equity shares of ₹1 each, fully paid up by	637,212,260	-
- Dhaka Warriors Sports Pvt Ltd.	59.86%	-
e) Details of shareholders holding more than 5% shares of the Company		
Name	As at 31 March 2012 Number of shares % holding in the Company	As at 31 March 2011 Number of shares % holding in the Company
Dhaka Warriors Sports Private Limited	637,212,260 59.86%	- -
Deutsche Bank Trust Company Americas [footnote f(iii)]	117,035,000 11.00%	117,035,000 11.00%
Veena Investments Private Limited	- -	223,385,943 21.00%
Churu Trading Company Private Limited	- -	188,450,063 17.71%
Prajatma Trading Company Private Limited	- -	169,693,575 15.95%
f) Issued, subscribed and fully paid up shares include:		
i) 249,300,890 (previous year 249,300,890) equity shares of ₹ 1 each fully paid up, allotted for consideration other than cash pursuant to the Scheme of Arrangement made effective from 1 April, 2006.		
ii) 1,016,480 (previous year 569,140) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.		
iii) 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 1000 Equity Shares of ₹ 1 each.		
g) 4,282,228 (previous year 4,282,228) equity shares of ₹ 1 each are reserved for issue under Employee Stock Option Plan 2007. (refer to note 35 for terms and amount etc.)		

4. Reserves and surplus

	As at 31 March 2012	As at 31 March 2011
Securities premium account		
Opening balance	153,140	152,823
Add: received during the year	222	317
Closing balance	153,362	153,140
General reserves		
Opening balance	1,849	16,959
Less: adjustment pursuant to the Composite Scheme of Amalgamation and Arrangements (refer to note 33)	-	15,110
Closing balance	1,849	1,849
Deficit in the Statement of Profit and Loss		
Opening balance	(159,344)	(140,375)
Add: Loss for the year	(15,885)	(18,969)
Closing balance	(175,229)	(159,344)
	(20,018)	(4,355)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

5. Long-term borrowings

Secured loans:

From banks
Term loans
Buyer's credits
Vehicle loans*
From other parties
Vehicle loans

Less: amount disclosed under the head "other current liabilities" (refer to note 10)

* ₹46,531 as on 31 March 2012

Footnotes:

Nature of security

a) Term loans

i) Term loans of ₹ 22,669 lacs (previous year ₹ 25,907 lacs) are under syndicate Rupee Loan Facility and are secured by the creation of a first ranking charge by way of mortgage in favor of a security trustee over all the immovable assets, present and future, a charge by way of hypothecation over (i) all the moveable assets, present and future; (ii) the balances lying in and to the credit of certain accounts and the proceeds of any investments made out of the said balances; and (iii) all the rights, title and interest in various contracts, authorizations, approvals and licenses, including the DTH license (to the extent that it is capable of being charged or assigned) and insurance policies. Further, an amount equal to three months payment of principal and interest on the outstanding facility is guaranteed by Zee Entertainment Enterprises Limited, a related party [refer to note 38 e)].

ii) Term loan from a bank of ₹ 1,250 lacs (previous year ₹ 6,250 lacs) is secured by subservient charge on all assets (both present and future). Further, unconditional and irrevocable Corporate Guarantee of Zee Entertainment Enterprises Limited, a related party [refer to note 38 e)].

iii) Term loan of nil (previous year ₹ 21,000 lacs) 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 Rama Associates Limited and Essel Infra Projects Limited, related parties [refer to note 38 e)].

b) Buyer's credits

i) Buyer's credit of ₹ 33,280 lacs (previous year ₹ 7,628 lacs) is secured by pari passu first charge on the movable and immovable fixed assets and current assets of the Company. Further, a corporate guarantee is given by Dhaka Warriors Sports Private Limited in respect of this loan.

ii) Buyer's credit of ₹ 20,033 lacs (previous year ₹ 16,994 lacs) is secured by first ranking pari passu charge on all present and future tangible movable/ immovable and 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.

iii) Buyer's credit of ₹ 36,857 lacs (previous year ₹ 10,689 lacs) is secured by first pari passu charge on all present and future movable and immovable assets, including but not limited to inventory of set-top-boxes and accessories etc., book debts, operating cash flows, receivables, commissions, revenue of whatever nature and wherever arising, present and future, and on all intangibles assets including but not limited to goodwill and uncalled capital, present and future, of the Company. Further, a corporate guarantee is given by Churu Trading Company Private Limited and Jayneer Capital Private Limited and a personal guarantee by key managerial personnel in respect of this loan.

iv) Buyer's credit of ₹ nil (previous year ₹ 7,578 lacs) is secured by first charge on current assets, movable properties, receivables and equipment that rank pari passu with the charge of certain other lenders, both present and future. Further, a corporate guarantee is given by Zee Entertainment Enterprises Limited in respect of these loans, under which, a default by the Company would give ICICI the right to accelerate the loan, Zee Entertainment Enterprises Limited has covenanted that it will not provide any guarantee for repayment of any facility in excess of ₹ 20,000 lacs.

As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Non current		Current maturities	
16,192	23,919	7,727	29,238
85,741	40,926	10,861	13,528
0	3	2	4
2	5	3	4
101,935	64,853	18,593	42,774
-	-	18,593	42,774
101,935	64,853	-	-

Terms of repayment

Repayable in quarterly installments

- Loan amounting to ₹ 3,351 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 3.25% p.a.
- Loan amounting to ₹ 6,563 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 2.25% p.a.
- Loan amounting to ₹ 8,380 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 1.75% p.a.
- Loan amounting to ₹ 4,375 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 0.50% plus 1.80% p.a.

Loan amounting to ₹ 1250 lacs as on reporting date is payable in one quarterly installment alongwith monthly interest at Prime Lending Rate (PLR) minus 4.5% p.a.

The loan has been repaid during the year.

Buyer's credit comprises of several loan transactions ranging between 2 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between November' 2014 (being farthest) and September' 2013 (being closest). Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 135 bps to Libor plus 240 bps

Buyer's credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between April' 2014 (being farthest) and June' 2013 (being closest). Interest on all Buyer's Credit is payable in half yearly installments at Libor plus 200 bps

Buyer's Credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates, falling between October' 2014 (being farthest) and November' 2012 (being closest). Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 185 bps to Libor plus 350 bps

Buyer's credit has been repaid during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

- v) Buyer's credit of ₹ 6,432 lacs (previous year ₹ 11,564 lacs) is secured by an exclusive charge on Consumer Premises Equipment (CPE) imported under this facility, a charge on Reserves Account, which shall have minimum balance equal to Minimum Reserve Amount, the assignment of insurance policies pertaining to the CPE charged, if any, and completion support undertaking from Zee Entertainment Enterprises Limited, a related party (refer to note 38e) .
- c) Vehicle loans
Vehicle loans from banks and others are secured by way of hypothecation of vehicles.
- d) The Company did not have any continuing defaults as on the balance sheet date in repayment of loans and interests.
- Buyer's credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Whole amount is repayable in the period by June' 2012. Interest on all Buyer's Credit is payable in half yearly installments and is based on six months Libor plus 2% p.a.
- i) Balance aggregating ₹ 2.20 lacs as at reporting date is repayable in 15 equated monthly installments
ii) Balance aggregating ₹ 0.48 lac as at reporting date is repayable in 4 equated monthly installments
iii) Balance aggregating ₹ 4.84 lacs as at reporting date is repayable in 19 equated monthly installments
iv) Balance aggregating ₹ 0.27 lac as at reporting date is repayable in 3 equated monthly installments

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

6. Other long-term liabilities

Others:

Income received in advances

Money received against partly paid up shares

Less: amount disclosed under the head "other current liabilities" (refer to note 10)

As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Non current		Current	
17,702	20,338	30,148	38,527
282	289	-	-
17,984	20,627	30,148	38,527
-	-	30,148	38,527
17,984	20,627	-	-

7. Long-term provisions

Provision for employee benefits

- Gratuity

- Vacation pay

Less: amount disclosed under the head short-term provisions (refer to note 11)

As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Non current		Current	
654	414	6	12
398	302	11	10
1,052	716	17	22
-	-	17	22
1,052	716	-	-

8. Short-term borrowings

Secured loans

Loans repayable on demand

- Cash credit from banks

Other loans

- Short term loans from bank

Unsecured loans

Loan from a related party [refer to note 38 d)], repayable on demand

As at 31 March 2012	As at 31 March 2011
2,000	-
5,000	-
12,500	-
19,500	-

Footnotes:

a) Nature of security

i) Cash credit from banks is secured by pari passu first charge on the movable and immovable fixed assets and current assets of the Company.

ii) Short-term loans from bank are 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 intangible assets, including but not limited to goodwill and uncalled capital, if any, of the Company.

b) The Company did not have any defaults as on the balance sheet date in repayment of loans and interests.

Terms of repayments

Payable on demand

Payable on maturity along with interest at the rate of 12.50% pa.

9. Trade payables

Sundry creditors

- Outstanding towards micro and small enterprises

- Others

The Company does not have any outstanding dues towards micro and small enterprises, based on information available

As at 31 March 2012	As at 31 March 2011
-	-
7,949	22,909
7,949	22,909

10. Other current liabilities

Current maturities of long-term borrowings (also refer note 5)

Interest accrued but not due on borrowings

Income received in advance (also refer note 6)

Other payables

- Statutory dues

- Accrued loss on forward contracts

- Advances/ deposits received

- Book overdraft

- Commission accrued

- Employees' reimbursements

- Creditors for fixed assets

- Other creditors

As at 31 March 2012	As at 31 March 2011
18,593	42,774
703	392
30,148	38,527
2,343	4,778
-	518
6,947	4,315
2,209	999
1,408	1,974
192	204
8,083	22,486
4,799	4,338
75,425	121,305

11. Short-term provisions

Provision for employee benefits (refer to note 7)

- Gratuity (refer to note 36)

- Vacation pay

Other provisions

-Regulatory dues (refer to note 40)

As at 31 March 2012	As at 31 March 2011
6	12
11	10
48,917	31,974
48,934	31,996

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

12.1 Fixed Assets - Tangible assets

As at 31 March 2012

Particulars	Gross block				Depreciation				Net block	
	As at 31 March 2011	Additions	Sale/ adjustments	As at 31 March 2012	Up to 31 March 2011	For the year	Sale/ adjustment	Up to 31 March 2012	As at 31 March 2012	As at 31 March 2011
Plant and machinery	13,300	627	-	13,927	5,402	1,519	-	6,921	7,006	7,898
Consumer premises equipment (refer to note 39 b)	212,642	56,533	-	269,175	86,440	49,062	-	135,502	133,673	126,202
Computers*	740	202	2	940	361	128	0	489	451	379
Office equipment	171	38	-	209	34	11	-	45	164	137
Furniture and fixtures	206	7	1	212	36	15	1	50	162	170
Vehicles	282	(0)	32	250	82	26	3	105	145	200
Leasehold improvements	46	1	-	47	45	1	-	46	1	1
Total	227,387	57,408	35	284,760	92,400	50,762	4	143,158	141,602	134,987

As at 31 March 2011

Particulars	Gross block				Depreciation				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
Plant and machinery	14,238	3,885	4,823	13,300	4,589	1,312	499	5,402	7,898	9,649
Consumer premises equipment (refer to note 39 b)	146,559	74,297	8,214	212,642	58,164	33,688	5,412	86,440	126,202	88,395
Computers	586	156	2	740	257	105	1	361	379	329
Office equipments	136	40	5	171	26	9	1	34	137	110
Furniture and fixtures	88	122	4	206	31	6	1	36	170	57
Vehicles	250	88	56	282	80	26	24	82	200	170
Leasehold improvements	78	-	32	46	76	1	32	45	1	2
Total	161,935	78,588	13,136	227,387	63,223	35,147	5,970	92,400	134,987	98,712

12.2 Fixed Assets - Intangible assets

As at 31 March 2012

Particulars	Gross block				Amortisation				Net block	
	As at 31 March 2011	Additions	Sale/ adjustments	As at 31 March 2012	Up to 31 March 2011	For the year	Sale/ adjustment	Up to 31 March 2012	As at 31 March 2012	As at 31 March 2011
Goodwill	4,512	-	-	4,512	3,835	677	-	4,512	-	677
License fees	1,174	-	-	1,174	846	135	-	981	193	328
Software	2,131	89	-	2,220	1,754	226	-	1,980	240	377
Total	7,817	89	-	7,906	6,435	1,038	-	7,473	433	1,382

As at 31 March 2011

Particulars	Gross block				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
Goodwill	4,512	-	-	4,512	2,933	902	-	3,835	677	1,579
License fees	1,174	-	-	1,174	711	135	-	846	328	463
Software**	2,148	2	19	2,131	1,398	356	0	1,754	377	750
Total	7,834	2	19	7,817	5,042	1,393	0	6,435	1,382	2,792

Footnotes:

i) Additions/ adjustments to gross block of consumer premises equipment (CPE) and plant and machinery and computers include loss on account of foreign exchange fluctuations amounting to ₹ 2,057 lacs (previous year deletion of ₹ 845 lacs as gain), ₹ 44 lacs (previous year deletion of ₹ 2 lacs as gain) and nil (previous year deletion of ₹ 9 lacs as gain) respectively.

* ₹ 17,230 for the year 2011-12

** ₹ 4,914 for the year 2010-11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

13. Non-current investments (Unquoted)

	As at 31 March 2012	As at 31 March 2011
Long term investments (at cost, unless specified otherwise)		
Trade investments		
Investments in equity instruments		
<i>In subsidiary companies (fully paid up)</i>		
Dish TV Singapore Pte Ltd.*	-	-
1 (previous year nil) equity share of one SGD fully paid up		
* represent ₹ 41 (Singapore Dollor 1) as at 31 March 2012.		
Integrated Subscribers Management Services Limited	-	15
Nil (previous year 150,000) equity shares of ₹ 10 each fully paid up		
Others		
Balance of unutilised monies raised by issue	15,000	20,000
- Certificate of deposit		
Represents deposit with SICOM Limited (a financial institution). (refer to note 44)		
	15,000	20,015
	15,000	20,015
Aggregate book value of unquoted investments		

14. Long-term loans and advances (Unsecured and considered good, unless otherwise stated)

	As at 31 March 2012	As at 31 March 2011
Capital advances	-	1,594
Security deposits	179	469
Others:		
Prepaid expenses	187	221
Amounts/ taxes paid under protest	1,585	1,107
	1,951	3,391

15. Other non-current assets

	As at 31 March 2012	As at 31 March 2011
Others:		
Fixed deposits with banks with maturity period more than 12 months (refer to note 18)	695	1,281
	695	1,281

16. Inventories

	As at 31 March 2012	As at 31 March 2011
Stock-in-trade (at the lower of cost and net realisable value)		
-Customer premises equipment with accessories	688	444
	688	444

17. Trade receivables (Unsecured and considered good, unless otherwise stated)

	As at 31 March 2012	As at 31 March 2011
Debts outstanding for a period exceeding six months		
- Considered good	521	1,254
- Considered doubtful	117	30
Other debts		
- Considered good	2,340	900
	2,978	2,184
Provision for doubtful debts	(117)	(30)
	2,861	2,154

18. Cash and bank balances

	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Cash and cash equivalents				
Balances with banks :				
- in current accounts #	3,638	9,878	-	-
- deposits with maturity of upto 3 months	48	17	-	-
Cheques, drafts on hand	12,553	4	-	-
Cash on hand	1	6	-	-
	22,273	20,833	695	1,281
Other bank balances				
- deposits with maturity of more than 3 months but upto 12 months ##	38,513	30,738	695	1,281
Less: amount disclosed under the head other non-current assets (refer to note 15)	-	-	695	1,281
	38,513	30,738	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

include ₹ 338 lacs (previous year ₹ 310 lacs) in share call money accounts in respect of rights issue.

includes unutilised proceeds of GDR Issue amounting to ₹ 20,634 lacs (previous year ₹ 17,320 lacs)

19 . Short-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2012	As at 31 March 2011
Considered good		
Loans and advances to related parties (refer to note 38 d)	8,703	12,426
Others		
- Prepaid expenses	568	1,024
- Advances to vendors, distributors etc.	4,037	2,545
- Advance tax [net of provision ₹ 70 lacs (previous year ₹ 70 lacs)]	1,529	1,311
- Customs duty, service tax and sales tax	6,615	10,402
- Deposits	531	2,069
	21,983	29,777
Considered doubtful		
Other loans and advances		
Advances to vendors, distributors, etc.	-	58
Provision for doubtful advances	-	(58)
	21,983	29,777

20 . Other current assets

	As at 31 March 2012	As at 31 March 2011
Income accrued but not due on fixed deposits	28	190
Insurance claim receivable	15	23
Unamortised premium on forward contracts	5	88
Accrued gains on forward contracts	780	-
	828	301

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

21 . Revenue from operations

Income from Direct to home (DTH) subscribers :

-Subscription revenue

-Lease rentals

Teleport services

Bandwidth charges

Sales of customer premises equipment (CPE) and accessories

Advertisement income

Other operating income

For the year ended
31 March 2012

166,389

22,057

1,397

3,967

354

1,594

24

195,782

For the year ended
31 March 2011

119,270

19,853

1,072

2,559

335

542

24

143,655

22 . Other income

Interest income from

- fixed deposits/ margin accounts

- others

Foreign exchange fluctuation

Profit on redemption of units of mutual funds (non trade, current)

Profit on sale of investment (trade) in a subsidiary

Liabilities written back

Miscellaneous income

For the year ended
31 March 2012

3,047

362

-

75

93

201

81

3,859

For the year ended
31 March 2011

2,408

4,930

732

357

-

358

19

8,804

23 . Changes in inventories of stock-in-trade

Opening stock

Less: Closing stock

For the year ended
31 March 2012

444

688

(244)

For the year ended
31 March 2011

278

444

(166)

24 . Operating expenses

Transponder lease

License fees

Uplinking charges

Programming and other costs (refer to note 50)

Entertainment tax

For the year ended
31 March 2012

11,358

20,025

703

60,874

6,793

99,753

For the year ended
31 March 2011

6,172

14,990

554

51,682

5,184

78,582

25 . Employee benefits expenses

Salary, bonus and allowances

Contribution to provident and other funds

Staff welfare

Recruitment and training expenses

For the year ended
31 March 2012

6,543

402

76

77

7,098

For the year ended
31 March 2011

5,232

311

57

63

5,663

26 . Selling and distribution expenses

Advertisement and publicity expenses

Business promotion expenses

Commission

Customer support services

For the year ended
31 March 2012

7,967

354

15,082

5,690

29,093

For the year ended
31 March 2011

7,823

603

15,903

4,142

28,471

27 . Finance costs

Interest on:

-Term loans

-Buyer's credits

-Interest on deferred payments

-Others

Foreign exchange fluctuation (net)

Other borrowing costs

For the year ended
31 March 2012

5,857

2,078

-

2,968

5,099

1,778

17,780

For the year ended
31 March 2011

8,181

655

1,447

2,514

-

2,317

15,114

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

28 . Other expenses

	For the year ended 31 March 2012	For the year ended 31 March 2011
Electricity charges	361	250
Rent	533	419
Repairs and maintenance		
- Plant and machinery	210	101
- Building	45	17
- Others	144	57
Insurance	39	16
Rates and taxes	44	52
Vehicle running	12	10
Legal and professional fees	1,367	945
Director's sitting fees	11	12
Printing and stationary	511	607
Communication expenses	610	529
Travelling and conveyance	848	610
Service and hire charges	404	266
Freight, cartage and demurrage	801	1,173
Bad debts and balances written off	163	-
Provision for doubtful debts	41	-
Loss on sale/ discard of fixed assets	-	1,710
Loss on sale/ discard of capital work in progress	2,823	-
Miscellaneous expenses	542	58
	9,509	6,832

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

29. CIF value of imports

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Components and spare parts	218	279
Capital equipments	47,926	75,505
Others	138	45

30. Expenditure in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Programming and other cost	5,589	3,246
Transponder leases	1,321	-
Professional and consultancy charges	49	59
Travelling expenses	6	7
Interest and finance expenses	2,078	825
Others	2	3

31. Earnings in foreign currency (accrual basis)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Interest income	938	422
Bandwidth charges	109	223
Subscription income	585	-
Others	3	-

32. Particulars in respect of trading goods purchased for resale

Classification of goods	Opening stock Value	Purchase Value	Sales Value	Closing stock Value
Customer premises equipment with accessories	444 (278)	737 (392)	354 (335)	688 (444)

Figures in brackets are for previous year

33. 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 financial year 2009-10. Integrated Subscriber Management Services Limited ('ISMSL'), another wholly owned subsidiary of the Company, was 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 had approved a Composite Scheme of Amalgamation and Arrangement between the Company, ASSL, ISMSL and their

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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 was 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 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 was directly adjusted in the General Reserve in financial year 2010-11 as under:

Particulars		Amount
Fixed assets	4,324	
Investments in ASSL	9,440	
Advances including share application money in ASSL	3,671	17,435
Investments in ACL		1,247
Other loans and advances		12,084
Total assets		30,766
Less: liabilities		
Provision for doubtful advances		12,084
Provision for diminution in the value of investment in ACL		1,247
Security deposits received		2,315
Total liabilities		15,646
Book value of net assets transferred		15,120
Consideration received by way of equity shares in ISMSL		10
Excess of book value of net assets over the consideration received, adjusted in General Reserve		15,110

- v) The non-DTH business, transferred as above and which was excluded from the financial statements of the Company after 31 March 2010, did not have any operations during the previous year.
- vi) While the Company followed the accounting treatment prescribed in the Scheme, duly approved by the Hon'ble High Court of Delhi, it 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 financial year 2009-10 and, accordingly, loss for the year 2009-10 and the debit balance in the Profit and Loss Account as at 31 March 2010 would have been higher by ₹ 17,435 lacs.

Since the aforesaid impairment of fixed assets/ diminution in the value of investment was not recognised in the previous year as a prior period item, which together with the impact of the transfer of other net assets/ liabilities in the previous year, net of consideration received, was adjusted in General Reserve directly, the loss for the previous year and the debit balance in the Profit and Loss Account at the end of the previous year was lower by ₹ 15,110 lacs. 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 the Hon'ble High Court of Delhi

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

34. i) Further to enhance the focus of the Company on core Direct to Home (DTH) operations and to capitalize the growth prospects of DTH industry, the Company divested its entire investment on 1 June 2011 in ISMSL and recorded profit on sale of such investment amounting to ₹ 93 lacs in other income.
- ii) During the year, Dish TV Singapore Pte. Ltd. was incorporated on 6 October 2011 as a wholly owned subsidiary of the Company under the laws of Singapore to provide DTH related services.
- iii) During the year upon inter-se transfer of shares between the Promoters, with effect from 26 December 2011 the Company has become a subsidiary of Dhaka Warriors Sports Private Limited.
- iv) Since April 1, 2010 the new CAS activity was undertaken by the Company. However, the Viewing Cards (VC) activated prior to that date are being serviced by ISMSL (now a part of Cyquator Media Services Private Limited, refer to as Cyquator).

With a desire to consolidate all the operations of the CAS division, the Company on 31 May 2011, acquired the CAS division of ISMSL (now Cyquator) as a going concern at a value as under:-

Particulars	Amount
Fixed assets-VC cards	5,185
Receivables	123
	5,308
Less:-Payables for VC cards (Conax)	935
Net amount adjusted from the payable balance	4,373

35. 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 Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Options outstanding at the beginning of the year	2,293,220	2,054,300
Add: Options granted	125,000	1,038,300
Less: Exercised	447,340	557,060
Less: Lapsed	191,700	242,320
Options outstanding at the end of the year	1,779,180	2,293,220

The following table summarizes information on the share options outstanding as of 31 March 2012:

Particulars	Date of grant	Number of shares remaining out of options	Remaining contractual life	Exercise price
Lot 1	21 August 2007	364,350	5.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	27,000	6.41	37.55*
Lot 4	28 May 2009	302,030	7.16	47.65
Lot 5	27 October 2009	133,480	7.58	41.45
Lot 6	26 October 2010	131,720	8.57	57.90
Lot 7	21 January 2011	695,600	8.81	58.95
Lot 8	20 July 2011	125,000	9.30	93.20
Options outstanding at the end of the year		1,779,180	7.72#	53.34#

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#

* re-priced as per Shareholders' approval on 28 August 2008. Refer note above

on a weighted average basis.

36. Disclosure pursuant to Accounting Standard 15 on "Employee Benefits"

Defined contribution plans

An amount of ₹ 360 lacs (previous year ₹ 277 lacs) and ₹ 6 lacs (previous year ₹ 6 lacs) 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 Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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 Statement of Profit and Loss:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	426	310
Interest cost	36	25
Current service cost	191	131
Benefits paid	(9)	(5)
Actuarial (gain)/loss on obligation	16	(35)
Present value of obligation as at end of the year	660	426
Short term	6	12
Long term	654	414
	660	426

Particulars	As at 31 March 2012	As at 31 March 2011
Expenses recognized in the Statement of Profit and Loss		
Current service cost	191	131
Interest cost on benefit obligation	36	25
Net actuarial (gain)/loss recognised in the year	16	(35)
Expenses recognised in the Statement of Profit and Loss	243	121

Particulars	As at 31 March 2012	As at 31 March 2011
Discount rate	8.50	8.00
Salary escalation rate (per annum)	11.00	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)	LIC (1994 - 96) duly modified

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

37. 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.

38. Related party disclosures

a) Related parties where control exists:

Holding company:

Dhaka Warriors Sports Private Limited (with effect from 26 December 2011)

Subsidiary companies:

Integrated Subscriber Management Services Limited (ISMSL) (ISMSL was subsidiary till 31 May 2011; renamed as Essel Business Processes Limited (EBPL), and with effect from 16 October 2011 merged with Cyquator Media Services Private limited (all referred to as Cyquator)
Dish TV Singapore Pte Limited
Agrani Convergence Limited #
Agrani Satellite Services Limited #
(#Investments disposed of 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)

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	ASC Telecommunication Private Limited (formerly ASC Telecommunication Limited) Asia Today Limited Asia TV USA Limited Churu Trading Company Private Limited Cyquator Media Services Private Limited Dakshin Media Gamming Solutions Private Limited Diligent Media Corporation Limited E-City Property Management & Services Private Limited Essel Agro Private Limited Essel Corporate Resources Private Limited Essel Infraprojects Limited Essel International Limited Indian Cable Net Company Limited Interactive Finance and Trading Services Private Limited. ITZ Cash Card Limited Media Pro Enterprise India Private Limited PAN India Network Infravest Private Limited PAN India Network 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 ZEE Telefilms Middle East Fz LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

c) Transactions with related parties:

Particular	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major Parties
(i) With key management personnel	83		81	
Managerial remuneration		83		81
(ii) With subsidiary companies				
Purchase of goods and services:	1,400		7,503	
Integrated Subscribers Management Services Limited		1,398		7,503
Dish TV Singapore Pte Limited		2		-
Interest received	152		4,225	
Integrated Subscribers Management Services Limited		152		4,225
Short-term loans and advances	8,490		28,054	
Integrated Subscribers Management Services Limited		8,490		28,054
Refunds received against short-term loans and advances given	2,122		48,632	
Integrated Subscribers Management Services Limited		2,122		48,632
Issue of equity shares	-		10	
Integrated Subscribers Management Services Limited		-		10
Assets and liabilities taken over under slump sale				
Integrated Subscribers Management Services Limited	4,373		-	
- Total assets		5,308		-
- Total liabilities		935		-
Investment	#		-	
Dish TV Singapore Pte. Limited		#		-
Collection on behalf of company	1,420		-	
Dish TV Singapore Pte. Limited		1,420		-
Remittance received out of collection on behalf of company	747		-	
Dish TV Singapore Pte. Limited		747		-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

Particular	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
(iii) With other related parties:				
Revenue from operation and other income (net of taxes)	1,541		1,180	
Zee Entertainment Enterprises Limited		696		436
Zee News Limited		463		443
Zee Aakash News Private Limited		172		149
Asia Today Limited		126		130
Wire and Wireless (India) Limited		64		16
Other related parties		20		6
Purchase of goods and services	31,300		17,521	
Zee Turner Limited		2,400		9,055
Zee Entertainment Enterprises Limited		4,529		4,259
ITZ Cash Card Limited		1,573		1,511
Taj Television India Private Limited		4,070		1,905
Essel Business Processes Limited (Now merged with Cyquator Media Services Private Limited)		4,875		-
Media Pro Enterprise India Private Limited		12,921		-
Other related parties		932		791
Rent paid	327		289	
Zee Entertainment Enterprises Limited		287		253
Rama Associates Limited		32		28
Other related parties		8		8
Interest paid	4		1,447	
Essel International Limited		4		1,447
Interest received	178		701	
Essel Agro Private Limited		-		596
ASC Telecommunication Limited		133		105
Essel Business Processes Limited (Now merged with Cyquator Media Services Private Limited)		45		-
Purchase of fixed assets	-		1,478	
Essel International Limited		-		1,431
Wire and Wireless (India) Limited		-		-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

Particular	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
Other related parties		-		47
Sale of investments	108		-	
Essel Corporate Resources Pvt. Ltd		108		-
Reimbursement of expenses paid	351		276	
Zee Entertainment Enterprises Limited		335		224
ITZ Cash Card Limited		-		43
Other related parties		16		9
Reimbursement of expenses received	3		10	
Wire and Wireless (India) Limited		1		3
Zee Entertainment Enterprises Limited		1		7
Zee News Limited		1		-
Balance written Off	18		-	
PAN India Network Limited		17		-
Dakshin Media Gaming Solutions Private Limited		1		-
Short-term borrowings	12,500		-	
Essel International Limited		12,500		-
Short-term loans and advances	1,429		695	
ITZ Cash Card Limited		707		500
Essel Business Processes Limited (Now merged with Cyquator Media Services Private Limited)		610		-
Essel Agro Private Limited		101		-
Other related parties		11		195
Refunds received against short- term loans and advances	7,324		10,961	
Essel Agro Private Limited		-		8,756
ITZ Cash Card Limited		821		1,990
Essel Business Processes Limited (Now merged with Cyquator Media Services Private Limited)		6,489		-
Other related parties		14		215

Rs 41 (Singapore Dollar 1)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

d) Balance at the year end:

Particular	As at 31 March 2012		As at 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
With subsidiary companies:				
Investment	-		15	
Integrated Subscribers Management Services Limited		-		15
Dish TV Singapore Pte Limited		#		-
Short term loans and advances	-		7,746	
Agrani Satellite Services Limited		-		-
Integrated Subscribers Management Services Limited		-		7,746
Trade payables	2		-	
Dish TV Singapore Pte Limited		2		-
Other receivable (collected on behalf of company)	673		-	
Dish TV Singapore Pte Limited		673		-
With other related parties:				
Loans and advances given	8,703		4,680	
Essel Agro Private Limited		2,302		2,200
ITZ Cash Card Limited		523		579
ASC Telecommunication Private Limited		1,995		1877
Cyquator		3,882		21
Other related parties		1		3
Short-term borrowings	12,500		-	
Essel International Limited		12,500		-
Trade payables	4,930		14,334	
Zee Entertainment Enterprises Limited		955		1,412
Zee Turner Limited		1,758		12,693
Media Pro Enterprise India Private Limited		1,780		-
Other related parties		437		229

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

Particular	As at 31 March 2012		As at 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
Trade receivables	685		1,194	
Asia Today Limited		96		277
Zee News Limited		200		337
Zee Entertainment Enterprises Limited		44		160
Dakshin Media Gaming Solution Private Limited		148		268
Wire and Wireless (India) Limited		197		142
Zee Aakash News Private Limited		-		10

Rs 41 (Singapore Dollar 1)

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

- As at 31 March 2012, personnel guarantees by key managerial personnel amounting to ₹ 30,000 lacs (previous year 30,000 lacs) and corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 30,000 lacs (previous year 30,000 lacs) are outstanding as at the year end.
- As at 31 March 2012, corporate guarantee by Dhaka Warriors Sports Private Limited amounting to ₹ 20,000 lacs (Previous year ₹ 20,000 lacs from Churu Trading Company Private Limited). During the year corporate guarantee of ₹ 20,000 lacs were released and transferred from Churu Trading Company Private Limited to Essel Corporate Resources Private Limited which was later transferred to Cyquator Media Services Private Limited and finally to Dhaka Warriors Sports Private Limited
- As at 31 March 2012, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 13,222 lacs (previous year ₹ 32,220 lacs). During the year, the guarantee of ₹ 18,998 lacs (previous year ₹ 10,840 lacs) was released. The remaining guarantee is outstanding as at the year end.
- As at 31 March 2012, corporate guarantee by Essel Infraprojects Limited and Rama Associates Limited amounting to ₹ Nil (previous year ₹ 30,000 lacs), jointly and severally. During the current year the guarantee was released.
- As at 31 March 2012 completion support undertaking from Zee Entertainment Enterprises Limited for the buyer's credit of ₹ 6,432 lacs (previous year ₹ 11,564 lacs).

39. 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 generally cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessee and the lessor except in case 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Lease rental charges during the year (net of shared cost)	12,162	7,145
Sub-lease payment received (being shared cost)	669	596

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Within one year	-	13
Later than one year and not later than five years	-	-
Later than five years	-	-

b) Assets given under operating lease:

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Gross value of assets	269,176	212,643
Accumulated depreciation	135,502	86,440
Net block	133,674	126,203
Depreciation for the year	49,062	33,688

The lease rental income recognised 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 are as follows:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Lease rental income recognised during the year	22,057	19,853

Particular	Total future minimum lease rentals receivable as on 31 March 2012	Total future minimum lease rentals receivable as on 31 March 2011
Within one year	13,827	18,155
Later than one year and not later than five years	8,655	14,288
Later than five years	-	-

The life of the Consumer Premises 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.

40. 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

considering the terms and conditions of the License given by the Regulatory Authority.

Provision for regulatory dues (including interest)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Opening provision	31,974	17,504
Add: Created during the year	22,637	16,470
Less: Utilised during the year	5,694	2,000
Closing provision	48,917	31,974

The outflow of economic benefits with regard to the disputed portion would be dependent on the final decision by the Regulatory Authority.

41. Auditors' remunerations

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Auditors	25	16
Other services	38	42
Reimbursement of expenses	3	1
Total	66	59

42. Earnings per share

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Loss for the year attributable to equity shareholders (in ₹ lacs)	15,885	18,969
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,063,307,540	1,062,602,469
Nominal value per share (in ₹)	1	1
Basic and diluted loss per share (in ₹)	1.49	1.79

Since the Company had losses during the current year and previous year, the basic and diluted earnings per share are the same.

43. Deferred tax assets

Components of deferred tax asset:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Deferred tax assets on account of:		
-Depreciation	15,651	10,469
-Unabsorbed depreciation and tax losses	35,610	41,105
-Provision for vacation pay and retirement benefit provision	347	245
-Demerger expenses as per section 35DD	5	1
-Provision for doubtful debts and advances	38	10
-Unrealised Foreign exchange loss	1,467	-
Deferred tax assets	53,118	51,830
Recognised in the financial statement	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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

44. 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 (₹) (lacs)	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	31,089	Along with application	Not applicable
On first call	8.00	0.25	7.75	41,452	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	41,452	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	113,993		

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

Upto the financial year ended 31 March 2012, the Company has received ₹ 31,089 lacs (previous year ₹ 31,089 lacs) towards the application money on 518,149,592 (previous year 518,149,592) equity shares issued on Rights basis; ₹ 41,399 lacs (previous year ₹ 41,375 lacs) towards the first call money on 517,489,670 (previous year 517,182,339) equity shares; and ₹ 41,234 lacs (previous years ₹ 41,209 lacs) towards the second and final call money on 515,427,157 (previous year 515,113,693) equity shares.

The Company has also received ₹ 282 lacs (previous year ₹ 289 lacs) 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 'Other long term 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 ₹ 98,673 lacs (previous year ₹ 93,672 lacs) is as under. The monitoring agency, IDBI Bank Limited, has issued its report dated 13 January 2012 on utilization of the Rights Issue proceeds upto 31 December 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

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

Particulars	Upto 31 March 2012	Upto 31 March 2011
Amount utilized		
Repayment of loans	28,421	28,421
Repayment of loans, received after right issue launch	24,300	24,300
General corporate purpose/ operational expenses	19,407	14,406
Acquisition of Consumer Premises Equipment (CPE)	26,000	26,000
Right issue expenses	545	545
Total money utilised (A)	98,673	93,672
Unutilised amount lying with:-		
Certificate of deposit with a financial institution	15,000	20,000
Balance in current account	49	1
Total unutilised money (B)	15,049	20,001
Total (A+B)	113,722	113,673

45. 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 1,000 lacs 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 details of utilisation of GDR proceed by the Company, on an overall basis, is as below:

Particulars	Upto 31 March 2012	Upto 31 March 2011
Amount utilized		
Acquisition of fixed assets including CPEs	7,670	7,353
GDR issue expenses	345	345
Advance against share application money given to subsidiaries	56	56
Repayment of bank loan	755	755
Operational expenses including interest payments, bank charges and exchange fluctuation	21,065	20,679
Total	29,891	29,188
Less: interest earned	(440)	(423)
Total (A)	29,451	28,765

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

Particulars	Upto 31 March 2012	Upto 31 March 2011
Unutilised amount lying with:		
Investments in fixed deposit/ margin money	-	500
Balance with other bank in fixed deposit/ margin money in foreign currency	20,634	17,320
Total (B)	20,634	17,820
Total (A+B)	50,085	46,585

46. Prior period income and expenses

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Expenses		
Interest expense	-	99
Total expenses	-	99

47.

Foreign currency transactions

- a) In accordance with the Accounting Standard 11 (AS-11) and related notifications, the foreign currency exchange loss of ₹ 2,101 lacs has been adjusted (previous year foreign currency exchange gain of ₹ 856 lacs) in the value of fixed assets and ₹154 lacs (previous year foreign currency exchange gain of Rs 30 lacs) in the capital work in progress.
- b) i) The Company has outstanding forward contracts of US Dollars 126 lacs (previous year US Dollar 429 lacs) at fixed amount of ₹ 5,652 lacs (₹ 19,660 lacs) which will be settled at future date. The purposes of these derivative contracts are for repayment of loans of US Dollar 126 lacs.
- ii) Foreign currency transactions outstanding as on balance sheet date that are not hedged by derivative instruments or otherwise are as under:

Particular	As at 31 March 2012			As at 31 March 2011		
	Amount in USD	Amount in SGD	Amount in ₹	Amount in USD	Amount in SGD	Amount in ₹
Balances with bank	403	-	20,634	388	-	17,320
Receivables	13	-	687	33	-	1,452
Loans and borrowings	1,763	-	90,171	791	-	35,312
Trade Payable	98	-*	5,035	210	-	9,378

* SGD 5,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

48. 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 2012	Maximum Out-standing during the year 2011-12	Balance as at 31 March 2011	Maximum Outstanding during the year 2010-11
Loans and Advances (including advance against share application money) to subsidiaries				
Agrani Satellite Services Limited	-	-	-	24,214
Integrated Subscriber Management Services Limited	-	17,087	7,746	37,115
Loans and advances given to companies in which directors are interested				
Rama Associate Limited	-	3	3	12
Loans and advances, where there is no repayment schedule				
Essel Agro Private Limited	2,302	2,302	2,200	10,956
ASC Telecommunication Private Limited	1,995	1,995	1,876	1,876
Cyquator	3,883	10,019	-	-

49. Contingent liabilities and commitments

a) Contingent liabilities

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Claim against the Company not acknowledged as debt	483	483
Income-tax Act, 1961(refer note 49c)	2,652	4,056
Sales Tax and Value Added Tax demands	1,169	1,099
Indian Customs Act, 1962	795	1,494
Finance Act,1994 (Service tax case)	167	-
Wealth Tax Act,1957	1	-
Entertainment tax demands (refer note 49d)	1,244	1,182
Legal cases including customers against the Company	Unascertained	Unascertained

b) Commitments

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Estimated amount of contracts remaining to be executed on capital account	19,343	34,699

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

- c) During the previous year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,056 lacs in relation to an earlier year. During the current year the Company received stay order on demand of ₹ 4,056 lacs, depositing ₹ 400 lacs till disposal of appeal or 31 July 2012, whichever is earlier. Further, the assessing authority has reduced the demand to ₹ 2,642 lacs on the basis of application for rectification filed by the Company. 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.
- d) The Company has 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.
50. During the year, the Company migrated from the fixed fee agreement with ESPN Software India Private Limited (ESS) to a Reference Interconnect Offer (RIO) based agreement for its content fees. Upon refusal by the ESS to migrate, the Company has approached the Telecom Dispute Settlement Appellate Tribunal (TDSAT). The TDSAT, vide its judgement dated 10 April 2012, has allowed the Company to pay the content fees to ESS w.e.f. 1 September 2011 on the basis of RIO rates published by ESS and also allowed the Company a refund of any amount representing the difference between the amount paid by the Company as per the fixed fee agreement and the amount payable under the RIO rates w.e.f. 1 September 2011. Though ESS has filed a special leave petition against the above order before the Supreme Court after the year end, the company in lieu of the order of the TDSAT has exercised its right to claim the above refund of the balance amount and/or adjust the same from the monthly content fee payable to ESS. The content charges aggregative ₹ 1,710 lacs with respect to the above party have accordingly been adjusted.
51. The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of revised schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per the revised schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements. The following is a summary of significant effects that revised schedule VI has primarily on presentation of Balance Sheet of the Company as at 31 March 2011:

As per pre-revised schedule VI		As per-revised schedule VI	
Particulars	Amount	Amount	Particulars
Debit balance in profit and loss account (shown under application of funds)	159,344	159,344	Shown under reserves and surplus
Secured loans	107,628	64,853	Shown as long-term borrowing
		42,775	Shown under other current liabilities
Current liabilities			
Sundry creditors (other than micro and small enterprises)	54,555	22,909	Shown as trade payables
		29,002	Shown under other current liabilities
		2,644	Shown under short-term provisions
Bank overdraft	999	999	Shown under other current liabilities
Advance revenue/deposits received	63,180	42,842	Shown under other current liabilities
		20,338	Shown under other long-term liabilities
Advance share call money pending adjustment	289	289	Shown under other long-term liabilities
Interest accrued but not due	392	392	Shown under other current liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

As per pre-revised schedule VI		As per-revised schedule VI	
Particulars	Amount	Amount	Particulars
Other liabilities	4,778	4,778	Shown under other current liabilities
Forward cover payable on derivatives	518	518	Shown under other current liabilities
Provisions			
Regulatory dues	29,329	29,329	Shown under short-term provisions
Retirement benefits	738	716	Shown under long-term provisions
		22	Shown under short-term provisions
Wealth Tax	1	1	Shown under other current liabilities
Fixed Assets			
Capital work-in-process including capital advances	45,803	44,209	Shown as capital work-in-progress
		1,594	Shown under long term loans and advances as capital advances
Cash and bank balances			
Fixed deposits/margin accounts	22,131	20,833	Shown under other bank balances
		1,281	Shown under other non-current assets
		17	Shown under cash and cash equivalent
Other current assets	190	190	Shown under other current assets
Loans and advances Considered good			
Loans and advances to subsidiary companies	7,746	7,746	Shown under short-term loans and advances
Advances recoverable in cash or in kind or for value to be received	6,905	6,573	Shown under short-term loans and advances
		221	Shown under long-term loans and advances
		111	Shown under other current assets
Balances with customs, excise and sales tax authorities	10,402	10,402	Shown under short-term loans and advances
Advance tax	1,311	1,311	Shown under short-term loans and advances
Loans to body corporate	1,676	1,676	Shown under short-term loans and advances

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in Rs. lacs, unless stated otherwise)

As per pre-revised schedule VI		As per-revised schedule VI	
Particulars	Amount	Amount	Particulars
Deposits with government authorities	1,215	1,576	Shown under long-term loans and advances
Deposits others	2,430	2,069	Shown under short-term loans and advances
Considered doubtful			
Advances recoverable in cash or in kind or for value to be received	58	58	Shown under loans and advances
Provision for doubtful advances	(58)	(58)	Shown under loans and advances

Per our report attached to the balance sheet

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

For and on behalf of 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
Date: 16 May 2012

Place: Noida
Date: 16 May 2012

CONSOLIDATED FINANCIAL SECTION



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 subsidiaries (collectively referred to as 'the Group') as at 31 March 2012 and also the Consolidated Statement of Profit and Loss 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 We did not audit the financial statements of Integrated Subscribers Management Services Limited and Dish TV Singapore Pte. Limited (the 'subsidiaries'). The financial statements of these subsidiaries have been audited by other auditors.

The financial statements of Integrated Subscribers Management Services Limited (before eliminating intercompany transactions) reflect total revenue of ₹ 1,641 lacs for the period 1 April 2011 to 31 May 2011 (i.e. the date of sale of investment in subsidiary). The financial statements of Dish TV Singapore Pte. Limited, incorporated outside India, reflect total assets amounting to ₹ 678 lacs as at 31 March 2012 and total revenues of ₹ 2 lacs for the period then ended. The audit reports for the above mentioned subsidiaries have been furnished to us and our opinion, insofar as it relates to the amounts

included in respect of the subsidiaries, is based solely upon the reports of the other auditors.

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 subsidiaries, included in the consolidated financial statements.

5 Without qualifying our opinion, attention is invited to note 2(b) of the attached consolidated financial statements. The Group's net worth as at the end of the financial year is fully eroded by its accumulated losses. However, the management has prepared the consolidated financial statements assuming that the Company will continue as a going concern since it has adequate resources in the form of operating cash flows and sanctioned credit facilities from lenders to adequately meet its obligation.

6 *The life of the Consumer Premises 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 Accounting Standard 19, 'Leases', though the impact of which on the financial results has not been ascertained by the management [refer note 37(b) of the attached consolidated financial statements]; and*

7 *During the previous year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,056 lacs in relation to an earlier year, though reduced to ₹ 2,642 lacs during the year based on a rectification application filed. The matter pertains to short deduction of tax at source on certain payments and interest thereon for delayed period. The Company has disputed the above said 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 financial statements. [refer note 43(C) of the attached consolidated financial statements]

Subject to our comments in paragraphs 6 and 7 above, the impact of which has not been ascertained, 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 subsidiaries, 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 2012;
- (ii) the Consolidated Statement of Profit and Loss, 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: 16 May 2012

'CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

	Note No.	As at 31 March 2012	As at 31 March 2011
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	10,636	10,630
(b) Reserves and surplus	4	(20,022)	(6,930)
		(9,386)	3,700
Non-current liabilities			
(a) Long-term borrowings	5	101,935	64,853
(b) Other long term liabilities	6	17,984	20,627
(c) Long-term provisions	7	1,052	841
		120,971	86,321
Current liabilities			
(a) Short-term borrowings	8	19,500	-
(b) Trade payables	9	7,947	24,973
(c) Other current liabilities	10	75,432	125,301
(d) Short-term provisions	11	48,934	32,016
		151,813	182,290
Total		263,398	272,311
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.1	141,602	140,528
(ii) Intangible assets	12.2	433	3,843
(iii) Capital work-in-progress		38,841	44,209
		180,876	188,580
(b) Non-current investments	13	15,000	20,000
(c) Long-term loans and advances	14	1,951	3,391
(d) Other non-current assets	15	695	1,282
		17,646	24,673
Current assets			
(a) Inventories	16	688	444
(b) Trade receivables	17	2,861	2,265
(c) Cash and bank balances	18	39,189	32,569
(d) Short-term loans and advances	19	21,310	23,479
(e) Other current assets	20	828	301
		64,876	59,058
Total		263,398	272,311
Significant accounting policies	2		

The accompanying notes (1 to 45) 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

Kaushal Kishore
Partner
Membership No. 090075

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 : Gurgaon
Dated : 16 May 2012

Place : Noida
Dated : 16 May 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

	Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
Income			
Revenue from operations	21	195,793	143,666
Other income	22	7,071	12,262
Total revenue		202,864	155,928
Expenses			
Purchases of stock-in-trade		737	392
Changes in inventories of stock-in-trade	23	(244)	(166)
Operating expenses	24	99,715	78,383
Employee benefits expense	25	7,481	7,609
Selling and distribution expenses	26	28,451	25,718
Finance costs	27	17,799	15,339
Depreciation and amortization expense	12.1 and 12.2	52,185	39,955
Other expenses	28	10,054	7,926
Total expenses		216,178	175,156
Loss before tax		13,314	19,228
Tax expense:			
- Excess provision in earlier years written back		-	(29)
Loss for the year		13,314	19,199
Basic and diluted loss per equity share (in ₹) (Face value of ₹ 1 each) (refer to note 39)		1.25	1.81

Significant accounting policies

2

The accompanying notes (1 to 45) form an integral part of the consolidated financial statements.

As per our report attached to the balance sheet.

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 : 16 May 2012

Place : Noida
Dated : 16 May 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

A. Cash flows from operating activities

Net loss before tax

Adjustments for :

Depreciation and amortisation expense

Loss on sale/ discard of fixed assets and capital work-in-progress

Profit on sale of investment in subsidiary

Profit on redemption of units of mutual funds (non trade, current)

Foreign exchange fluctuation (net)

Amount written back

Provision for marked to market loss on derivatives

Miscellaneous income

Interest expenses

Interest incomes

Operating profit before following adjustments

(Increase) in inventories

(Increase)/decrease in trade receivables

(Increase) in long-term loans and advances

Decrease in short-term loans and advances and other current assets

(Increase) in other long-term liabilities and provisions

(Increase) in trade payables, other short-term liabilities

Cash generated from operations

Income taxes paid

Net cash flow from operating activities

B. Cash flows from investing activities

Purchases of fixed assets (including capital work in progress and capital advances)

Proceeds from sale of fixed assets

Purchases of investments

Proceeds from sale of investments

Sale of investment in subsidiary

Loan given to body corporates

Refund of loans given to body corporates

Movements in fixed deposits having maturity of more than 3 months

Interest received

Net Cash flow used in investing activities

C. Cash flows from financing activities

Interest paid

Proceeds from issue of capital / call money received

Advance call money on shares

Proceeds from long term borrowings (excluding vehicle loans)

Repayments of long term borrowings (excluding vehicle loans)

Repayment of vehicle loans

Proceeds from short term borrowings

Net cash flow from financing activities

D. Effect of exchange difference on translation of foreign

currency cash and cash equivalents ##

Net cash flows [increase/(decrease)] during the year (A+B+C+D)

Decrease in cash and cash equivalents on disposal of subsidiary

Cash and cash equivalents at beginning of the year (refer to note 18)

Cash and cash equivalents at end of the year (refer to note 18) #

Cash and cash equivalents at the end of the year comprises of :

Cash on hand

Balance with banks:

- in current account

- deposits with maturity of upto 3 months

Cheques, drafts on hand

Total cash and cash equivalents

include ₹ 338 lacs (previous year ₹ 310 lacs) in share call money accounts in respect of rights issue.

represent ₹ 3,708 as on 31 March 2012 and ₹ 14,795 as on 31 March 2011

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

Significant accounting policies

The accompanying notes (1 to 45) form an integral part of the consolidated financial statements.

As per our report attached attached.

For **B S R & Co.**

Chartered Accountants

Firm Registration No. 101248W

Kaushal Kishore

Partner

Membership No. 090075

Place : Gurgaon

Dated : 16 May 2012

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

Jawahar Lal Goel

Managing Director

Rajeev K. Dalmia

Chief Financial Officer

Place : Noida

Dated : 16 May 2012

B. D. Narang

Director

Ranjit Singh

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

1. Background

Dish TV India Limited ('Dish TV' or 'the Company' or 'the parent company') and its subsidiaries [refer to note 2(c)(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 29 and 30 below.

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.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised schedule VI to the Companies Act, 1956. Based on the nature of products/services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current

b) Going concern

The accompanying consolidated financial statements have been prepared assuming the Group will continue as a going concern. The management believes that it is appropriate to prepare these financial statements on a 'going concern' basis, for following reasons:-

- i) The Group holds the valid DTH license from Government of India.
- ii) The DTH business necessitates long gestation period. Being first mover, the Group has incurred huge cost on establishment and on awareness of the product, brand building on a pan India basis, the benefits of which will accrue in the future years.
- iii) The management is fully seized of the matter and is of the view that going concern assumption holds true and that the Group will be able to discharge its liabilities in the normal course of business since the Group holds sanctioned loan facilities from banks, and would meet the debt obligations on due dates.
- iv) The Group has reasonable operating cash flows.

Accordingly, the consolidated financial statements do not require any adjustment as to the balances carried in the balance sheet.

c) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

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 2012	% shareholding as at 31 March 2011
Dish TV Singapore Pte. Limited\$	Singapore	100	-
Integrated Subscriber Management Services Limited ('ISMSL')^	India	-	100
Agrani Satellite Services Limited ('ASSL')@	India	-	-
Agrani Convergence Limited ('ACL') #	India	-	-

During current year:

\$ Dish TV Singapore Pte. Limited was incorporated on 6 October 2011 as a wholly owned subsidiary of the Company under the laws of Singapore to provide DTH related services.

^To enhance the focus of the Group on core Direct to Home (DTH) operations and to capitalize the growth prospects of DTH industry, the Group divested its entire investment in ISMSL on 31 May 2011. Accordingly, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement include results and cash flows relating to ISMSL for the period 1 April 2011 to 31 May 2011. The Consolidated Balance Sheet as at 31 March 2012 does not include balances of assets and liabilities of ISMSL, due to its disposal on 31 May 2011.

During previous year:

@ 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 29).

#The investment in ACL had 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 36) for a consideration of ₹ 0.01 Lacs (also refer to notes 29 and 31). Accordingly, the Consolidated Statement of Profit and Loss 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 did not include balances of assets and liabilities of ACL, due to its disposal on 31 March 2011

d) 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,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

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.

e) Fixed assets

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.

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.

f) Depreciation/ amortisation

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 37 (b)]. CPEs that remain inactive for a specified long period of time, determined based on past experience, are depreciated on accelerated basis. Corresponding lease advances in such cases are recognised as income

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.

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.

g) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

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.

h) 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 Statement of Profit and Loss.

i) 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.

j) 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 stock -in- trade 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 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.

k) 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 Statement of Profit and Loss.
- ii) In accordance with Accounting Standard-11, "Accounting for the Effects of Changes in Foreign Exchange Rates", 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

- 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 Statement of Profit and Loss 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 Statement of Profit and Loss. 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.

l) 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.

m) 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 Statement of Profit and Loss 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 Statement of Profit and Loss 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

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 Statement of Profit and Loss.

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 Statement of Profit and Loss.

n) 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.

o) 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 Statement of Profit and Loss on a straight line basis.

p) 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.

q) 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.

r) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

3. Share capital

Authorised

1,350,000,000 (previous year 1,350,000,000) equity shares of ₹ 1 each

Issued, subscribed and fully paid-up

1,061,701,440 (previous year 1,060,940,636) equity shares of ₹ 1 each, fully paid up

Issued, subscribed, but not fully paid-up

2,722,435 (previous year 3,035,899) equity shares of ₹ 1 each, fully called up (Footnote b)

Less: calls in arrears (other than from directors/ officers)

Footnotes:

- a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Shares at the beginning of the year

Add: Further issued during the year under Employees Stock Option Plan

Shares at the end of the year

- b) 2,062,513 (previous year 2,068,646) equity shares of ₹ 1 each, ₹ 0.75 paid up
659,922 (previous year 967,253) equity shares of ₹ 1 each, ₹ 0.50 paid up.

- c) The Company has only one class of equity shares, having a par value of ₹ 1 per share. Each shareholder is eligible to one vote per fully paid equity share held (i.e. in proportion to the paid up shares in equity capital). The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- d) Shares held by ultimate holding company/ holding company

Equity shares of ₹ 1 each, fully paid up by

- Dhaka Warriors Sports Pvt Ltd.

- e) Details of shareholders holding more than 5% shares of the Company

Name

Dhaka Warriors Sports Private Limited

Deutsche Bank Trust Company Americas [footnote f(iii)]

Veena Investments Private Limited

Churu Trading Company Private Limited

Prajatma Trading Company Private Limited

- f) Issued, subscribed and fully paid up shares include:

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

ii) 1,016,480 (previous year 569,140) equity shares of ₹ 1 each, fully paid up, issued to the employees, under Employee Stock Option Plan, i.e., ESOP 2007.

iii) 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 1000 Equity Shares of ₹ 1 each.

- g) 4,282,228 (previous year 4,282,228) equity shares of ₹ 1 each are reserved for issue under Employee Stock Option Plan 2007. (refer to note 33 for terms and amount etc.)

4. Reserves and surplus

Securities premium account

Opening balance

Add: received during the year

Closing balance

General reserves

Opening balance

Less: adjustment pursuant to the Composite Scheme of Amalgamation and Arrangements (refer to note 29)

Closing balance

Deficit in the Statement of Profit and Loss

Opening balance

Add: Loss for the year

Closing balance

As at 31 March 2012	As at 31 March 2011
13,500	13,500
10,617	10,610
27	30
(8)	(10)
10,636	10,630
1,063,976,535	1,063,419,475
447,340	557,060
1,064,423,875	1,063,976,535

637,212,260
59.86%

As at 31 March 2012		As at 31 March 2011	
Number of shares	% holding in the Company	Number of shares	% holding in the Company
637,212,260	59.86%	-	-
117,035,000	11.00%	117,035,000	11.00%
-	-	223,385,943	21.00%
-	-	188,450,063	17.71%
-	-	169,693,575	15.95%

As at 31 March 2012	As at 31 March 2011
153,140	152,823
222	317
153,362	153,140
1,849	16,959
-	15,110
1,849	1,849
(161,919)	(142,720)
(13,314)	(19,199)
(175,233)	(161,919)
(20,022)	(6,930)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

5. Long-term borrowings

Secured loans:

From banks

Term loans

Buyer's credits

Vehicle loans *

From other parties

Vehicle loans

Less: amount disclosed under the head other current liabilities (refer to note 10)

* ₹ 46,531 as on 31 March 2012

As at 31 March 2012
Non current
16,192
85,741
0
2
101,935
-
101,935

As at 31 March 2011
Non current
23,919
40,926
3
5
64,853
-
64,853

As at 31 March 2012
Current maturities
7,727
10,861
2
3
18,593
18,593
-

As at 31 March 2011
Current maturities
29,238
13,528
4
7
42,777
42,777
-

Footnotes:

Nature of security

a) Term loans

i) Term loans of ₹ 22,669 lacs (previous year ₹ 25,907 lacs) is under syndicate Rupee Loan Facility and is secured by the creation of a first ranking charge by way of mortgage in favor of a security trustee over all the immovable assets, present and future, a charge by way of hypothecation over (i) all the moveable assets, present and future; (ii) the balances lying in and to the credit of certain accounts and the proceeds of any investments made out of the said balances; and (iii) all the rights, title and interest in various contracts, authorizations, approvals and licenses, including the DTH license (to the extent that it is capable of being charged or assigned) and insurance policies. Further an amount equal to three months payment of principal and interest on the outstanding facility is guaranteed by Zee Entertainment Enterprises Limited, a related party (refer to note 36 d).

ii) Term loan from a bank of ₹ 1,250 lacs (previous year ₹ 6,250 lacs) is secured by subservient charge on all assets (both present and future). Further unconditional and irrevocable Corporate Guarantee of Zee Entertainment Enterprises Limited, a related party (refer to note 36 d).

iii) Term loan of nil (previous year ₹ 21,000 lacs) 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 Rama Associates Limited and Essel Infra Projects Limited, related parties [refer to note 36 d].

b) Buyer's credits

i) Buyer's credit of ₹ 33,280 lacs (previous year ₹ 7,629 lacs) is secured by pari passu first charge on the movable and immovable fixed assets and current assets of the Company. Further, a corporate guarantee is given by Dhaka Warriors Sports Private Limited in respect of this loan.

ii) Buyer's credit of ₹ 20,033 lacs (previous year ₹ 16,994 lacs) is secured by first ranking pari passu charge on all present and future tangible movable/ immovable and 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.

iii) Buyer's credit of ₹ 36,857 lacs (previous year ₹ 10,689 lacs) is secured by first pari passu charge on all present and future moveable and immovable assets, including but not limited to inventory of set-top-boxes and accessories etc., book debts, operating cash flows, receivables, commissions, revenue of whatever nature and wherever arising, present and future, and on all intangibles assets including but not limited to goodwill and uncalled capital, present and future, of the Company. Further, a corporate guarantee is given by Churu Trading Company Private Limited and Jayneer Capital Private Limited and a personal guarantee by key managerial personnel in respect of this loan.

iv) Buyer's credit of ₹ nil (previous year ₹ 7,578 lacs) is secured by first charge on current assets, movable properties, receivables and equipment that ranks pari passu with the charge of certain other lenders, both present and future. Further, a corporate guarantee is given by Zee Entertainment Enterprises Limited in respect of these loans, under which, a default by the Company would give ICICI the right to accelerate the loan, Zee Entertainment Enterprises Limited has covenanted that it will not provide any guarantee for repayment of any facility in excess of ₹ 20,000 lacs.

v) Buyer's credit of ₹ 6,432 lacs (previous year ₹ 11,564 lacs) is secured by an exclusive charge on Consumer Premises Equipment (CPE) imported under this facility, a charge on Reserves Account, which shall have minimum balance equal to Minimum Reserve Amount, the assignment of insurance policies pertaining to the CPE charged, if any, and completion support undertaking from Zee Entertainment Enterprises Limited [refer to note 36 d].

c) Vehicle loan

Vehicle loans from banks and others are secured by way of hypothecation of vehicles.

d) The Company did not have any continuing defaults as on the balance sheet date in repayment of loans and interests.

Terms of repayment

Repayable in quarterly installments

- Loan amounting to ₹ 3,351 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 3.25% p.a.
- Loan amounting to ₹ 6,563 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 2.25% p.a.
- Loan amounting to ₹ 8,380 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 1.75% p.a.
- Loan amounting to ₹ 4,375 lacs as on reporting date is payable in 14 quarterly installments alongwith monthly interest at bank rate plus 0.50% plus 1.80% p.a.

Loan amounting to ₹ 1250 lacs as on reporting date is payable in one quarterly installment alongwith monthly interest at Prime Lending Rate (PLR) minus 4.5% p.a.

The loan has been repaid during the year.

Buyer's credit comprises of several loan transactions ranging between 2 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between November' 2014 (being farthest) and September' 2013 (being closest). Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 135 bps to Libor plus 240 bps

Buyer's credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates falling between April' 2014 (being farthest) and June' 2013 (being closest). Interest on all Buyer's Credit is payable in half yearly installments at Libor plus 200 bps

Buyer's Credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Each transaction is repayable in full on maturity dates, falling between October' 2014 (being farthest) and November' 2012 (being closest). Interest on all Buyer's Credit is payable in half yearly installments ranging from Libor plus 185 bps to Libor plus 350 bps

Buyer's credit has been repaid during the year.

Buyer's credit comprises of several loan transactions ranging between 2.5 to 3 years of maturities. Whole amount is repayable in the period by June' 2012.

Interest on all Buyer's Credit is payable in half yearly installments and is based on six months Libor plus 2% p.a.

i) Balance aggregating ₹ 2.20 lacs as at reporting date is repayable in 15 equated monthly installments

ii) Balance aggregating ₹ 0.48 lac as at reporting date is repayable in 4 equated monthly installments

iii) Balance aggregating ₹ 4.84 lacs as at reporting date is repayable in 19 equated monthly installments

iv) Balance aggregating ₹ 0.27 lac as at reporting date is repayable in 3 equated monthly installments

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

6. Other long-term liabilities

Others:
Income received in advances
Money received against partly paid up shares

Less: amount disclosed under the head other current liabilities (refer to note 10)

As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Non current	Non current	Current	Current
17,702	20,338	30,148	38,527
282	289	-	-
17,984	20,627	30,148	38,527
-	-	30,148	38,527
17,984	20,627	-	-

7. Long-term provisions

Provision for employee benefits (refer to note 34)
- Gratuity
- Vacation pay

Less: amount disclosed under the head short-term provisions (refer to note 11)

As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
Non current	Non current	Current	Current
654	484	6	23
398	357	11	19
1,052	841	17	42
-	-	17	42
1,052	841	-	-

8. Short-term borrowings

Secured loans
Loans repayable on demand
- Cash credit from banks
Other loans
- Short term loans from bank
Unsecured loans
Loan from a related party (refer to note 36 c), repayable on demand

As at 31 March 2012	As at 31 March 2011
2,000	-
5,000	-
12,500	-
19,500	-

Footnotes:

a) Nature of security

i) Cash credit from banks is secured by pari passu first charge on the movable and immovable fixed assets and current assets of the Company.

ii) Short-term loans from bank are 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.

b) The Company did not have any defaults as on the balance sheet date in repayment of loans and interests.

Terms of repayments

Payable on demand

Payable on maturity along with interest at the rate of 12.50% pa.

9. Trade payables

Sundry creditors
- Others

As at 31 March 2012	As at 31 March 2011
7,947	24,973
7,947	24,973

10. Other current liabilities

Current maturities of long-term borrowings (refer to note 5)
Interest accrued but not due on borrowings
Income received in advance (refer to note 6)
Other payables

- Statutory dues
- Accrued loss on forward contracts
- Advances/ deposits received
- Book overdraft
- Commission accrued
- Employees' reimbursements
- Creditors for fixed assets
- Other creditors

As at 31 March 2012	As at 31 March 2011
18,593	42,777
703	392
30,148	38,527
-	-
2,343	5,309
-	518
6,950	7,663
2,209	999
1,408	1,974
192	318
8,083	22,486
4,803	4,338
75,432	125,301

11. Short-term provisions

Provision for employee benefits (refer to note 34)
- Gratuity
- Vacation pay
Other provisions
- Regulatory dues (refer to note 38)

As at 31 March 2012	As at 31 March 2011
6	23
11	19
48,917	31,974
48,934	32,016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

12.1 . Fixed Assets - Tangible assets As at 31 March 2012

Particulars	Gross block				Depreciation/amortisation				Net block	
	As at 31 March 2011	Additions	Sale/adjustment	As at 31 March 2012	Up to 31 March 2011	For the year	Sale/adjustment	Up to 31 March 2012	As at 31 March 2012	As at 31 March 2011
Plant and machinery	13,300	627	-	13,927	5,402	1,519	-	6,921	7,006	7,898
Consumer premises equipment (refer to note 37 b)	224,395	56,533	11,752	269,176	93,438	49,409	7,344	135,503	133,673	130,957
Computers	1,220	202	481	941	668	139	318	489	452	552
Office equipments	499	39	328	210	86	13	55	44	165	413
Furniture and fixtures	315	7	111	211	69	16	35	50	161	246
Vehicles	296	(0)	46	250	85	27	6	106	144	211
Leasehold improvements	433	1	387	47	182	9	145	46	1	251
Total tangible assets	240,458	57,409	13,105	284,762	99,930	51,132	7,903	143,159	141,602	140,528

As at 31 March 2011

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
Plant and machinery	14,238	3,885	4,823	13,300	4,589	1,312	499	5,402	7,898	9,649
Consumer premises equipment (refer to note 37 b)	158,207	74,402	8,214	224,395	61,997	36,853	5,412	93,438	130,957	96,210
Computers	1,049	189	18	1,220	515	170	17	668	552	534
Office equipments	478	50	29	499	72	25	11	86	413	406
Furniture and fixtures	200	122	7	315	52	20	3	69	246	148
Vehicles	264	88	56	296	81	28	24	85	211	183
Leasehold improvements	465	-	32	433	161	53	32	182	251	304
Total	174,901	78,736	13,179	240,458	67,467	38,461	5,998	99,930	140,528	107,434

12.2. Fixed Assets - Intangible assets
As at 31 March 2012

Particulars	Gross block				Amortisation				Net block	
	As at 31 March 2011	Additions	Sale/ adjustments	As at 31 March 2012	Up to 31 March 2011	For the year	Sale/ adjustment	Up to 31 March 2012	As at 31 March 2012	As at 31 March 2011
Goodwill	6,837	-	2,325	4,512	3,835	677	-	4,512	-	3,002
License fees	1,174	-	-	1,174	845	135	-	980	193	329
Software	2,839	89	709	2,219	2,327	241	589	1,979	240	512
Total intangible assets	10,850	89	3,034	7,905	7,007	1,053	589	7,471	433	3,843

As at 31 March 2011

Particulars	Gross block				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
Goodwill	4,512	2,325	-	6,837	2,933	902	-	3,835	3,002	1,579
License fees	1,174	-	-	1,174	710	135	-	845	329	464
Software*	2,855	4	20	2,839	1,870	457	0	2,327	512	985
Total intangible assets	8,541	2,329	20	10,850	5,513	1,494	0	7,007	3,843	3,028

Footnotes:

i) Additions/ adjustments to gross block of consumer premises equipment (CPE) and plant and machinery and computers include loss on account of foreign exchange fluctuations amounting to ₹ 2,057 lacs (previous year deletion of ₹ 845 lacs as gain), ₹ 44 lacs (previous year deletion of ₹ 2 lacs as gain) and nil (previous year deletion of ₹ 9 lacs as gain) respectively.

* ₹ 36,672 for the year 2010-11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

19. Short-term loans and advances

(Unsecured and considered good, unless otherwise stated)

Considered good

Loans and advances to related parties (refer to note 36 c)
Others
- Prepaid expenses
- Advances to vendors, distributors etc.
- Advance tax [net of provision ₹ 70 lacs (previous year ₹ 70 lacs)]
- Customs duty, service tax and sales tax
- Deposits

Considered doubtful

Other loans and advances
Advances to vendors, distributors etc.
Provision for doubtful advances

As at 31 March 2012
8,703
568
3,364
1,529
6,615
531
21,310
-
-
21,310

As at 31 March 2011
4,693
1,040
2,614
2,554
10,448
2,130
23,479
58
(58)
23,479

20. Other current assets

Income accrued but not due on fixed deposits
Insurance claim receivable
Unamortised premium on forward contracts
Accrued gains on forward contracts

As at 31 March 2012
28
15
5
780
828
For the year ended 31 March 2012

As at 31 March 2011
190
23
88
-
301
For the year ended 31 March 2011

21. Revenue from operations

Income from DTH subscribers :
-Subscription revenue
-Lease rentals
Teleport services
Bandwidth charges
Sales of customer premises equipment (CPE) and accessories
Advertisement income
Other operating income
Call Center Charges
Middleware Charges

166,389
22,057
1,397
3,967
354
1,594
24
2
9
195,793

119,270
19,853
1,072
2,559
335
542
24
11
-
143,666

22. Other income

Interest income from:
- fixed deposits/ margin accounts
- others
Foreign exchange fluctuation
Profit on redemption of units of mutual funds (non trade, current)
Profit on sale of subsidiary (refer to note 31)
Liabilities written back
Miscellaneous income

For the year ended 31 March 2012
3,047
427
-
75
3,225
201
96
7,071

For the year ended 31 March 2011
2,418
6,168
731
357
1,849
358
381
12,262

23. Changes in inventory of stock-in-trade

Opening stock
Less: Closing stock

For the year ended 31 March 2012
444
688
(244)

For the year ended 31 March 2011
278
444
(166)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

24 . Operating expenses

Transponder lease
License fees
Uplinking charges
Programming and other costs (refer to note 44)
Entertainment tax
Telephone and fax charges-call center

For the year ended 31 March 2012
11,358
20,025
703
60,658
6,793
178
99,715

For the year ended 31 March 2011
6,172
14,990
554
50,355
5,184
1,128
78,383

25 . Employee benefits expenses

Salary, bonus and allowances
Contribution to provident and other funds
Staff welfare
Recruitment and training expenses

For the year ended 31 March 2012
6,888
433
82
78
7,481

For the year ended 31 March 2011
6,976
455
96
82
7,609

26 . Selling and distribution expenses

Advertisement and publicity expenses
Business promotion expenses
Commission
Customer support services

For the year ended 31 March 2012
7,967
354
15,082
5,048
28,451

For the year ended 31 March 2011
7,823
603
15,903
1,389
25,718

27 . Finance costs

Interest on:
-Term loans
-Buyer's credits
-Interest on deferred payments
-Others
Foreign exchange fluctuation (net)
Other borrowing costs

For the year ended 31 March 2012
5,857
2,078
-
2,984
5,102
1,778
17,799

For the year ended 31 March 2011
8,181
655
1,447
2,738
-
2,318
15,339

28 . Other expenses

Electricity charges
Rent
Repairs and maintenance
- Plant and machinery
- Building
- Others
Insurance
Rates and taxes
Vehicle running
Legal and professional fees
Director's sitting fees
Printing and stationary
Communication expenses
Travelling and conveyance
Service and hire charges
Freight, cartage and demurrage
Bad debts and balances written off
Provision for doubtful debts
Loss on sale/ discard of fixed assets
Loss on sale/ discard of capital work in progress
Miscellaneous expenses

For the year ended 31 March 2012
378
550
210
45
186
39
44
12
1,382
11
512
655
920
408
801
163
41
333
2,823
541
10,054

For the year ended 31 March 2011
357
521
101
18
206
16
53
10
1,122
12
613
660
980
295
1,173
4
-
1,726
-
59
7,926

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

29. 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 financial year 2009-10. ISMSL was 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.
- iii) The above Scheme had 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 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 was directly adjusted in the General Reserve as under:

Particulars	Amount
Fixed assets	4,324
Investments in ASSL	9,440
Advances including share application money in ASSL	3,671
Investments in ACL	1,247
Other loans and advances	12,084
Total assets	30,766
Less: liabilities	
Provision for doubtful advances	12,084
Provision for diminution in the value of investment in ACL	1,247
Security deposits received	2,315
Total liabilities	15,646
Book value of net assets transferred	15,120
Consideration received by way of equity shares in ISMSL	10
Excess of book value of net assets over the consideration received, adjusted in General Reserve	15,110

- v) The non-DTH business, transferred as above and which was excluded from the financial statements of the Company after 31 March 2010, did not have any operations during the previous year.
- vi) While the Group followed the accounting treatment prescribed in the Scheme, duly approved by the Hon'ble High Court of Delhi, it 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 Statement of Profit and Loss of the financial year 2009-10 and, accordingly, loss for that year and the debit balance in the Consolidated Statement of Profit and Loss as at 31 March 2010 would have been higher by ₹ 17,435 Lacs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

The aforesaid loss on impairment of fixed assets was not recognised in the previous year also as a prior year item. Instead, during the previous year, on implementation of the Scheme, the Group had adjusted ₹ 15,110 Lacs directly against the General Reserve in the consolidated financial statements in accordance with the accounting treatment approved in the Scheme and recognized a goodwill of ₹ 2,325 Lacs.

vii) The above goodwill represented 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 in previous year did not have any future economic benefits. However, the Group had not recognised any impairment loss in the consolidated financial statements in the previous year. During current year the group has sold its investment in ISMSL on 31 May 2011 along with goodwill accounted in previous year.

30. During the year upon inter-se transfer of shares between the Promoters, with effect from 26 December 2011 the Company has become a subsidiary of Dhaka Warriors Sports Private Limited.

31. Profit on sale of subsidiary

As stated in note 2(c)(iii) above, the group has disposed off investment in ISMSL on 31 May 2011 for a sale consideration of ₹ 108 Lacs. The net liabilities of ISMSL amounting to ₹ 3,117 lacs, along with sale consideration of ₹ 108 lacs has been recognised as 'Profit on sale of subsidiary' in the Consolidated Statement of Profit and Loss.

Further, as stated in note 2(c)(iii) above, during previous year ISMSL had disposed off the investment in ACL on 31 March 2011. The net liabilities of ACL amounting to ₹ 1,849 Lacs as on the date of transfer, along with sale consideration of ₹ 0.01 Lacs, has been recognised as 'Profit on sale of subsidiary' in the Consolidated Statement of Profit and Loss.

32. Depreciation expense for the current year includes ₹ 28 Lacs (previous year ₹ 1,261 Lacs) {including prior period depreciation amounting to ₹ Nil (previous year ₹ 919 Lacs)} 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 41).

33. 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

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 Statement of Profit and Loss.

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Options outstanding at the beginning of the year	2,293,220	2,054,300
Add: Options granted	125,000	1,038,300
Less: Exercised	447,340	557,060
Less: Lapsed	191,700	242,320
Options outstanding at the end of the year	1,779,180	2,293,220

The following table summarizes information on the share options outstanding as of 31 March 2012

Particulars	Date of grant	Number of shares remaining out of options	Remaining contrac- tual life	Exercise price
Lot 1	21 August 2007	364,350	5.39	37.55*
Lot 2	24 April 2008	-	-	-
Lot 3	28 August 2008	27,000	6.41	37.55*
Lot 4	28 May 2009	302,030	7.16	47.65
Lot 5	27 October 2009	133,480	7.58	41.45
Lot 6	26 October 2010	131,720	8.57	57.90
Lot 7	21 January 2011	695,600	8.81	58.95
Lot 8	20 July 2011	125,000	9.30	93.20
Options outstanding at the end of the year		1,779,180	7.72#	53.34#

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 contrac- tual 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 the of year		2,293,220	8.35#	48.99#

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

34. Disclosure pursuant to Accounting Standard 15 on “Employee Benefits”

Defined contribution plans

An amount of ₹ 367 Lacs (previous year ₹ 314 Lacs) and ₹ 16 Lacs (previous year ₹ 52 Lacs) 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 Statement of Profit and Loss.

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 Statement of Profit and Loss:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Changes in present value of obligation		
Present value of obligation as at the beginning of the year	426	351
Interest cost	36	28
Current service cost	191	175
Benefits paid	(9)	(6)
Actuarial gain on obligation	16	(42)
Present value of obligation as at end of the year	660	506
Short term	6	23
Long term	654	483
	660	506

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Expenses recognized in the Consolidated Statement of Profit and Loss		
Current service cost	191	175
Interest cost on benefit obligation	36	28
Net actuarial gain recognised in the year	16	(42)
Expenses recognised in the Consolidated Statement of Profit and Loss	243	161

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

Particulars	As at 31 March 2012	As at 31 March 2011
Discount rate	8.50%	8%
Salary escalation rate (per annum)	11.00%	10%
Withdrawal rates		
Age- Upto 30 years	13%	13%
31-44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	LIC (1994 - 96)	LIC (1994 - 96) duly modified

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

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.

35. 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.

36. Related party disclosures

a) 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	ASC Telecommunication Private Limited (formerly ASC Telecommunication Limited) Asia Today Limited Asia TV USA Limited Churu Trading Company Private Limited Cyquator Media Services Private Limited Dakshin Media Gamming Solutions Private Limited Diligent Media Corporation Limited E-City Property Management & Services Private Limited Essel Agro Private Limited Essel Corporate Resources Private Limited Essel Infraprojects Limited Essel International Limited Indian Cable Net Company Limited Interactive Finance and Trading Services Private Limited Intrex India Limited ITZ Cash Card Limited Media Pro Enterprise India Private Limited PAN India Network Infravest Private Limited PAN India Network 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 ZEE Telefilms Middle East Fz LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

b) Transactions with related parties

Particular	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
(i) With key management personnel	83		81	
Managerial remuneration		83		81
(ii) With other related parties:				
Sales and services (net of taxes)	1,540		1,191	
Zee Entertainment Enterprises Limited		705		436
Zee News Limited		463		443
Asia Today Limited		126		130
Wire and Wireless (India) Limited		64		16
Zee Aakash News Private Limited		172		149
Other related parties		20		17
Purchase of goods and services	31,300		17,580	
Media Pro Enterprise India Private Limited		12,921		
Zee Turner Limited		2,400		9,055
Zee Entertainment Enterprises Limited		4,529		4,259
ITZ Cash Card Limited		1,573		1,511
Taj Television India Private Limited		4,070		1,905
Cyquator Media Services Private Limited		4,875		-
Other related parties		932		851
Rent paid	327		289	
Zee Entertainment Enterprises Limited		287		253
Rama Associates Limited		32		28
Other related parties		8		8
Interest paid	4		1,447	
Essel International Limited		4		1,447
Interest received	178		701	
Essel Agro Private Limited		-		596
ASC Telecommunication Private Limited		133		105
Cyquator Media Services Private Limited		45		-
Purchase of fixed assets	-		1,478	
Essel International Limited		-		1,431
Other related parties		-		47

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

Particular	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
Reimbursement of expenses paid	351		276	
Zee Entertainment Enterprises Limited		335		224
ITZ Cash Card Limited		-		43
Other related parties		16		9
Reimbursement of expenses received	3		10	
Wire and Wireless (India) Limited		1		3
Zee Entertainment Enterprises Limited		1		7
Zee News Limited		1		-
Short-term borrowings	12,500		-	
Essel International Limited		12,500		-
Repayment of Short-term borrowings	-		5	
ASC Telecommunication Limited		-		5
Loans and advances given	1,442		708	
ITZ Cash Card Limited		707		500
Cyquator Media Services Private Limited		610		-
Essel Agro Private Limited		101		-
Other related parties		24		208
Refunds received against loans, advances and deposits given	7,324		10,961	
Essel Agro Private Limited		-		8,756
Cyquator Media Services Private Limited		6,489		-
ITZ Cash Card Limited		821		1,990
Other related parties		14		215
Amount written off	18		2	
PAN India Network Limited		17		-
Dakshin Media Gaming Solutions Private Limited		1		-
Other related parties		-		2
Sale of investment in subsidiary	108		-	
Essel Corporate Resources Private Limited		108		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

c) **Balance at year end:**

Particular	For the year ended 31 March 2012		For the year ended 31 March 2011	
	Total Amount	Amount for major parties	Total Amount	Amount for major parties
With other related parties:				
Loans and advances given	8,703		4,693	
Essel Agro Private Limited		2,302		2,200
ITZ Cash Card Limited		523		579
ASC Telecommunication Private Limited		1,995		1,876
Cyquator Media Services Private Limited		3,882		21
Other related parties		1		17
Short-term borrowings	12,500		2,315	
Wire and Wireless (India) Limited		-		2,315
Other related parties		12,500		-
Trade payables	4,930		14,348	
Zee Entertainment Enterprises Limited		955		1,412
Zee Turner Limited		1,758		12,693
Media Pro Enterprise India Private Limited		1,780		-
Other related parties		437		243
Trade receivables	685		1,270	
Asia Today Limited		96		277
Zee News Limited		200		337
Zee Entertainment Enterprises Limited		44		165
Wire and Wireless (India) Limited		197		142
Dakshin Media Gaming Solution Private Limited		148		270
Other related parties		-		79

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

- As at 31 March 2012, personnel guarantees by key managerial personnel amounting to ₹ 30,000 Lacs (previous year 30,000 Lacs) and corporate guarantee by Churu Trading Company Private Limited amounting to ₹ 30,000 Lacs (previous year 30,000 Lacs) are outstanding as at the year end.
- As at 31 March 2012, corporate guarantee by Dhaka Warriors Sports Private Limited amounting to ₹ 20,000 Lacs (Previous year ₹ 20,000 Lacs from Churu Trading Company Private Limited). During the year corporate guarantee of ₹ 20,000 Lacs were released and transferred from Churu Trading Company Private Limited to Essel Corporate Resources Private Limited which was later transferred to Cyquator Media Services Private Limited and finally to Dhaka Warriors Sports Private Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

- iii) As at 31 March 2012, corporate guarantee by Zee Entertainment Enterprises Limited amounting to ₹ 13,222 Lacs (previous year ₹ 32,220 Lacs). During the previous year, the guarantee of ₹ 18,998 Lacs (previous year 10,840 Lacs) was released. The remaining guarantee is outstanding as at the year end.
- iv) As at 31 March 2012, corporate guarantee by Essel Infraprojects Limited and Rama Associates Limited amounting to ₹ Nil (previous year ₹ 30,000 Lacs), jointly and severally. During the current year the guarantee was released.
- v) As at 31 March 2012 completion support undertaking from Zee Entertainment Enterprises Limited for the buyer's credit of ₹ 6,432 Lacs (previous year ₹ 11,564 Lacs).

37. 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 2012	For the year ended 31 March 2011
Lease rental charges during the year (net of shared cost)	12,180	7,247
Sub-lease payment received (being shared cost)	669	596

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Within one year	-	118
Later than one year and not later than five years	-	465
Later than five years	-	33

b) Assets given under operating lease:

The Group has leased out assets by way of operating lease and as on 31 March 2012 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 2012	For the year ended 31 March 2011
Gross value of assets	269,176	212,643
Accumulated depreciation	135,502	86,440
Net block	133,674	126,203
Depreciation for the year	49,062	33,688

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 2012	For the year ended 31 March 2011
Lease rentals received during the year	22,057	19,853

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

Particulars	Total future minimum lease rentals receivable as on 31 March 2012	Total future minimum lease rentals receivable as on 31 March 2011
Within one year	13,827	18,155
Later than one year and not later than five years	8,655	14,288
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.

38. 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.

Provision for regulatory dues (including interest)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Opening provision	31,974	17,504
Add: Created during the year	22,637	16,470
Less: Utilised during the year	5,694	2,000
Closing provision	48,917	31,974

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.

39. Earnings per share

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

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Loss for the year attributable to equity shareholders (in ₹ Lacs)	13,314	19,199
Number of shares considered as weighted average shares outstanding for computing basic earnings per share	1,063,307,540	1,062,602,469
Nominal value per share (in ₹)	1	1
Basic and diluted earnings per share (in ₹)	(1.25)	(1.81)

Since the Company had losses during the current year and previous year, the basic and diluted earnings per share are the same.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

40. Deferred tax assets

Components of deferred tax asset:

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Deferred tax assets on account of:		
-Depreciation	15,651	9,180
-Unabsorbed depreciation and tax losses	35,610	43,259
-Liability for leave encashment and retirement benefit provision	347	293
-Disallowance as per section 43B of Income tax Act	5	21
-Demerger expenses as per section 35DD of Income tax Act	38	-
-Provision for doubtful debts and advances	1,467	10
Deferred tax assets	53,118	52,763
Recognised in the accounts	-	-

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

41. Prior period income and expenses

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
A) Income		
Other income	-	311
Miscellaneous Income	-	-
Total income	-	311
B) Expenses		
Interest expense	-	99
Depreciation (also refer to note 31)	-	919
Total expenses	-	1,018
Net income/(expense) (A-B)	-	(707)

42. Foreign currency transactions

- a) In accordance with the Accounting Standard 11 (AS-11) and related notifications the, foreign currency exchange loss of ₹ 2,101 Lacs has been adjusted (previous year foreign currency exchange gain of ₹ 860 Lacs) in the value of fixed assets and ₹154 Lacs (previous year foreign currency exchange gain of Rs 30 Lacs) in the capital work in progress.
- b) i) The Company has outstanding forward contracts of US Dollars 126 Lacs (previous year US Dollar 429 Lacs) at fixed amount of ₹ 5,652 Lacs (₹ 19,660 Lacs) which will be settled at future date. The purposes of this derivative contract are for repayment of loans of US Dollar 126 Lacs.

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 2012			As at 31 March 2011		
	Amount in USD (Lacs)	Amount in SGD (Lacs)	Amount in ₹ (Lacs)	Amount in USD (Lacs)	Amount in SGD (Lacs)	Amount in ₹ (Lacs)
Balances with bank	403	-	20,634	388	-	17,320
Receivables	13	-	687	33	-	1,452
Loans and borrowings	1,763	-	90,171	791	-	35,312
Sundry creditors	98	-*	5,035	235	-	10,157

* SGD 5,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

43. Contingent liabilities and commitments

a) Contingent liabilities

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Claim against the Company not acknowledged as debt	483	483
Income-tax Act, 1961(refer note 43c)	2,652	4,056
Sales Tax and Value Added Tax demands	1,169	1,099
Indian Customs Act, 1962	795	1,494
Finance Act, 1994 (Service tax case)	167	-
Wealth Tax Act, 1957	1	-
Entertainment tax demands (refer note 43d)	1,244	1,182
Legal cases including customers against the Company	Unascertained	Unascertained

b) Commitments

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
Estimated amount of contracts remaining to be executed on capital account	19,343	34,699

c) During the previous year, the Company received a demand notice for income tax and interest thereon aggregating ₹ 4,056 Lacs in relation to an earlier year. During the current year the Company received stay order on demand of ₹ 4,056 Lacs, depositing ₹ 400 Lacs till disposal of appeal or 31 July 2012, whichever is earlier. Further, the assessing authority has reduced the demand to ₹ 2,642 Lacs on the basis of application for rectification filed by the Company. 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

d) The Company has 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

44. During the year, the Company migrated from the fixed fee agreement with ESPN Software India Private Limited (ESS) to a Reference Interconnect Offer (RIO) based agreement for its content fees. Upon refusal by the ESS to migrate, the Company has approached the Telecom Dispute Settlement Appellate Tribunal (TDSAT). The TDSAT, vide its judgement dated 10 April 2012, has allowed the Company to pay the content fees to ESS w.e.f. 1 September 2011 on the basis of RIO rates published by ESS and also allowed the Company a refund of any amount representing the difference between the amount paid by the Company as per the fixed fee agreement and the amount payable under the RIO rates w.e.f. 1 September 2011. Though ESS has filed a special leave petition against the above order before the Supreme Court after the year end, the company in lieu of the order of the TDSAT has exercised its right to claim the above refund of the balance amount and/or adjust the same from the monthly content fee payable to ESS. The content charges aggregative ₹ 1,710 Lacs with respect to the above party have accordingly been adjusted.

45. The financial statements for the year ended 31 March 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of revised schedule VI under the Companies Act, 1956, the financial statements for the year ended 31 March 2012 are prepared as per the revised schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of revised schedule VI for the previous year figures does not impact recognition and measurement principles followed for preparation of financial statements. The following is a summary of significant effects that revised schedule VI has primarily on presentation of Balance Sheet of the Company as at 31 March 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

As per pre-revised schedule VI		As per-revised schedule VI	
Particulars	Amount	Amount	Particulars
Debit balance in profit and loss account (shown under application of funds)	161,919	161,919	Shown under reserves and surplus
Secured loans	107,631	64,853	Shown as long-term borrowing
		42,778	Shown under other current liabilities
Current liabilities			
Sundry creditors (other than micro and small enterprises)	56,733	24,973	Shown as trade payables
		29,116	Shown under other current liabilities
		2,644	Shown under short-term provisions
Book overdraft	999	999	Shown under other current liabilities
Advance revenue/deposits received	66,527	46,189	Shown under other current liabilities
		20,338	Shown under other long-term liabilities
Advance share call money pending adjustment	289	289	Shown under other long-term liabilities
Interest accrued but not due	392	392	Shown under other current liabilities
Other liabilities	5,309	5,309	Shown under other current liabilities
Forward cover payable on derivative	518	518	Shown under other current liabilities
Provisions			
Regulatory dues	29,329	29,329	Shown under short-term provisions
Retirement benefits	882	841	Shown under long-term provisions
		41	Shown under short-term provisions
Wealth Tax	1	1	Shown under other current liabilities
Fixed Assets			
Capital work-in-process including capital advances	45,803	44,209	Shown as capital work-in-progress
		1,594	Shown under long term loans and advances as capital advances
Cash and bank balances			
Fixed deposits/margin accounts	22,244	20,834	Shown under other bank balances
		1,282	Shown under other non-current assets
		128	Shown under cash and cash equivalent

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

(All amounts in ₹ lacs, unless stated otherwise)

As per pre-revised schedule VI		As per-revised schedule VI	
Particulars	Amount	Amount	Particulars
Other current assets	190	190	Shown under other current assets
Loans and advances			
Advances recoverable in cash or in kind or for value to be received	7,002	6,671	Shown under short-term loans and advances
		221	Shown under long-term loans and advances
		111	Shown under other current assets
Balances with customs, excise and sales tax authorities	10,448	10,448	Shown under short-term loans and advances
Advance tax	2,554	2,554	Shown under short-term loans and advances
Loans to body corporate	1,676	1,676	Shown under short-term loans and advances
Deposits with government authorities	1,215	1,107	Shown as long-term loans and advances
Deposits others	2,490	2,130	Shown under short-term loans and advances
		469	Shown as long-term loans and advance
Considered doubtful			
Advances recoverable in cash or in kind or for value to be received	58	58	Shown under loans and advances
Provision for doubtful advances	(58)	(58)	Shown under loans and advances

As Per our report attached

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

For and on behalf of 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
Date: 16 May 2012

Place: Noida
Date: 16 May 2012

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED MARCH 31, 2012

Particulars	Dish TV Singapore Pte. Limited (Amount in ₹ lacs)
Summary Balance Sheet	
Share Capital	0*
Reserves and Surplus (Including debit balance of Profit & Loss Account)	(2)
Total Assets	678
Total Liabilities	680
Investments (excluding Subsidiaries)	-
Summary Profit and Loss Account	
Turnover	-
Profit / (Loss) before tax	(2)
Provision for tax	-
Profit / (Loss) after tax	(2)
Proposed Dividend	-

*Equivalent to ₹ 41/-

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 24th Annual General Meeting of the Company, convened on Thursday, the 9th Day of August, 2012 at NCUI Auditorium, 3 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 at 11.00 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 24th
Annual General Meeting of the Company to be held on Thursday, the 9th Day of August, 2012 at 11:00 A.M. at NCUI Auditorium, 3 Siri
Institutional Area, August Kranti Marg, New Delhi - 110 016 and/or at any adjournment(s) thereof.

Dated this _____ day of _____, 2012

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 the 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.

